



Corporate Jet Investor Conference Dubai 2022

Hotel Fairmont The Palm, Dubai

“The changing UHNWI environment”

Holger Ostheimer

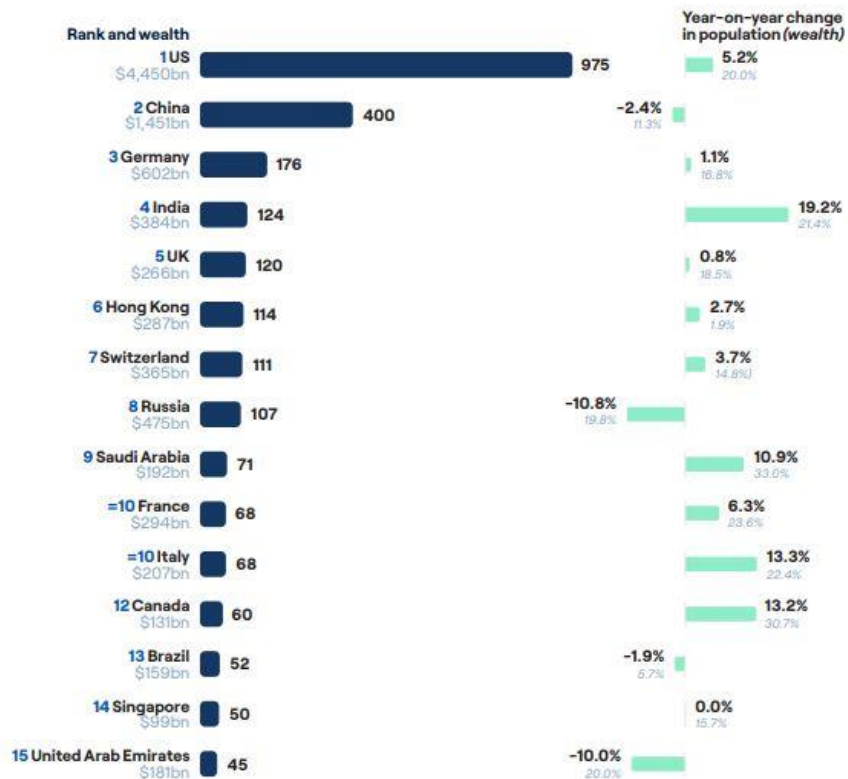
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HOW THE ULTRA HIGH NET WORTH (UHNWI) WORLD SHIFTED DURING THE PANDEMIC 2020/2021

Billionaire population 2021



Middle East

The world's fourth-largest billionaire region saw a concentration of ultra wealth in 2021

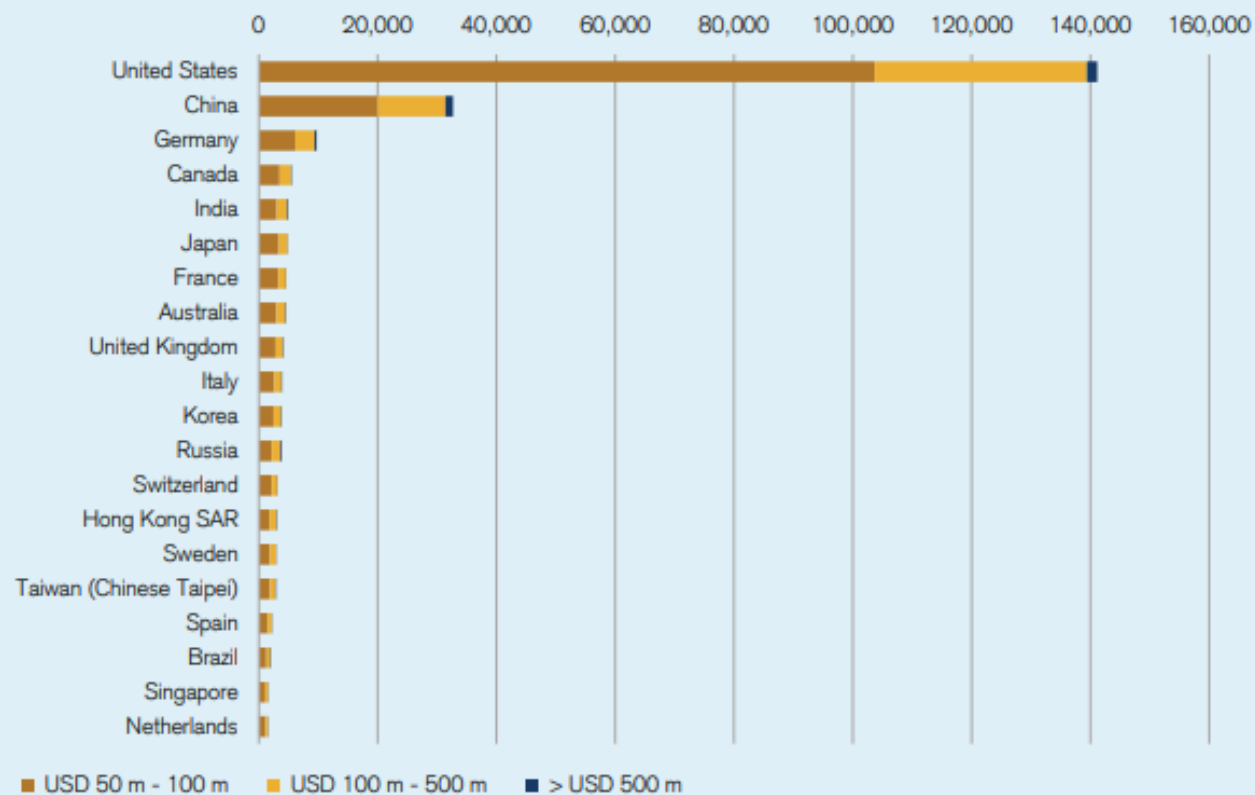
The number of billionaires in the Middle East declined by 12% to 191 individuals.

Cumulative wealth increased by 12.5% to \$519bn.



ULTRA HIGH NETWORTH INDIVIDUALS IN 2021 – TOP 20 COUNTRIES

Figure 6: Ultra-high net worth individuals in 2021, top 20 countries



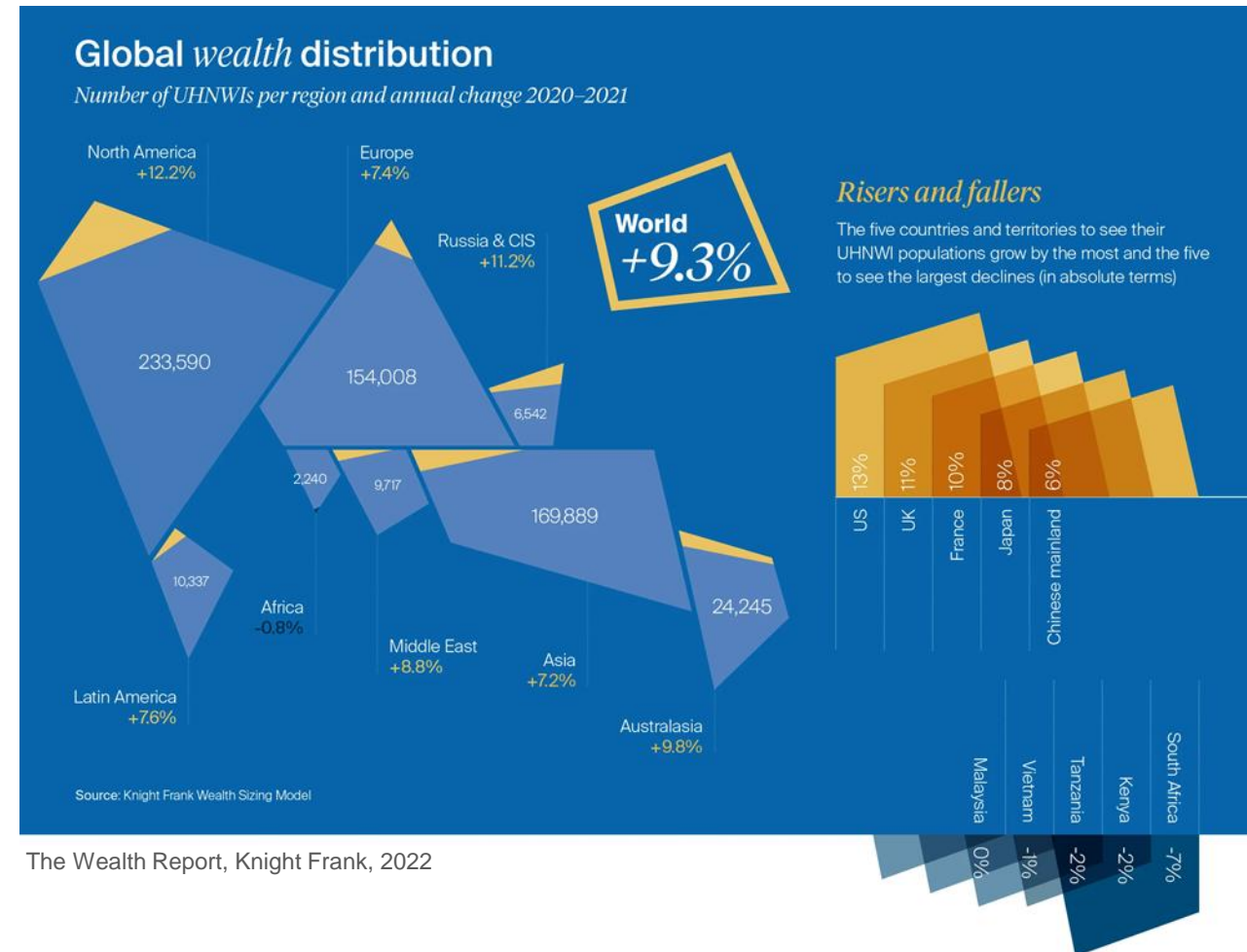
Source: James Davies, Rodrigo Lluberas and Anthony Shorrocks, Credit Suisse Global Wealth Databook 2022



GLOBAL WEALTH DISTRIBUTION (NET ASSET >\$30M)

- A total increase of 9.3% Worldwide in 2021 from 558,828 to 610,569 individuals
- North America being the highest – 12.2% followed by Russia and CIS – 11.2%
- UHNI in Africa dropped by -0.8%

Attitudes Survey: 82% of respondents (wealth advisors and private bankers) said their clients' wealth had increased last year, with more than half describing the rise as "significant" (defined as more than 10%).



The Wealth Report, Knight Frank, 2022



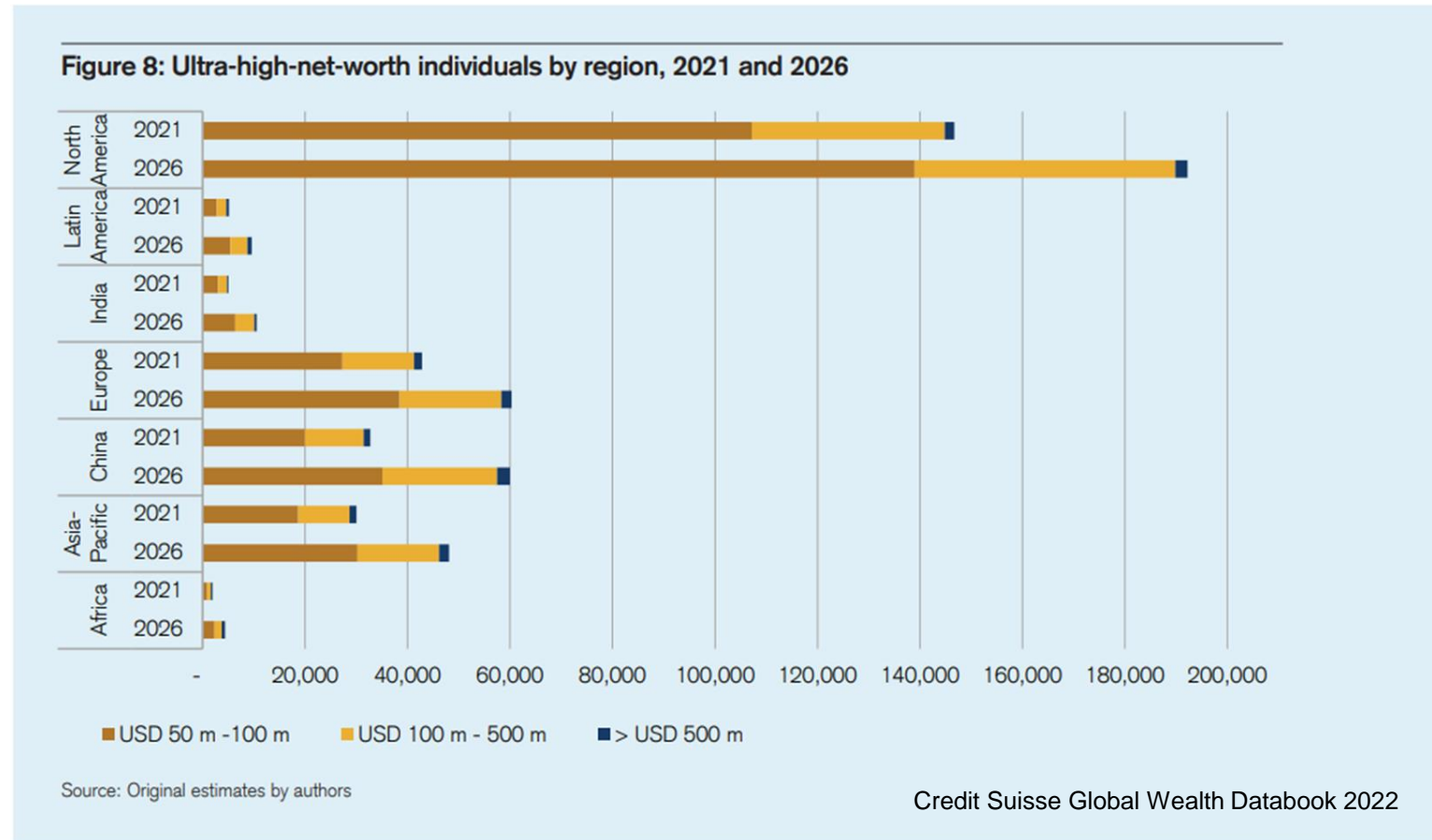
GLOBAL WEALTH DISTRIBUTION

No. of UHNWI's >USD 50 million to reach 385,000 by 2026

More than half of all UHNWIs currently reside in North America

By 2026 the APAC region will host nearly 118,000 - 51% will be from China

By 2026, we foresee China having roughly the same number of UHNWIs (about 60,000) as the whole of Europe.





GLOBAL WEALTH DISTRIBUTION – WEALTH OUTLOOK 2020-25

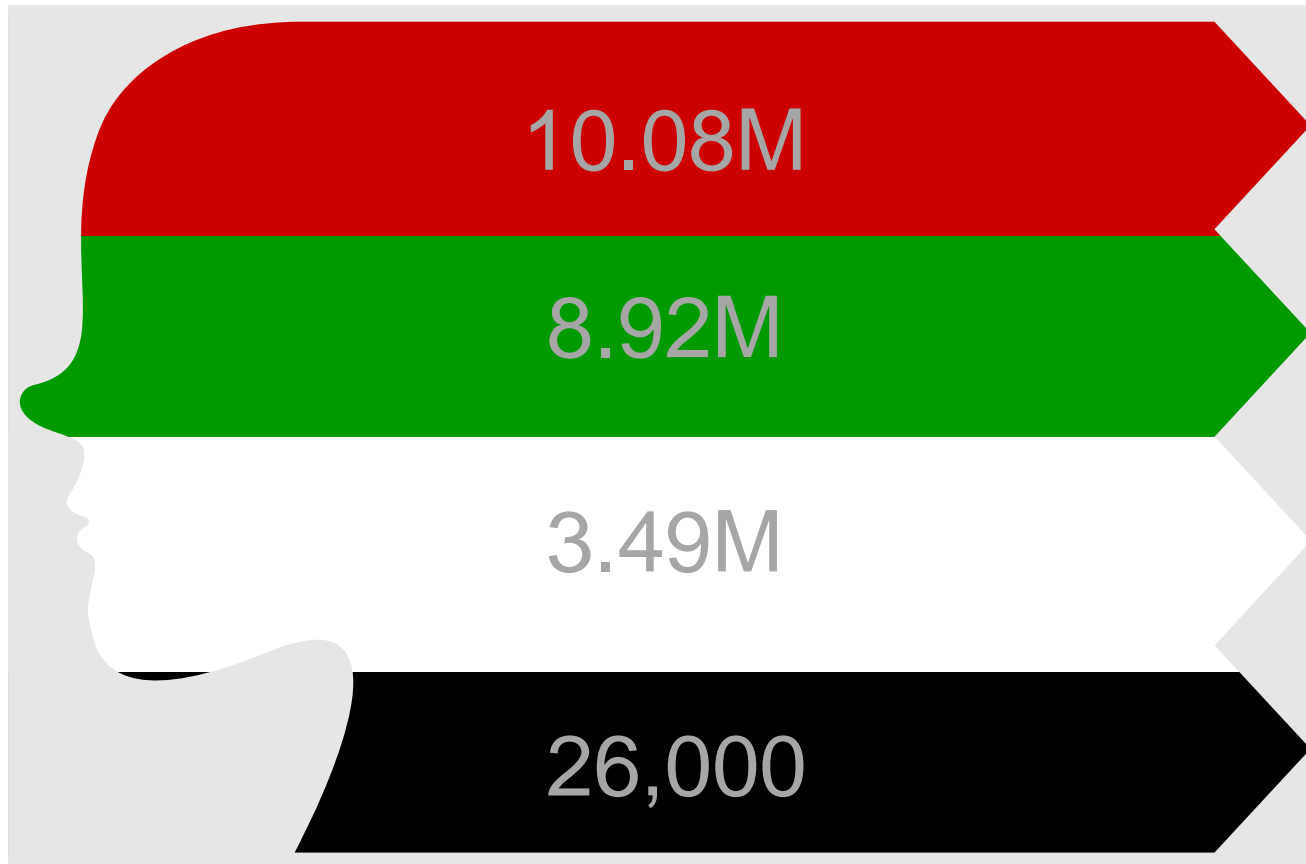
Global wealth is projected to rise by 39% over the next five years, reaching USD 583 trillion by 2025.

Wealth per adult is projected to increase by 31%, passing the mark of USD 100,000. Unadjusted for inflation, the number of millionaires will also grow markedly over the next five years reaching 84 million.

Low and middle-income countries are responsible for 42% of the growth, although they account for just 33% of current wealth.

While the number of UHNWIs should reach 344,000.

Demographics in UAE & EMIRATE OF DUBAI



Population

The Population of UAE in 2022 is 10.08 Million, a 0.90% increase from 2021.

Expatriates

The Total Expat Population of UAE in 2022 is 8.92 Million.

Dubai Population

There are 3.49M people living in Dubai

HNWI & UNHWI

26,000 millionaires & 45 billionaires in the UAE

HNWI & UHNWI POPULATION GROWTH IN THE UAE

According to Henley & Partner the UAE has seen an inflow of 4000 HNWI in 2022

The Henley Global Citizens Report 2022 Q2

The Boston Consulting Group states that 41% of the UAE's wealth is derived from UHNWI's

Boston Consulting Group - Global Wealth 2022: Standing Still is not an option"



HOW HAS THIS CHANGED DEMAND FOR AIRCRAFT OWNERSHIP AND AIRCRAFT CHARTER

Dramatic changes in 2020 due to the pandemic. Private jet usage and demand in particular rose significantly as travel restrictions subsided and international travel resumed.

Morgan Stanley – The 2022 private jet take-offs and landings in the USA were up 40% year-on-year and at their highest point since before the 2008 financial crisis. Private jet activity also 20% higher in Europe.

Crisis recovery cycle - increase in charter bookings, followed by pre-owned acquisitions, until quality preowned aircraft are under supplied resulting in an increase in demand for new aircraft acquisitions.

Presently, an under supply of pre-owned aircraft is causing a spike in demand for new aircraft. However, it typically takes 2 to 3 years to increase manufacturer production levels. Supply chain issues mean OEMs are facing further delays in production.

This lack of supply coupled with higher demand has caused the price of pre-owned aircraft to reach new heights in 2022.

PRE-OWNED TRANSACTIONS - CURRENT MARKET

Fig 1 - Pre-Owned Business Aircraft Transactions YTD (US\$ bn)

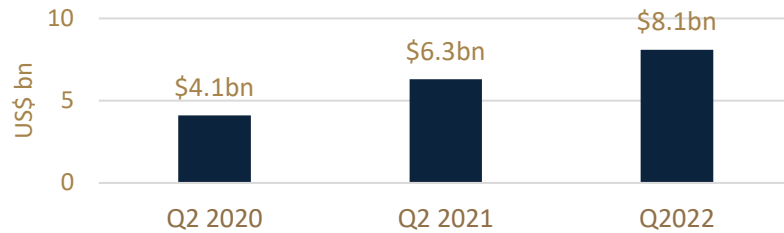


Fig 2 - Pre-Owned Business Aircraft Transactions YTD (Units)

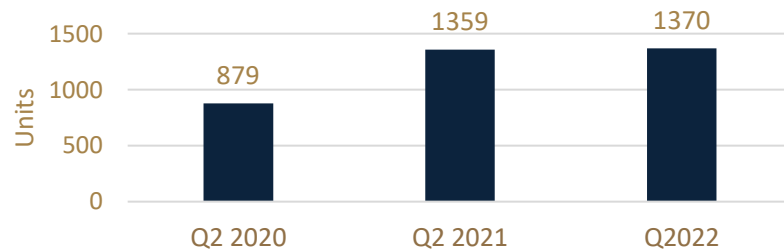


Fig 3 - Back Log of Major OEMs (Bombardier, Gulfstream, Dassault, Cessna, Embraer)

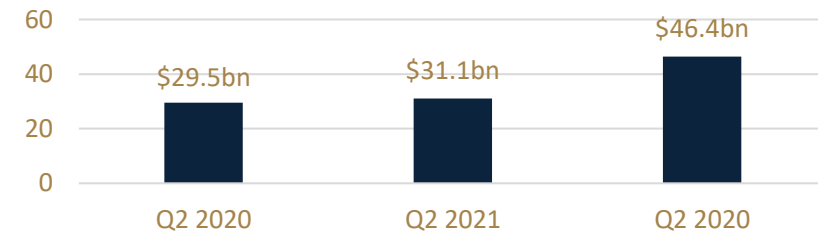
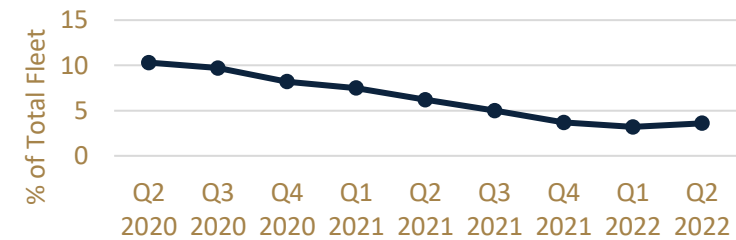


Fig 4 - Business Aircraft for Sale (% of Total Fleet)



With thanks to Global Jet Capital, IC Leasing & Stanton & Partners



HOW HAS THIS CHANGED DEMAND FOR AIRCRAFT OWNERSHIP AND AIRCRAFT CHARTER

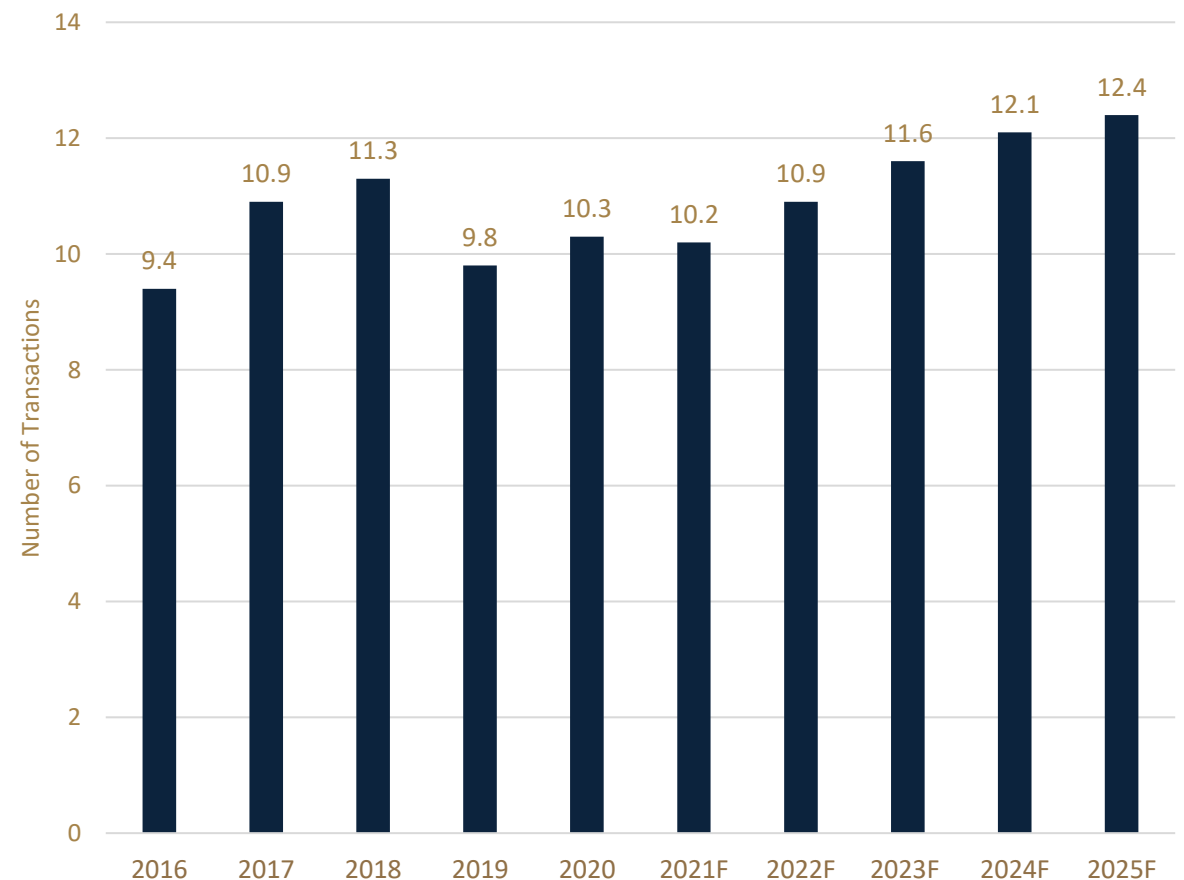
- Latest market data shows that compared to the first half of 2021, pre-owned transactions have increased by over 28% in monetary terms (Fig 1)
- The total number of units sold remained relatively stable in 2022 compared to 2021. (Fig 2)
- Strong demand and lack of supply of quality pre-owned aircraft (Fig 4) caused an increase in aircraft prices.
- The percentage of Business Aircraft for sale compared to total fleet began to even out in 2021 and rose between Q1 and Q2 of 2022 (Fig 4).
- It is forecasted that an increase in pre-owned aircraft listings coupled with an increase in new aircraft production will increase inventory levels.
- OEM backlog remained high, reaching \$46.4bn in Q2 2022 (Fig 3). This has been primarily driven by a lack of pre-owned aircraft, new customers, and increased charter operations.



PRE-OWNED FORECAST A VIEW OF YUNIS MATTAR - IC LEASING

- Pre-owned transactions valued at est. \$12.4bn p.a. by 2025.
- Compound annual growth rate (CAGR) of 4% from 2020 levels to forecasts in 2025.
- Low supply of quality pre-owned aircraft, a high OEM backlog and the expected increase of new customers to the market will all combine to stimulate this growth.
- Low inventory rates projected in 2022, forecasts show that there will be continued upward pressure on both aircraft pricing, leasing options and financing rates (AvBuyer 2022).
- The leasing market is likely to benefit from this undersupply. Users who will not be able to seek their preferred aircraft will be forced to lease a substitute aircraft to use instead.

Fig 5 - Pre-Owned Business Aircraft Transactions (US\$ bn)



Source: Jetcraft 2021



GENERAL AVIATION MANUFACTURERS ASSOCIATION 2022 H2 REPORT

OEM Transactions	2020	2021	2022 HY
ACJ	5	11	4
BBJ	1	2	0
Bombardier	114	120	49
Dassault	34	30	14
Embraer	86	93	29
Gulfstream	127	119	47
Honda	31	37	10
Pilatus	41	45	19
Textron Cessna	132	167	87
All OEM	644	710	
Change	-20.40%	10.20%	
Total Billings (\$M)	17,942.00	18,951.00	
Change	-14.90%	5.60%	

Source: GAMA

CONCLUSION



Individual wealth is increasing globally



Concentration of individual wealth between a relatively smaller population of UHNWI's



Secure client base of aircraft owners & aircraft users



The UAE continues to be attractive as private residence and business seat



Surrounding geopolitical pressure provide influx of foreign wealth



Company Laws – Relaxing foreign ownership restrictions



Visa Regulations - Major changes in residence visa provisions will continue to provide a stimulus for wealthy individuals to choose the UAE and Dubai in particular as their residency of choice



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