



# INSIGHT

STATE OF THE MARKET

Q4 2022

PRE-OWNED BUSINESS JETS

### Market Overview

Active Fleet	14,299	
For Sale/Lease	618	↑
% for Sale	4.3%	↑
Sold Year-to-Date	1,522	
Sold Prior Year	1,872	
Absorption Rate	4.9	↑

### Seller Market Rankings

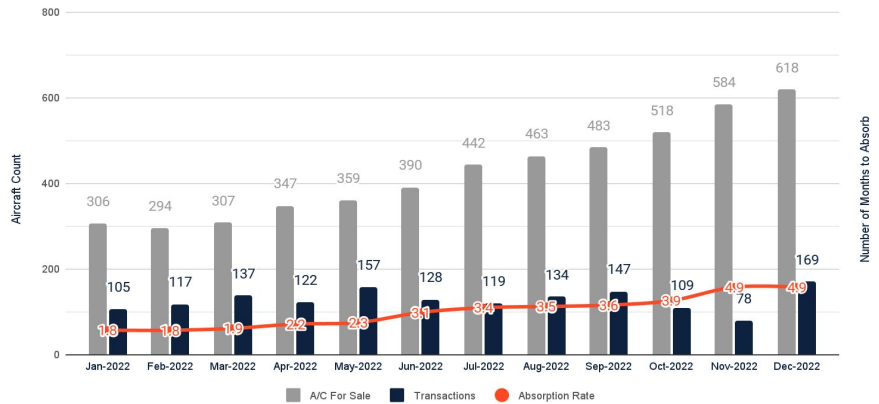
CL 350	1	900EXEASy	31
Mustang	2	Falcon 2000	32
CL 300	3	G200	33
CJ4	4	H900XP	34
Excel	5	Phenom 100	35
XLS+	6	2000EX	36
CJ3	7	Sovereign	37
Phenom 300	8	GL EXP	38
Encore	9	G280	39
7X	10	GV	40
M2	11	Citation X	41
CJ2	12	CJ2+	42
Lear 60	13	GL5000	43
CL605	14	G650ER	44
G550	15	IVSP	45
900LX	16	CJ1	46
CL650	17	CJ3+	47
Legacy 600	18	Premier IA	48
2000LX	19	GL6000	49
2000EXEASy	20	Lear 60XR	50
Lear 45XR	21	Sovereign+	51
Legacy 450	22	900EX	52
XLS	23	G450	53
Latitude	24	H850XP	54
Legacy 650	25	Premier I	55
CL604	26	CJ1+	56
Lear 45	27	G650	57
H800XP	28	Encore+	58
GL XRS	29	G150	59
Lear 75	30	Legacy 500	60

Competitive Market Rank is a measure of each model's market performance in key metrics relative to the average of the top 60 modern business jet markets, and is based on current month market and the last six months of transaction data.

### Market Highlights

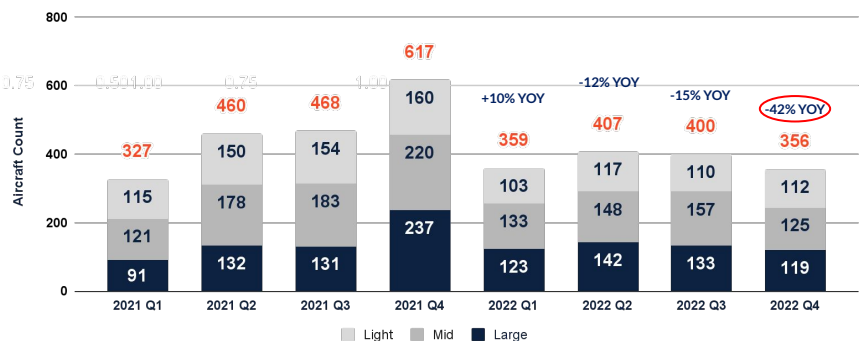
- With supply now at 4.3% of the in-service fleet, the available inventory of modern, pre-owned business jets is more than double the low recorded in February 2022. While still less than half of the supply that is historically considered a balanced market, the increase in inventory is starting to challenge an increasingly fragile supply/demand environment
- Q4 experienced a 42% YOY decrease in transaction volume. More importantly, however, was the first recorded decrease in Q4 volume in comparison with the prior quarter since 2008
- With a correction in values underway, the predominant questions from most in the market are how much do values decline and how quickly do they move before equilibrium is again achieved

### 12-MONTH MARKET TREND

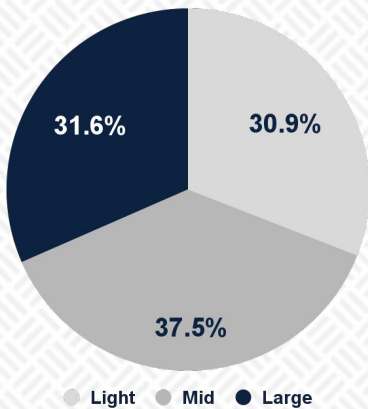


YTD	Inventory	Transactions	Absorption Rate
2021	485	1,872	3.1
2022	618 ↑27%	1,522 ↓19%	4.9 ↑57%

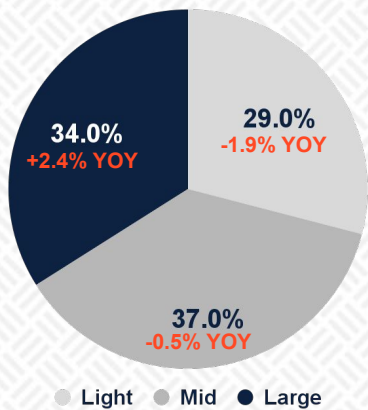
### TRANSACTIONS BY QUARTER AND CABIN CLASS



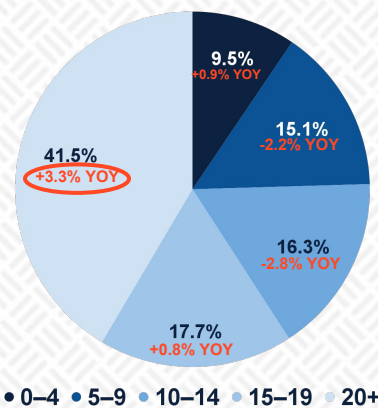
TRANSACTIONS BY CABIN CLASS (2021)



TRANSACTIONS BY CABIN CLASS (2022)



RETAIL SALES BY AIRCRAFT AGE (2022)

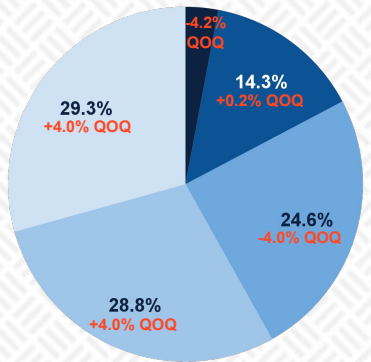


Market Value Trends

- Fleetwide, pre-owned modern jet values decreased by an average of -0.5% in Q4, the first quarter since the start of the pandemic in which average values declined
- Individual fleet value performance continues to become more varied, with 14 of the 27 fleets detailed below recording a reduction in values compared with the prior quarter
- Aircraft values remain up an average of 27.9% YOY, with some of the most popular aircraft models increasing by as much as 80% compared with their pre-pandemic values

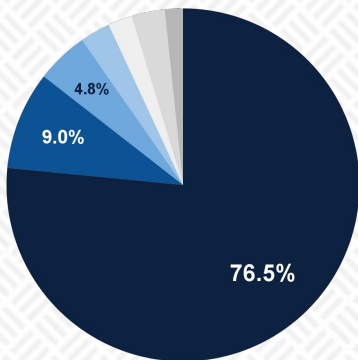
Segment	Market	Change YOY	Change QOQ	Change since Q4 2019
Large	CL605	61.0%	-5.0%	50.4%
Mid	G200	55.9%	-8.5%	51.3%
Large	CL604	45.5%	7.7%	78.3%
Mid	H850XP	45.4%	-4.7%	50.3%
Mid	H900XP	44.6%	0.3%	57.1%
Large	900EX EASy	42.1%	-5.4%	22.4%
Mid	XLS+	39.3%	3.3%	51.8%
Mid	Sovereign	34.5%	-6.6%	39.6%
Large	2000EX EASy	33.9%	2.3%	32.5%
Mid	Excel	33.8%	0.6%	63.5%
Light	CJ3+	32.1%	6.0%	44.0%
Light	Phenom 300	28.9%	1.5%	35.6%
Mid	CL300	28.4%	-0.7%	51.5%
Mid	XLS	24.6%	-9.5%	45.4%
Light	CJ3	24.3%	3.6%	60.0%
Large	CL650	23.5%	-1.7%	23.5%
Large	G450	20.7%	4.4%	10.6%
Large	Global 6000	19.3%	-7.2%	4.3%
Light	M2	16.7%	7.6%	27.9%
Mid	G280	15.9%	6.0%	14.7%
Light	CJ4	15.5%	-1.5%	47.8%
Large	Global 5000	15.0%	-1.3%	-1.2%
Mid	Latitude	13.9%	6.2%	30.6%
Large	7X	12.3%	-7.6%	3.8%
Large	G550	11.6%	-2.4%	3.8%
Mid	CL350	9.4%	1.8%	29.7%
Large	G650/ER	4.3%	-3.0%	-2.8%
<b>Total</b>		<b>27.9%</b>	<b>-0.5%</b>	<b>31.4%</b>

CURRENT MARKET BY AIRCRAFT AGE



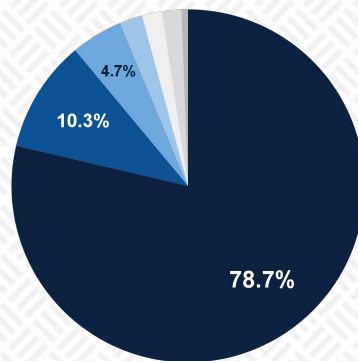
● 0-4 ● 5-9 ● 10-14 ● 15-19 ● 20+

TRANSACTIONS BY BUYER REGION (2022)



● N. America ● W. Europe ● S./C. America ● Asia  
● Mid. East/Africa ● E. Europe/W. Asia ● Australia/Oceania

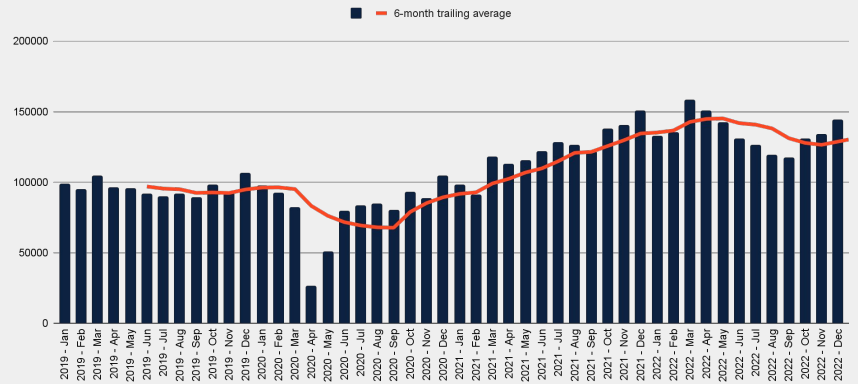
TRANSACTIONS BY SELLER REGION (2022)



● N. America ● W. Europe ● S./C. America ● Asia  
● Mid. East/Africa ● E. Europe/W. Asia ● Australia/Oceania

### Charter Flight Volume

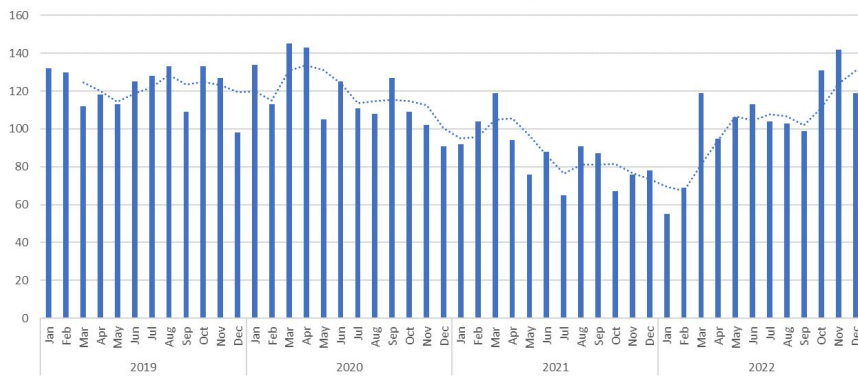
Charter and Branded Charter Flight Hours by Month



- After a two-year-plus period of exponential growth that helped fuel aircraft values to new highs, charter flight volume declined in Q2 and Q3 of 2022 before experiencing a modest Q4 rebound
- Charter demand will be watched closely this quarter given its close correlation to the value of older aircraft. If charter demand wanes, it is very likely the bifurcation in the markets that existed pre-COVID will reoccur, in which older aircraft that are currently popular with operators will be susceptible to dramatic decreases in popularity, and as a result, in their respective values

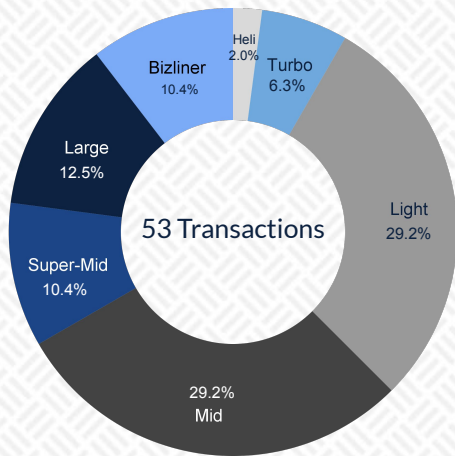
### New Aircraft Listings

New Top 60 N-Registered Jet Listings (AMSTAT)



- As illustrated above, Q4 2022 experienced the largest increase in pre-owned weekly additional aircraft supply since Q1 2020
- In addition to this, IADA has reported that their broker community continues to sign fewer new buyer agreements than new listing agreements each month, indicating that net inventory should continue to rise when these new listings are unable to be absorbed by the buyer pool



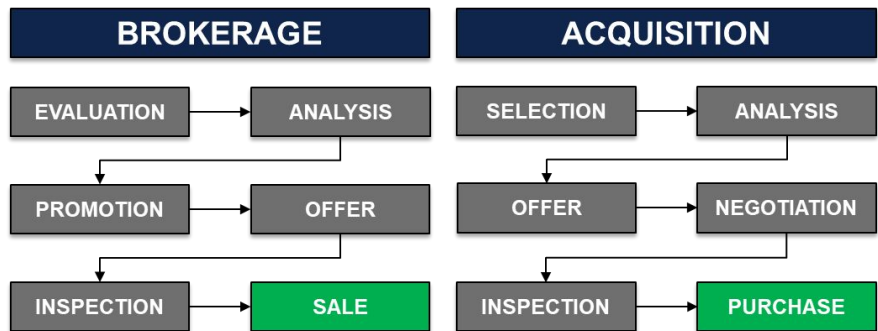


### Why Use QS Partners?

- As the pre-owned brokerage industry’s only **Berkshire Hathaway** company, integrity, experience, transparency, and reliability are the cornerstones that allow us to focus 100% of our energy on what is most important—our clients
- We track over 50 aircraft markets daily with **the industry’s largest dedicated team of analysts and researchers**. Our proprietary database provides our clients with real-time market information necessary to execute transactions in a rapidly evolving business jet market
- QS Partners has **executed 50+ transactions each year** for the past four years, making us one of the top brokers in the world by volume
- We are continually **negotiating and completing new deliveries** for clients with OEMs across all makes and models, including 16 new aircraft ordered or delivered since the beginning of 2021
- When hiring QS Partners, you get a **team of employees working on your behalf** with multiple roles, skill sets, and specializations

### 2022 Results

- Despite the extremely competitive environment that record-low supply and quickly evolving pricing dynamics had caused, QS Partners had another successful year and placing as one of the top broker/dealers in the world by brokerage volume
- No one else in the industry has the expertise that QS Partners has in such a wide variety of aircraft types, cabin classes, ages, or regions. From used King Air 300, Bell 407s, or Boeing 777s to new Global 7500 deliveries, we can do it all



### The Process

- We begin a brokerage or an acquisition project with a conversation to understand our clients’ needs, desires, and expectations. Following that conversation, we develop a thoughtful, transparent strategy based on prevailing market conditions to either maximize the value of an asset in the case of a brokerage transaction or identify and acquire the best value aircraft in the market for an acquisition client
- Although each transaction type has different requirements, our Sales and Sales Engineering teams work in tandem to provide tailored insight products to help provide clarity to our clients as they make the decisions at each step along the way
- Our data-driven, experience-based approach provides our clients the necessary confidence to execute, whether it be a first-time sale or purchase, or a complex fleet transition to new aircraft delivered from the manufacturer

