



# INSIGHT

STATE OF THE MARKET

*QUARTER 1 2023*

Pre-owned Business Jets

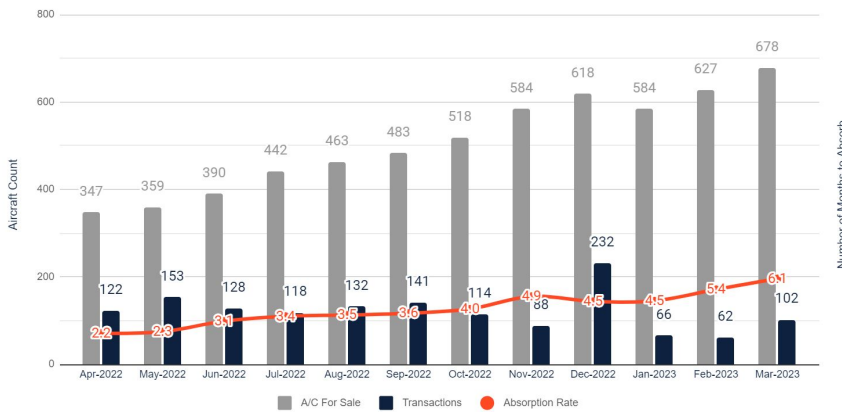
## MARKET HIGHLIGHTS

Following a minor decrease in January, the supply of modern pre-owned jets has now climbed to 4.7% of the in-service fleet available for sale--a level not seen since June 2021. While total inventory levels remain roughly half of what is historically considered to be a balanced market, these recent upticks in new aircraft listings are already challenging an increasingly fragile supply/ demand environment.

Total retail transaction volume in Q1 2023 was 35% less than that of Q1 2022 and is the lowest level of demand since Q2 2020.

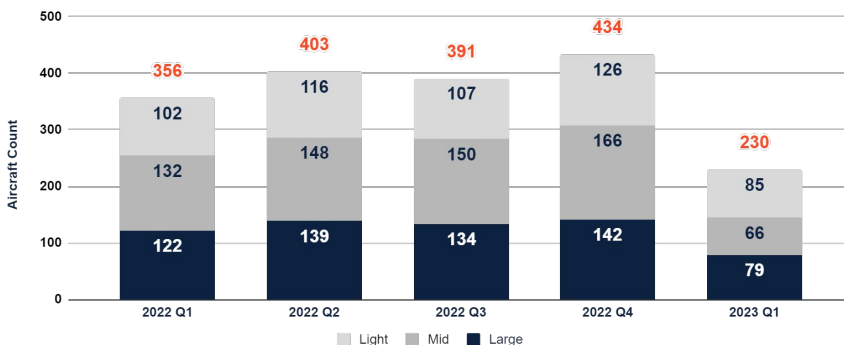
Thirty days into Q2, we are seeing inventory continuing to rise in many markets. With a correction in values already underway, the predominant questions from most in the market are how much do values decline and how quickly do they move before equilibrium is again achieved.

12-MONTH MARKET TREND



YTD	Inventory	Transactions	Absorption Rate
2022	307	356	1.9
2023	678 <span style="color: red;">121%▲</span>	230 <span style="color: red;">35%▼</span>	6.1 <span style="color: red;">223%▲</span>

TRANSACTIONS BY QUARTER AND CABIN CLASS



## Market Overview

Active Fleet	14,355
For Sale/Lease	678
% for Sale	4.7% ▲
Sold Year-to-Date	230 ▼
Sold Prior Year	1,584
Absorption Rate	6.1 ▲

## Seller Market Rankings

1	CJ3	31	2000EX
2	Excel	32	Encore
3	G550	33	GV
4	CJ4	34	900EX EASy
5	XLS	35	G200
6	CL 300	36	G150
7	Mustang	37	GIVSP
8	CL 350	38	Falcon 2000
9	CJ3+	39	G650
10	H800XP	40	Sovereign+
11	CL 650	41	Sovereign
12	Legacy 600	42	CL 604
13	CJ2	43	Lear 45
14	G450	44	Citation X
15	M2	45	H850XP
16	Phenom 300	46	CJ2+
17	H900XP	47	Latitude
18	900LX	48	Lear 45XR
19	GL 6000	49	Premier IA
20	G280	50	GL 5000
21	CJ1	51	900EX
22	G650ER	52	Lear 60
23	Encore+	53	2000LX
24	7X	54	GL XRS
25	Lear 75	55	CJ1+
26	Legacy 650	56	Lear 60XR
27	Phenom 100	57	GL EXP
28	CL 605	58	Legacy 45
29	XLS+	59	Legacy 500
30	2000EX EASy	60	Premier I

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 VALUE TRENDS

Fleetwide, quarter-over-quarter pre-owned modern jet values decreased by an average of 2.2% in Q1, the second consecutive quarter in which we have seen average values decline.

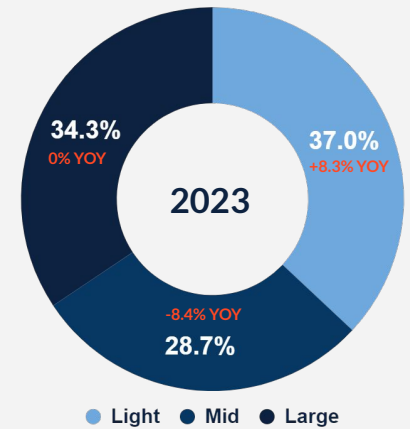
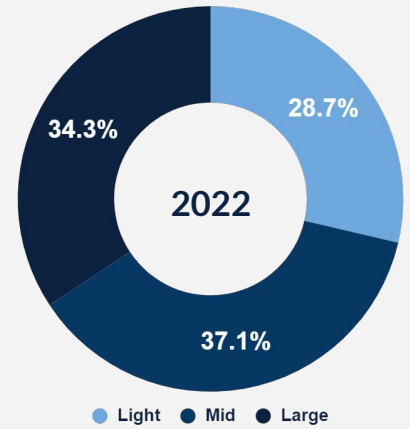
Individual fleet value performance continues to become more varied, with 18 of the 27 fleets detailed below recording a reduction in values compared with the prior quarter.

Aircraft values remain up an average of 27.7% compared with their pre-pandemic levels, though we are seeing continued pricing pressure to begin Q2 as inventory levels climb; thus, we expect values to continue their downward trend over the near term.

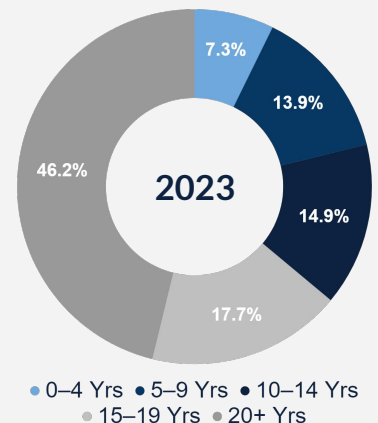
### Value Changes by Market

Segment	Market	Change YOY	Change QOQ	Change since Q4 2019
Light	CJ3	13.4%	2.6%	67.3%
Large	CL604	24.6%	-8.5%	63.9%
Mid	Excel	17.4%	-4.6%	56.0%
Mid	H900XP	9.9%	-2.6%	52.5%
Mid	CL300	28.8%	0.3%	51.3%
Mid	G200	18.5%	-1.0%	49.2%
Light	CJ4	7.9%	-3.4%	45.9%
Mid	XLS+	29.6%	-2.7%	43.8%
Mid	H850XP	7.1%	-5.0%	42.7%
Large	CL605	25.9%	-7.1%	39.9%
Light	CJ3+	16.4%	-3.3%	39.2%
Light	Phenom 300	0.8%	1.6%	37.6%
Mid	XLS	0.0%	-7.9%	36.2%
Large	2000EX EASy	17.7%	-1.3%	30.8%
Light	M2	12.6%	-0.7%	28.2%
Mid	Latitude	5.9%	2.3%	27.6%
Mid	Sovereign	-16.4%	-8.7%	26.9%
Mid	CL350	4.8%	-2.6%	26.1%
Mid	G280	8.6%	1.2%	17.6%
Large	900EX EASy	14.2%	1.4%	20.1%
Large	CL650	-1.6%	1.1%	16.7%
Large	7X	11.4%	1.8%	5.5%
Large	G450	-1.8%	-7.5%	4.1%
Large	Global 6000	-2.6%	-2.3%	1.8%
Large	G550	3.4%	-2.7%	1.1%
Large	Global 5000	4.0%	1.4%	-0.2%
Large	G650/ER	-6.5%	-0.1%	-4.7%
<b>Total</b>		<b>9.4%</b>	<b>-2.2%</b>	<b>27.7%</b>

### Transactions By Cabin Class

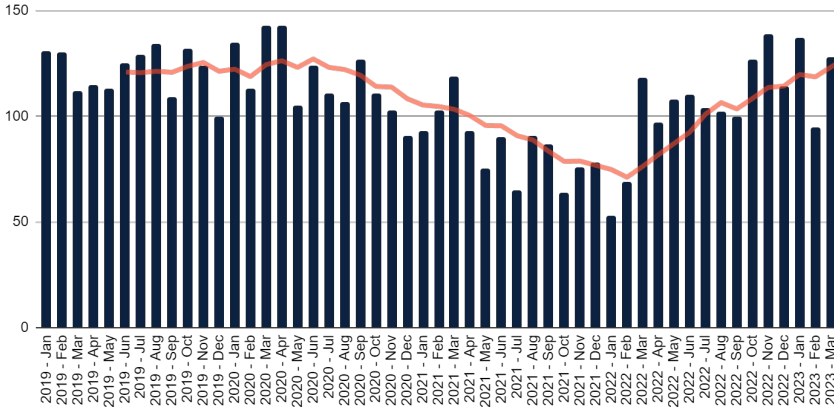


### Retail Sales By Aircraft Age



### New Aircraft Listings

As illustrated below, N-registered, modern pre-owned jet listings continue to come to market at a pace much higher than we had seen in all of 2021 and in early 2022. Q1 2023 new listings were up 50% compared to Q1 of 2022.



Some markets have even seen a rapid uptick in inventory over the last 30 to 45 days as sellers hope to "time the market" in their exit from aircraft ownership as the various challenges with supply chains, pilot hiring, hangaring, and charter revenue persist.

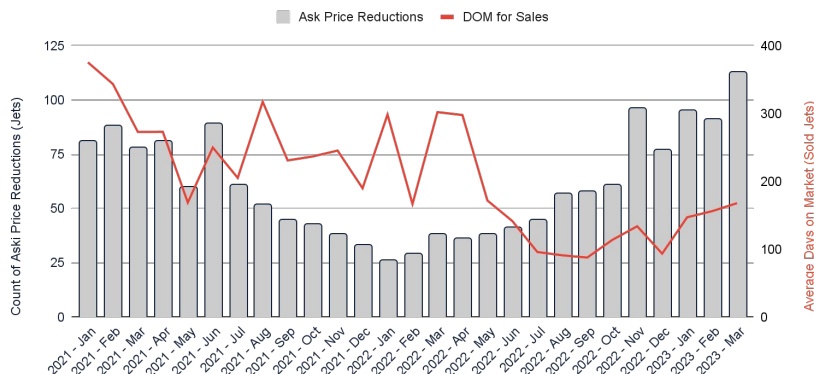
Available Pre-owned Jet Inventory				
Fleet	April 2023	March 2023	Change	%
GIVSP	29	21	8	38%
G550	34	27	7	26%
H800XP	35	29	6	21%
H900XP	12	7	5	71%
H850XP	13	9	4	44%

### Pricing Pressures and Days to Sell

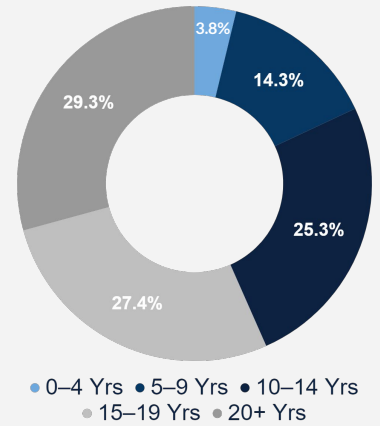
As a result of the new listings volume increases mentioned above, the pre-owned jet market has experienced a significant uptick in publicly announced reductions to pricing for aircraft already listed on market--Q1 had more than three times the "price reductions" compared with Q1 2022.

The average days on market for publicly available aircraft to sell has also been on the rise and is now up to 168 days after hitting an all-time low of 88 days in September 2022.

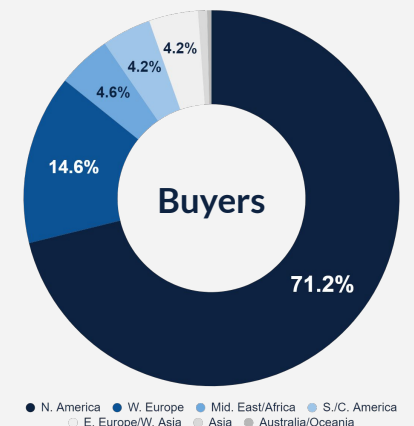
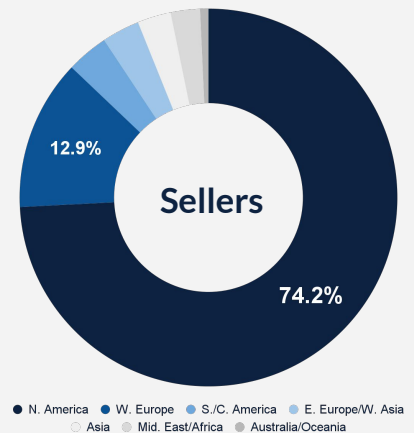
Lowering "pricing expectations" and increasing "days-on-market to sell" are experiences that sellers had not had to deal with in the last 16 months, but both of these metrics trends are indicative of what aircraft owners can expect to see in the months ahead.



### Current Market By Aircraft Age



### Transactions By Region (2023)





## PREMIUM *BROKERAGE*

### When You Are Ready to Sell

As the aviation industry's only Berkshire Hathaway-owned aircraft broker, QS Partners possesses the financial stability and practiced expertise to successfully sell your aircraft in today's rapidly evolving market. Your trusted adviser will provide the strategic guidance and market knowledge necessary to coordinate a seamless transaction while maximizing the value of your aircraft.

### INTELLIGENCE + ANALYSIS

We track over 50 aircraft markets daily with the industry's largest dedicated team of analysts and researchers. Our proprietary research database provides our clients with the real-time market information necessary to execute sound transactions.



# *70 Days or Less*

AVERAGE SELL TIME

For a QS Partners brokered aircraft



## EXPERT ACQUISITIONS

### Find Your Ideal Aircraft

The search for the right aircraft begins by partnering with an adviser you can trust who has the required expertise coupled with a stellar reputation. Our depth of experience and establishment of long-term relationships have solidified our reputation for integrity and reliability, attracting clients across the globe.

NetJets and QS partners, both Berkshire Hathaway companies, have purchased and sold more aircraft than any other broker or dealer.

Our acquisition process begins by listening to you during an in-depth inquiry to understand why and where you plan to travel, what you enjoy about your current aircraft or travel solution, and what you need more or less of in your next one. Then, our experienced team conducts a uniquely detailed analysis that considers your functional, budgetary, and mission imperatives to find you an innovative and optimal solution. From there, our six-step process considers all angles to ensure you have every advantage to acquire your ideal aircraft.



# \$900M

Total asset value for aircraft sold or purchased since 2021