



QS PARTNERS

INSIGHT

STATE OF THE MARKET

QUARTER 1 2024

Top 60 Pre-owned Business Jet Markets

MARKET HIGHLIGHTS

Q1 ended with a decrease in modern jet available inventory for the first time in eight quarters, now at 6.2% of the Active Fleet for sale. Both December and January saw reductions compared to the prior month, the first time that two consecutive months recorded reductions since February 2022. However, February through April have all recorded increases to inventory, so this appears to be a minor blip against the greater macro trend of increasing supply.

Retail transaction volume in Q1 was a fairly positive story, with 256 aircraft sold or a 10% increase year-over-year, which is only the second time there has been a quarterly year-over-year increase in this metric in the last two years. The industry is keeping a close eye on this metric over the next few months to determine how this year will play out relative to an “average” year in 2023.

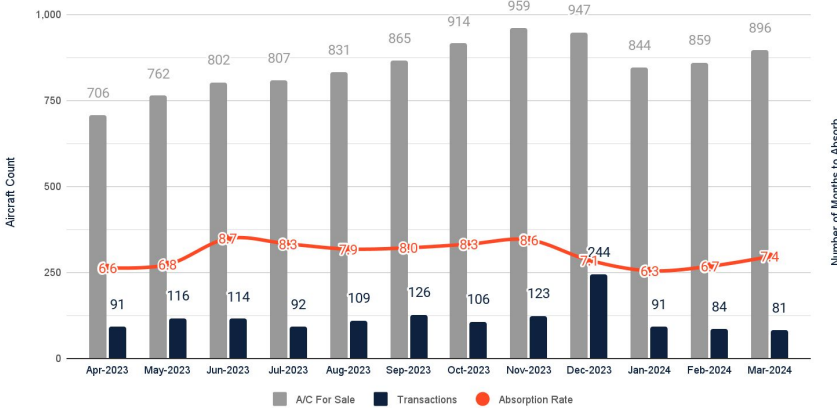
Market Overview

Active Fleet	14,354
For Sale/Lease	896
% for Sale	6.2% ▼
Sold Year-to-Date	256 ▲
Sold Prior Year	1,354
Absorption Rate	7.4 ▼

Seller Market Rankings

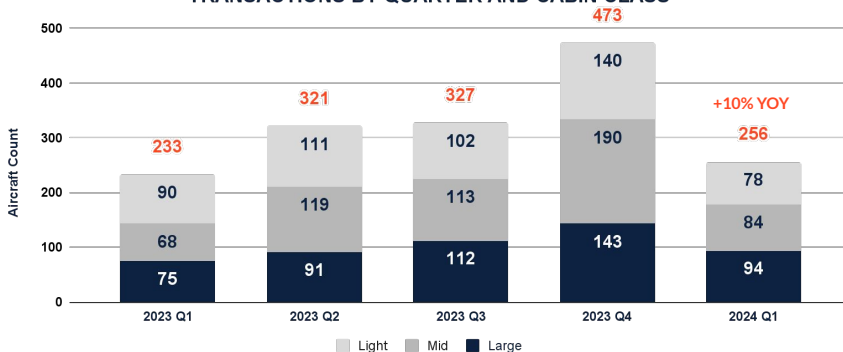
1	Phenom 300	31	Legacy 500
2	Mustang	32	GV
3	GL 6000	33	CJ2+
4	M2	34	Legacy 600
5	Phenom 100	35	2000EXEASy
6	G550	36	CL 605
7	CL 300	37	900LX
8	Latitude	38	Encore+
9	CJ4	39	CJ2
10	G280	40	CJ1+
11	CJ3	41	G650
12	CL 350	42	Lear 45XR
13	Lear 75	43	XLS+
14	XLS	44	G200
15	Excel	45	G-IVSP
16	H800XP	46	2000LX
17	Encore	47	Falcon 2000
18	Legacy 650	48	GL XRS
19	CJ3+	49	Premier IA
20	Citation X	50	Lear 60
21	7X	51	H850XP
22	H900XP	52	G450
23	Sovereign+	53	GL EXP
24	Lear 45	54	G650ER
25	900EXEASy	55	GL 5000
26	G150	56	Premier I
27	CL 604	57	Legacy 450
28	Sovereign	58	Lear 60XR
29	CL 650	59	2000EX
30	CJ1	60	900EX

12-MONTH MARKET TREND



YTD	Inventory	Transactions	Absorption Rate
2023	678	233	6.0
2024	896 32% ▲	256 10% ▲	7.4 22% ▲

TRANSACTIONS BY QUARTER AND CABIN CLASS



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.

VALUE TRENDS

Fleetwide, quarter-over-quarter pre-owned modern jet values decreased by an average of 2.2% in Q1, the sixth consecutive quarter in which we have seen average values decline. This value reduction remains in line with the 2.5% declines seen in Q4.

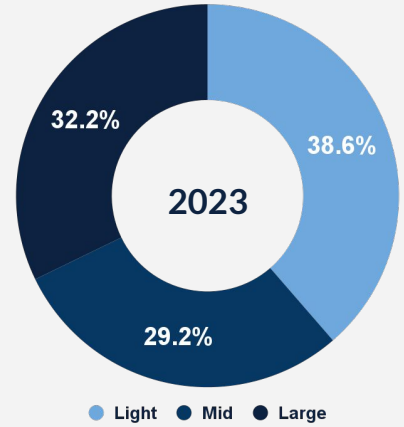
Individual fleet value performance remains varied, with 15 of the 26 fleets detailed recording a reduction in values compared with the prior quarter. Aircraft values remain up an average of 14.5% compared to Q4 2019 and now six of the detailed fleets are below their pre-pandemic values.

The sentiment among the Broker/Dealer community in relation to price is that the market will return to the dynamics it had seen before 2020 for modern, sub-20-year-old aircraft. However, the values of aircraft over 20 years old have begun to decrease significantly as demand is pulled away from those markets due to the return of supply and price stability in more modern fleets. This can be seen in the YOY value performance for fleets like the CL604, G200, and Falcon 900EX EASy.

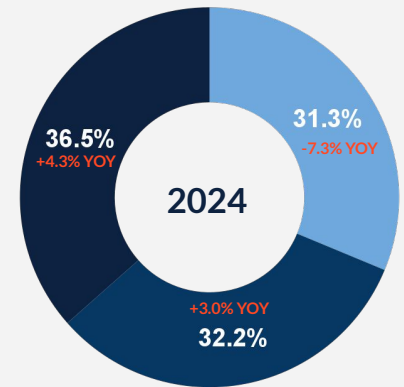
Value Changes By Market

Segment	Market	Change YOY	Change QOQ	Change since Q4 2019
Light	CJ4	-0.1%	1.0%	46.2%
Mid	XLS	-6.3%	-4.7%	43.7%
Light	CJ3	-13.5%	-7.1%	40.1%
Large	CL605	-2.8%	0.1%	34.6%
Mid	CL300	-10.2%	1.8%	34.1%
Mid	H900XP	-16.3%	-2.6%	32.7%
Large	CL604	-24.3%	-3.6%	31.8%
Mid	XLS+	-9.1%	4.8%	28.6%
Mid	H850XP	-16.6%	1.3%	25.1%
Mid	Sovereign	-6.1%	-7.7%	24.1%
Light	Phenom 300	-10.6%	0.2%	22.7%
Light	CJ3+	-14.2%	-7.9%	22.2%
Mid	G200	-19.3%	-10.1%	22.1%
Mid	Latitude	-0.9%	-5.2%	19.5%
Mid	CL350	-6.3%	-1.1%	18.5%
Mid	G280	-4.4%	1.4%	16.3%
Light	M2	-13.2%	-1.8%	14.1%
Large	CL650	-1.4%	-0.5%	7.8%
Large	2000LX	-14.9%	0.9%	5.0%
Large	7X	-4.0%	0.7%	2.9%
Large	900EX EASy	-23.5%	-12.3%	-3.3%
Large	Global 5000	-7.0%	2.2%	-4.3%
Large	G550	-7.3%	0.4%	-7.3%
Large	Global 6000	-8.3%	-4.5%	-8.7%
Large	G450	-14.2%	-1.4%	-9.2%
Large	G650/ER	-5.9%	-1.6%	-10.5%
Total		-10.0%	-2.2%	14.5%

Transactions By Cabin Class

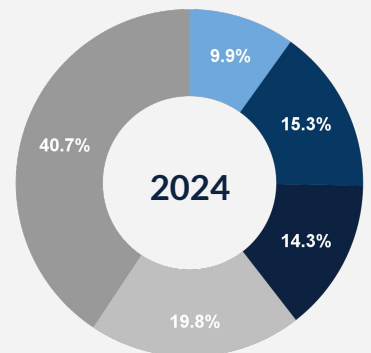


● Light ● Mid ● Large



● Light ● Mid ● Large

Retail Sales By Aircraft Age



● 0-4 Yrs ● 5-9 Yrs ● 10-14 Yrs
● 15-19 Yrs ● 20+ Yrs

NEW DELIVERIES

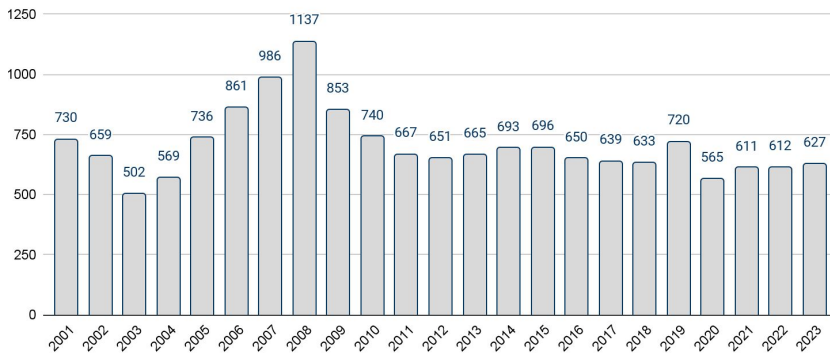
With the final tally now in, the business jet manufacturers reported their full-year 2023 deliveries to GAMA in Q1. The below graph indicates the total number of jets delivered by Bombardier, Dassault, Embraer, Gulfstream, Honda, Pilatus, and Textron relative to previous years.

Last year continued to see very modest growth in the segment, up 15 total aircraft to 627 shipments or a 2% year-over-year increase among those seven aircraft manufacturers. Roughly 20% of these deliveries went to fractional aviation programs, a rate that is more than double the ~9% average in years 2001 to 2019.

Bombardier led the way with a 15 aircraft YOY increase (+12%), followed by Embraer at 13 aircraft (+13%), while Pilatus and Honda also grew their YOY deliveries, by 7 (+18%) and 5 (+29%) respectively. Textron, Gulfstream, and Dassault all saw reductions to YOY deliveries, citing mostly labor and supply chain constraints, as well as certification delays of the G700 in Gulfstream's case, which would have increased their deliveries by 15 last year and had them back in growth territory.

Overall, business jet deliveries remain down 13% compared to the pre-pandemic volume seen in 2019 and down 45% compared to the all-time highs of 2008. This lack of significant growth of new deliveries in the face of unprecedented private aviation demand over the last three years is a major reason aircraft values had climbed so high and likely will stay relatively protected in modern fleets so long as the economy holds stable.

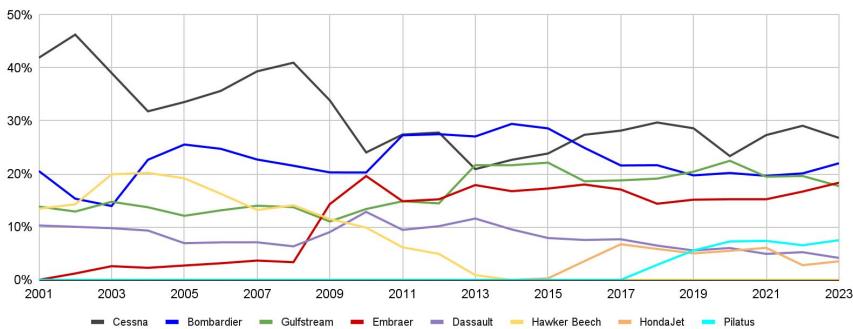
Business Jet New Deliveries By Year



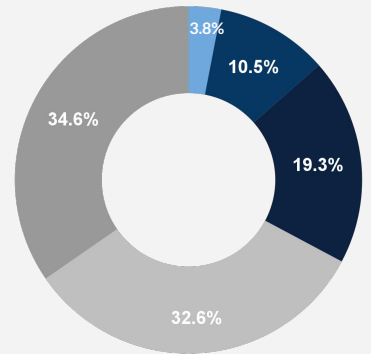
OEM MARKET SHARE

The below graph uses the same GAMA deliveries data to paint a picture of market share trends over the last 23 years. Notably: Hawker Beechcraft's jet business decline in the early 2000s; Embraer's growth from only producing niche VIP shuttles to an 18% market share in 15 years; Dassault's 10-year slide; and the introduction of Pilatus and Honda to the market, now with 7% and 4% market share respectively.

OEM Market Share of New Deliveries By Year

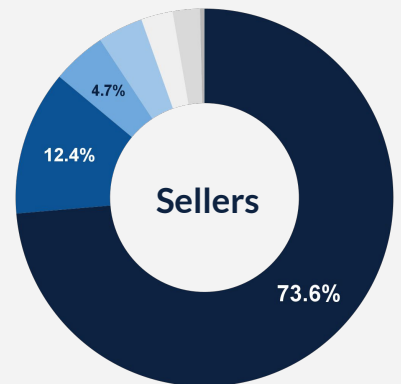


Current Market By Aircraft Age

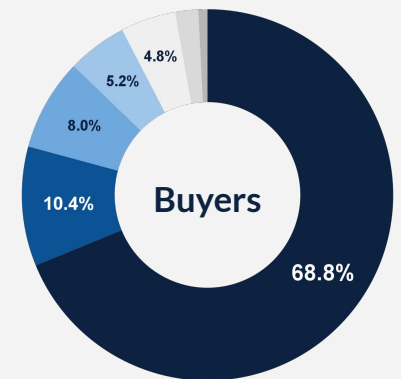


- 0-4 Yrs
- 5-9 Yrs
- 10-14 Yrs
- 15-19 Yrs
- 20+ Yrs

Transactions By Region (2024)



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



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



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\$900M

Total asset value for aircraft sold or purchased since 2021