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GLOBAL JET CAPITAL REVEALS IMPORTANCE OF FINANCING IN DRIVING SHIFT TO LARGER AIRCRAFT

17th October 2018, NBAA, Orlando, FL – New analysis from Global Jet Capital, a global leader in financial solutions for business aircraft, has revealed the important role financing is playing in driving the growth in business aviation.

Since the beginning of 2016, Global Jet Capital estimates that there have been over 8,600 new and used business aircraft transacted around the globe, with the value of financing used to support those purchases totaling almost \$23bn. Notably, over 60% of that financing, some \$14bn, has been towards acquisitions of new and used large/heavy aircraft.

This financing has helped increase the proportion of larger aircraft within the global fleet. Since 2016 the total number of mid-sized aircraft around the world has fallen by 8%, or 415 planes. However, these aircraft have been almost exactly replaced in number by larger models as the heavy/large jet segment has grown by 419 aircraft, a 6% increase.

As the average purchase value of new aircraft in this larger segment was over \$48.2m between 2016-2018, compared to an average of \$12.5m for the balance of the market, this focus on larger aircraft provides a significant boost to the overall industry. Indeed, the overall value of deliveries of new large or heavy jets since 2016 totals \$26.4bn, compared to a total figure of \$14.3bn for the balance of the market.

Global Jet Capital estimates that operating leases to the value of over \$5bn are held against new and used aircraft transacted since 2016. The company has seen a significant increase in enquiries for operating leases, with clients attracted by advantages including flexibility and reduction in residual risk. Global Jet Capital expects to see growth in operating leases of over the coming five years, helping drive further aircraft acquisition.

Of all global regions, only Africa has seen a drop in the size of its large aircraft fleet with a 2% decrease since 2016. The Middle East has remained static over this period, while all other regions have seen growth, the most significant in Latin America and the Caribbean, North America and Asia Pacific (with 8%, 7% and 6% increases respectively). North America has witnessed the largest increase in real terms, adding 317 aircraft to its large and heavy fleet, consolidating its position as the global leader for business jets.

GLOBAL JET

C A P I T A L

Dave Labrozzi, chief operating officer at Global Jet Capital said: “The figures provide a clear focus of where we are seeing expansion in the sector, and the importance of financing in supporting industry growth. The flexibility afforded by operating leases is especially beneficial in helping clients move on to higher value new model aircraft without having to remarket their existing aircraft.

“There are significant long-term advantages in increasing the number of larger business jets in the global fleet. These obviously provide greater capacity per aircraft and therefore offer the benefits of business aviation to a wider population, something which can be particularly important for corporate owners. In addition, the increasing importance in developing new international trade links is resulting in growing demand for aircraft able to undertake longer distances to destinations which may not currently be well served by commercial airlines.”

-Ends-

Notes to editors

Global Jet Capital

With over \$2.0 billion in assets under management, Global Jet Capital provides financing solutions for the business aircraft market. The Company is capitalized by world-class private investors with expertise in the global aviation industry: The Carlyle Group, FS/KKR Advisor, LLC, a partnership between FS Investments and KKR Credit, and AE Industrial Partners. The Global Jet Capital management team has served the business aircraft industry for a combined 200-plus years and has completed over 3,500 aircraft transactions. The Company has the expertise, financial strength, industry relationships and infrastructure necessary to offer a variety of flexible financing solutions at the speed the market requires. Visit www.globaljetcapital.com to learn more.

The Carlyle Group

The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with \$201 billion of assets under management across 324 investment vehicles as of March 31, 2018. Carlyle’s purpose is to invest wisely and create value on behalf of its investors, many of whom are public pensions. Carlyle invests across four segments – Corporate Private Equity, Real Assets, Global Credit and Investment Solutions – in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy, financial services, healthcare, industrial, real estate, technology & business services, telecommunications & media



and transportation. The Carlyle Group employs more than 1,575 people in 31 offices across six continents. Visit www.carlyle.com to learn more.

FS Investments/KKR

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AE Industrial Partners

AE Industrial Partners is a private equity investment company founded in 1998, by David Rowe and his late father, aviation pioneer Brian Rowe, to make direct investments in aerospace, power generation and specialty industrial companies. Today AE Industrial is led by 11 partners with each having an average of over 30 years of relevant operating and direct investment experience. AE Industrial is focused on investing in precision component manufacturing, distribution, MRO (maintenance, repair and overhaul) and industrial service-based businesses that are strategically important to their market places. AE Industrial has invested in over 50 companies including: Aviall, Dynamic Precision Group, Grand Prairie Accessory Services, Moeller Aerospace, Landmark Aviation, Kellstrom Materials and Belcan Corporation. Visit www.aeroequity.com to learn more.

