



# ROLLAND VINCENT ASSOCIATES

NAVIGATING FOR GLOBAL AVIATION LEADERSHIP

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## Pilatus PC-12: Enduring Value

***Synopsis: After more than 20 years in service with a worldwide fleet exceeding 1,300 aircraft, the Pilatus PC-12 is a pacesetter business aircraft offering unmatched value retention in its market segment.***

Business aviation stakeholders – including owners / operators, lenders and lessors – have experienced significant fluctuations in the value of their aircraft throughout recent business cycles. The purpose of this report is to examine and assess the state of the current market, highlighting key characteristics of the Pilatus PC-12 fleet and marketplace, and specifically addressing how the aircraft retains its value over time relative to its competition.

### THE PILATUS PC-12 FLEET AND MARKETPLACE

The single-turbine PT6-powered PC-12 first flew in 1991, and was certified by Swiss and U.S. FAA authorities in 1994, with initial customer deliveries beginning that same year. Through October 2015, more than 1,367 PC-12s have been built, with 96% of that total (or 1,313 aircraft) remaining in service worldwide.

According to the latest JETNET aircraft database records, approximately 91% of the PC-12 fleet is wholly-owned, while the remaining 9% is in shared and fractional ownership-type programs. North America accounts for 71% of the worldwide Pilatus PC-12 fleet, followed by Europe (11%), Asia Pacific (6%), Latin America & Caribbean (6%), and Africa (5%). Eleven percent of all business turboprops in service in both North America and in Europe are PC-12s, higher than in any other region.

Amongst business aircraft OEMs with at least 1,000 aircraft in service, Pilatus experienced the fastest fleet growth in the industry over the past 10 years, expanding at a 9.9% compound annual growth rate (CAGR), versus 4.8% CAGR for the business jet fleet, and just 1.8% CAGR for the business turboprop fleet worldwide.

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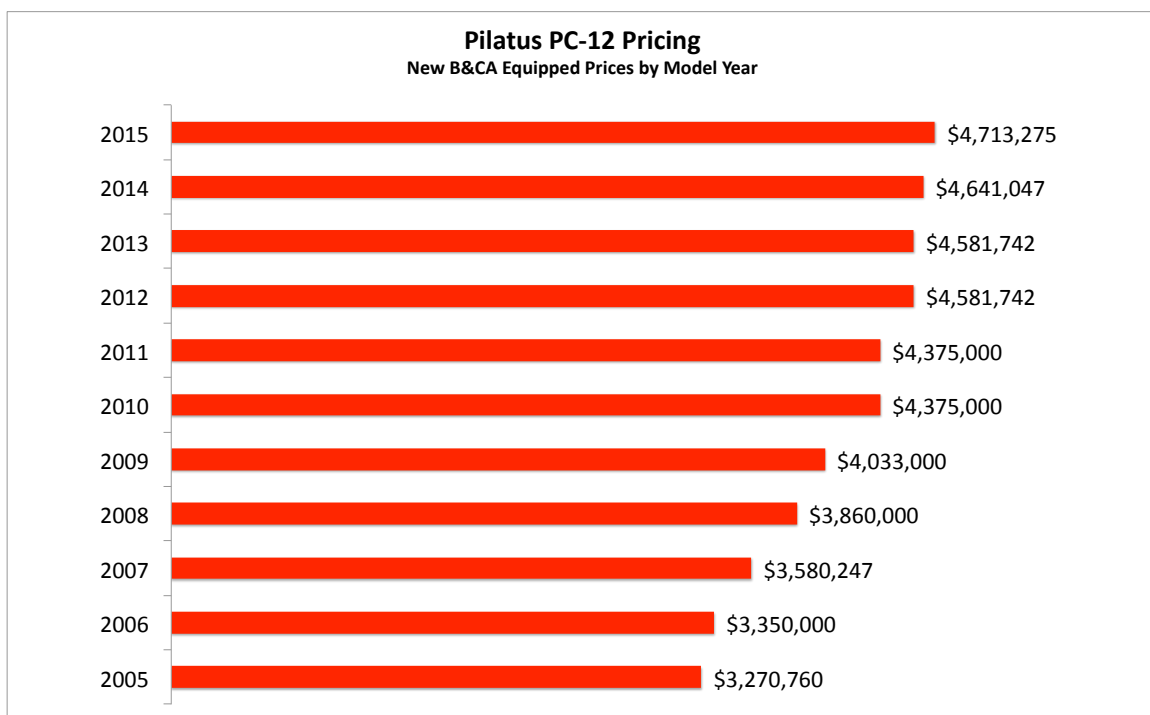
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The following chart provides details on PC-12 equipped list prices by model year from 2005 to the present. These are published annually by Business & Commercial Aviation magazine in their annual *Purchase Planning Handbook*, a standard reference in the business aviation industry.



Since 2005, PC-12 new equipped list prices have increased 44%, in line with the introduction of the latest PC-12NG model incorporating a more powerful 1,200-shp PT6A-67P engine, Honeywell Primus Apex cockpit, enhanced aerodynamics and higher speeds. B&CA list prices reflect the PC-12NG model beginning in 2008. PC-12 new equipped list prices have increased at a similar rate to the direct competition over the last 5 years.

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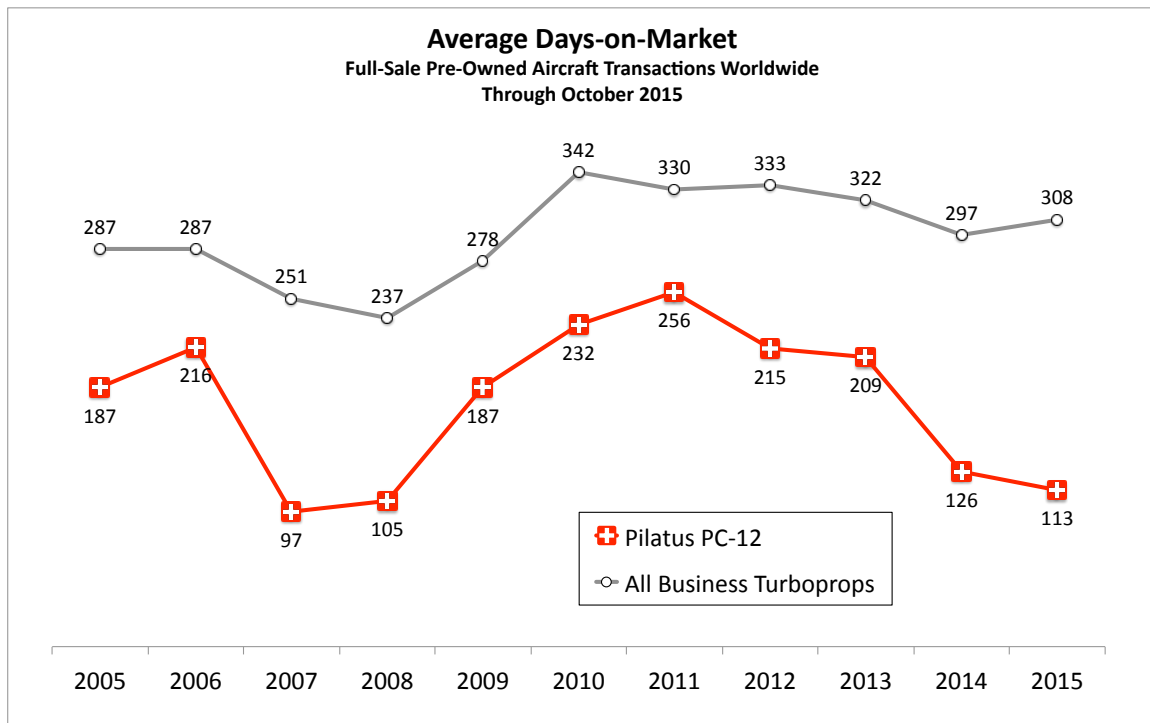


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In the pre-owned market, a PC-12 has sold 40% faster on average compared with the turboprop fleet, based on the last 10 years of marketplace data. Since 2005, pre-owned PC-12s have averaged 176 day-on-market before being sold, compared with 298 days for the worldwide business turboprop fleet.

In 2014-2015, pre-owned PC-12s have averaged about 4 months on the market before being sold, versus 10 months for all business turboprops.



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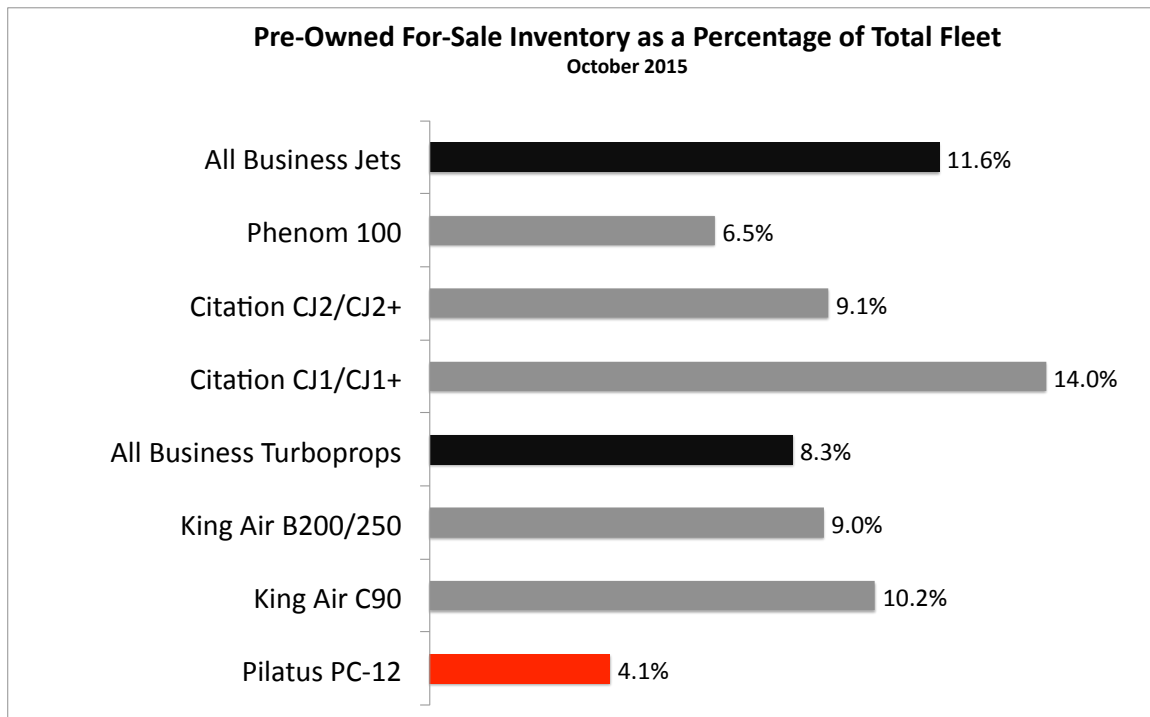
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As of the end of October 2015, just 4.1% of the worldwide fleet of PC-12s was available for sale in the pre-owned market, significantly below the competition and the market in general.



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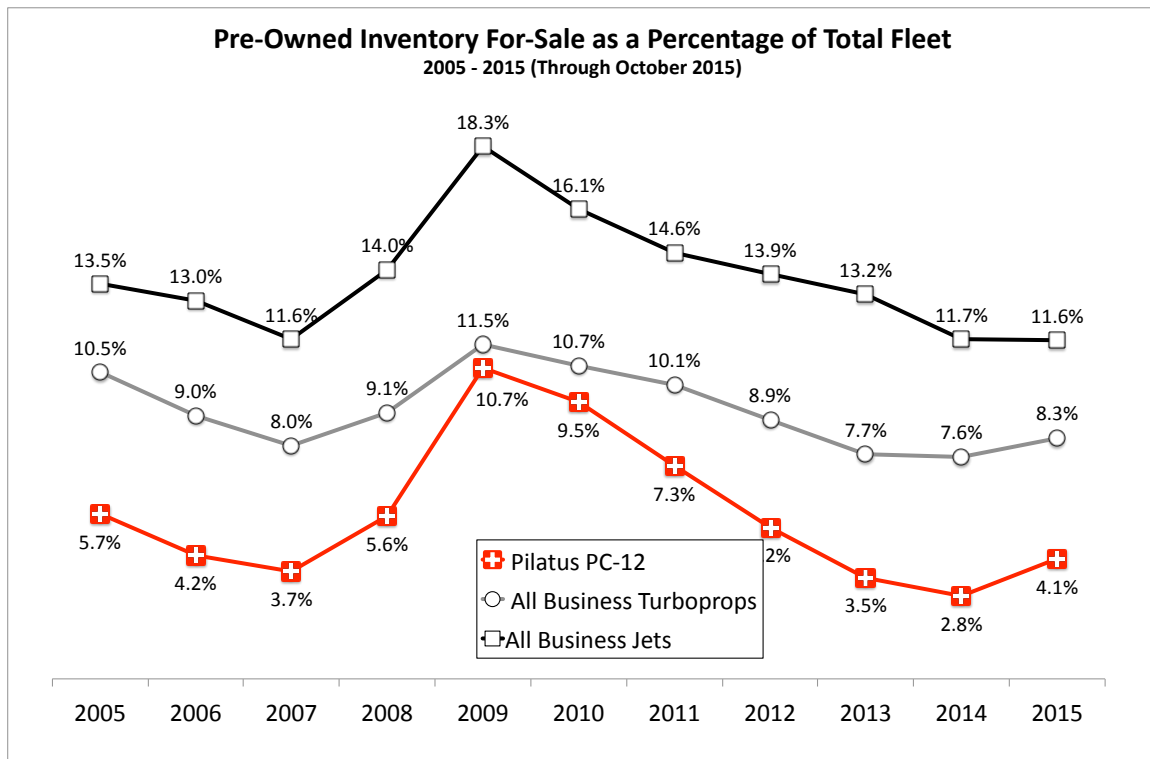
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The percentage of the fleet available for sale naturally fluctuates up and down in step with business cycles. Inventory-for-sale has returned to pre-2007 levels for both the PC-12 fleet and for the business turboprop and jet fleets as a whole.



Well-maintained, low-time aircraft continue to be in strong demand, and the PC-12 aircraft has an almost cult-like following amongst owner / operators who know it best for its design, build quality, reliability, range / payload, “bring it on” cargo door, and “go anywhere” airfield performance.

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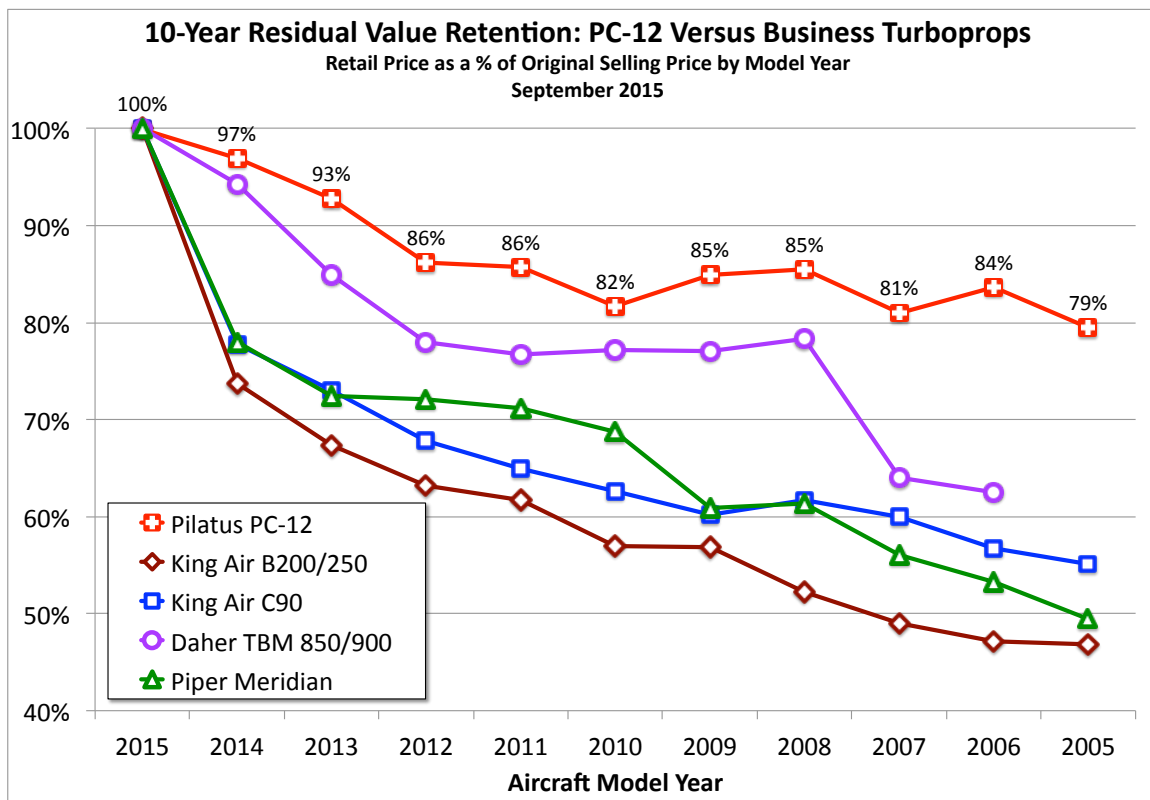


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## PILATUS PC-12 VALUE RETENTION

The PC-12 stands out amongst its competition in retaining unmatched value over time. The relatively few PC-12 aircraft that are sold in pre-owned markets are currently retaining 80-85% of their original selling prices 10 years after factory delivery. This compares very favorably to other turboprops in the market.



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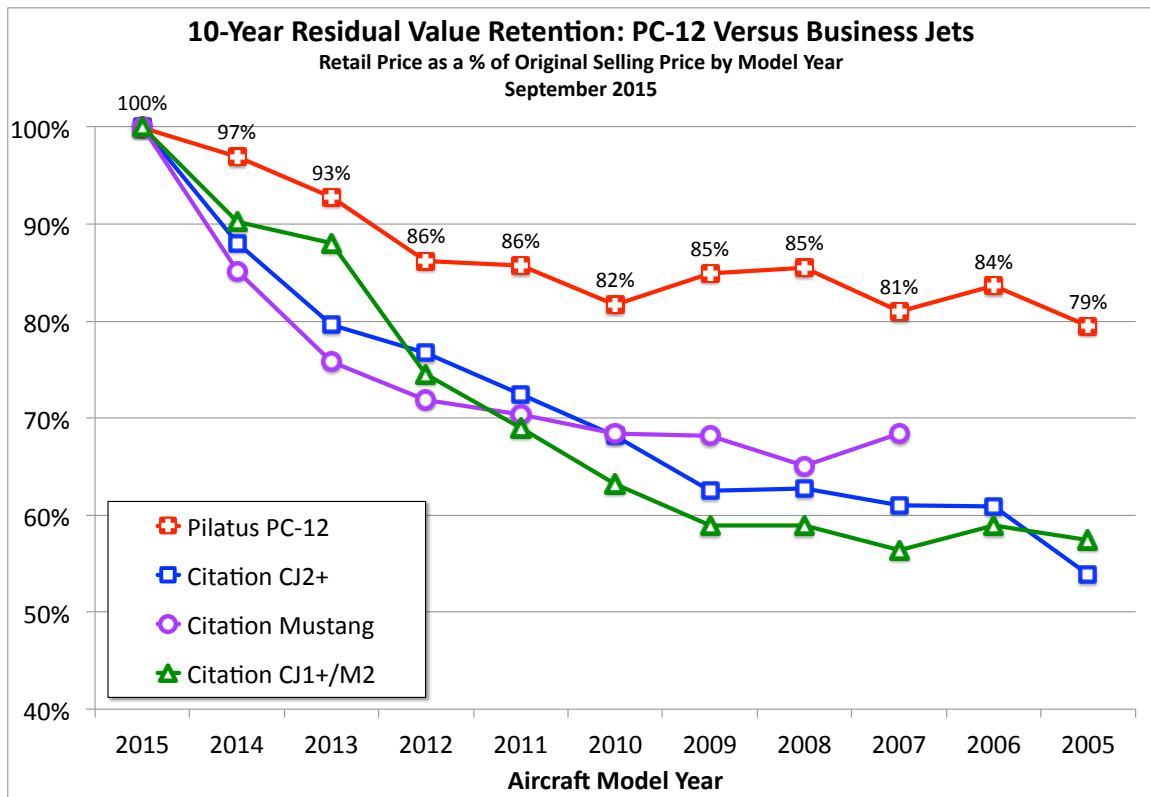
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PC-12 residual values also hold up well against business jet competitors. Even 10 years after initial delivery, PC-12s are retaining about 80% of their original value, substantially ahead of their competition.



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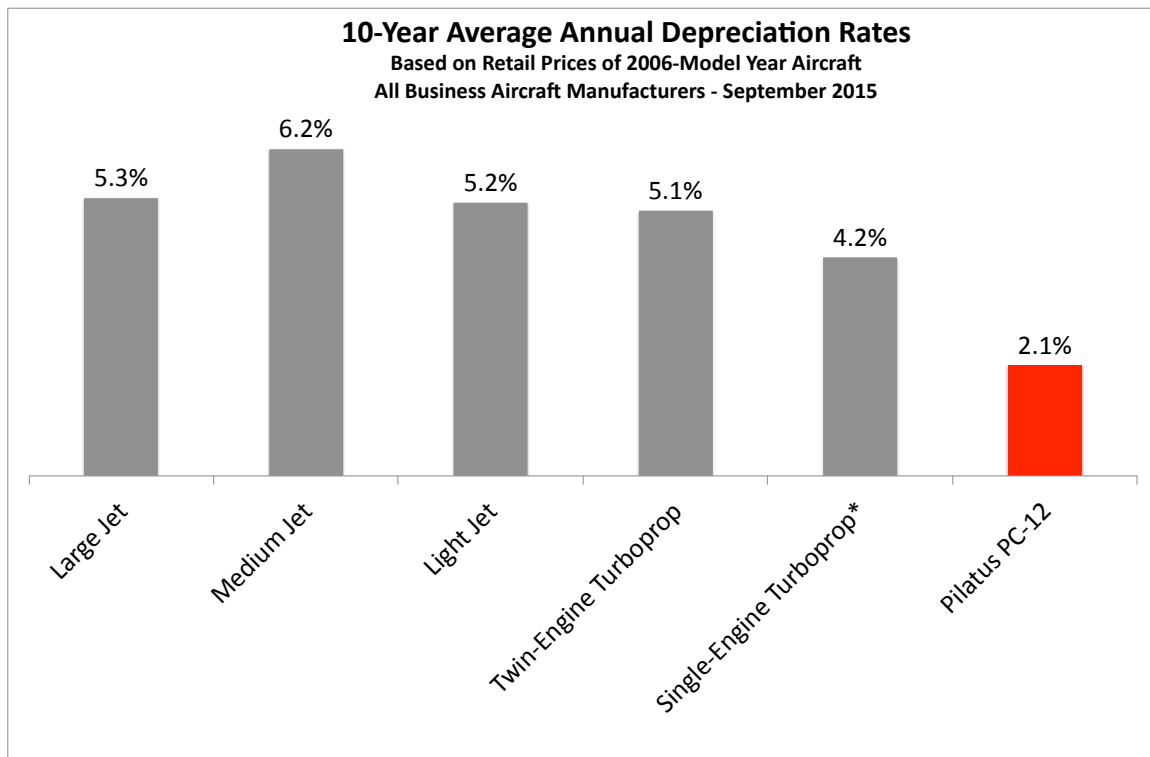
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Average annual depreciation rates for the PC-12 have averaged just 2.1% per year over the past 10 years, an industry-leading performance that uniquely differentiates Pilatus from its competition.



\* Excluding Pilatus PC-12

## THE BOTTOM LINE

Business aviation stakeholders – including aircraft owners / operators, lenders and lessors – should take note of the unique market performance, competitive positioning, and value retention track record of the Pilatus PC-12. With Swiss design expertise, high-quality engineering and production savvy, the PC-12 has surely hit a market “sweet spot”, offering unmatched customer appeal and enduring value.

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## DATA SOURCES

Pre-Owned Retail Prices: *Vref*

*Note: Vref retail prices by aircraft model year represent market averages in \$U.S. as reported by dealers, lenders, buyers and sellers during the previous quarter. Retail prices assume typical annual utilization (about 300 hours per aircraft per year), no damage history, original and complete maintenance logbooks, mid-life engines and maintenance inspections, and owner / operator compliance with all mandatory service bulletins and airworthiness directives.*

New Original Equipped List Prices: *Business & Commercial Aviation Purchase Planning Handbook*

Fleet, Pre-Owned Inventory For Sale, and Days-on-Market: *JETNET*

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*November 2015*

*Rolland Vincent Associates, LLC, an aviation consulting firm, draws from over 30 years of aviation experience, delivering trusted market research, strategy, business & product development, and industry analysis. We are here to help you understand customer needs and preferences, design products and services to delight your customers, and discover and seize business opportunities. We provide you with practical, intelligent solutions to unleash the power of your business and navigate for global aviation leadership. In 2010, we created JETNET iQ, a syndicated quarterly research and forecasting service for business aviation. Proprietary quarterly surveys of business aircraft owners and operators worldwide are cornerstone features of JETNET iQ.*

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