



2018

Pre-owned
Helicopter
Market Trends

Aero Asset Inc
Brookfield Place
181 Bay Street
Toronto, ON M5J 2T9
Canada

FOREWORD	3
EXECUTIVE SUMMARY	4
LIQUIDITY LINE UP AND MARKET HIGHLIGHTS	5
EC135 / H135	6
A109E POWER	7
A109S / SP	8
EC145C2 / H145T2	9
EC155B1 / H155	10
BELL 429	11
S76C+ / S76C++	12
BELL 412	12
AW139	13
S76D	14
AW169	14
EC/H225	15
S92A	15
PERFORMANCE TRENDS	16
ABSORPTION RATES	17
RETAIL SALES & SUPPLY	18
TRADING RANGE	19



In 2004 I sold an EC120B to a buyer in the UK. It was equipped with a 2-axis auto pilot, a world first back then; it was my first aircraft sale.

Since then, I feel privileged to have developed many close professional relationships and know that looking back, this will be the most important thing. More important than closings and deal spreads will be the professional friendships, the struggles we embraced and the adventures we shared.

As this report goes to print and with Avpro's blessing, I am honored to announce the launch of Aero Asset. We are 3 cofounders on a journey to push the boundaries of helicopter brokerage.

Brokers and dealers cultivate a short view of the pre-owned markets. They harvest intel from recent closings and best buys available for sale. The data is refined and perishable.

This report aggregates 2018 helicopter trading intel and compares it to previous year. It focuses exclusively on twin engine pre-owned markets. It leverages key comparative indicators to establish a ranking of the best and the worst performing pre-owned twin engine markets in 2018.

I am pleased to present Aero Asset's 1st Pre-owned Helicopter Market Trends (2018).

Emmanuel Dupuy
Sales Director, Aero Asset

EXECUTIVE SUMMARY

Aero Asset's 1st Pre-owned Helicopter Market Trends is based on proprietary intel secured through Aero Asset's interactions in the market. Trends are extracted from analyzing retail trades and supply of pre-owned aircraft still in production, across configurations and weight classes.

Key Trends in 2018

- Retail trades of pre-owned helicopters increased by 9% across configurations and weight classes in 2018 vs. 2017.
- The most significant increase in retail transaction last year occurred in the light twin market +13%.
- Average absorption rate across configurations and weight classes decreased 40% compared to 2017.
- The most significant reduction in absorption rate last year occurred in the medium twin market segment.
- Out of 13 pre-owned markets covered:
 - ➔ 9 had lower absorption rates than 2017, 2 were on par and 2 had a higher rate
 - ➔ 9 had higher trade volume than 2017, 2 on par and 2 had lower trade volume

Liquidity Line Up and Market Highlights

LIQUIDITY LINE UP

- Ranks markets from most to less liquid in 2018.
- Covers twin engine helicopter models still in production (including anterior variants) where there has been some pre-owned trades in the last years.
- Encompasses all configurations (mission critical, vip ...).
- Compares key indicators: retail sales volume and absorption rate.

DEFINITIONS

- Retail sales volume: # of pre-owned aircraft sold to end-user only
- Our definition of retail sale does not include : sale of a new aircraft, lease, sale lease back, internal transaction, early buy-out ...
- Absorption rate:
 - calculated by dividing the average number of sales by available supply
 - shows how much time it would take to exhaust the supply in market if no further supply is added

All pricing in USD

EC135 / H135

ALL VARIANTS EXCLUDING HELIONIX



ABSORPTION RATE: 1 YEAR*

RETAIL SALES VOLUME: 33**

COMPARED TO 2017: ↑ +25%

SUPPLY: 34***

COMPARED TO JAN 2018: ↓ -30%

RETAIL TRADING RANGE: \$900K - high 3m

* year of supply at 2018 trade levels

** sold in 2018

*** aircraft for sale as of Jan 2019

Retail deals = sale to endusers only. (No sale lease backs, leases, new sales, EBO's, trade in's etc....)



**2018
LIQUIDITY LINEUP**
Most liquid twin engine
pre-owned heli market

MARKET HIGHLIGHTS

- The activity is at the top of the market.
 - 30% of the airframes sold were less than 10 yr old.
 - But 80% less than 15.
- Little activity in this market outside of EU and US.
 - Only 10% of the buyers were outside these two regions.
- Most interestingly 80% of 2018 purchases involved either EMS ships or EMS conversion projects.

A109E POWER



ABSORPTION RATE: 2 YEARS

RETAIL SALES VOLUME: 24
COMPARED TO 2017: ↓ -5%

SUPPLY: 45
COMPARED TO JAN 2018: ↓ -25%

RETAIL TRADING RANGE: \$700K - low 2m



2018 LIQUIDITY LINEUP
2nd most liquid twin engine pre-owned heli market

MARKET HIGHLIGHTS

- The A109E Power market has nearly twice the absorption rate of the 135's, but with 24 units sold in 2018, it retains its liquid market status.
- 40% of Powers sold to Africa, Latin America and Asia.
- A minority of the sales were EMS (15%).
- Transaction volume is stable but lower supply reduced the absorption rate significantly.
- The high end of the Power market is trading in the low 2's, but the bulk of the transactions in the 1-1.5 range.

A109S GRAND / SP GRAND NEW



ABSORPTION RATE: 1.5 YEARS

RETAIL SALES VOLUME: 17
COMPARED TO 2017: ↓ -15%

SUPPLY: 28
COMPARED TO JAN 2018: → NO CHANGE

RETAIL TRADING RANGE:
GRAND: high \$1 - high 2m
GRAND NEW: low \$3 - low 4m



2018 LIQUIDITY LINEUP
3rd most liquid twin engine pre-owned heli market

MARKET HIGHLIGHTS

- ▶ Whilst GrandNew sales doubled, classic Grand sales declined 40%.
- ▶ January 2017, the floor was 500k lower than 1 year later. Spurred by low pricing, dealer's accounted for 1/3rd of all transactions in this market in 2018.
- ▶ For comparison, the most liquid business jet market, the Gulfstream G550, has 9 months of supply at 2018 trade levels:
 - 44 deals last year
 - Just shy of 20% were dealer purchases
 - Twice the liquidity as the A109S/SP market, but substantially less dealer activity in 2018.

EC145C2 / H145T2



ABSORPTION RATE: 1.5 YEARS

RETAIL SALES VOLUME: 9
COMPARED TO 2017: ↑ +30%

SUPPLY: 13
COMPARED TO JAN 2018: ↑ +20%

RETAIL TRADING RANGE:
EC145 C2: \$2 - 4m
H145 T2: \$6 - mid 8m



2018
LIQUIDITY LINEUP
4th most liquid twin engine
pre-owned heli market

MARKET HIGHLIGHTS

- 7 of the models traded in 2018 were EC145C2's and 2 were H145T2's.
- Similar to the EC135 the pre helionix segment of this market is driven by EMS buyer's in 2018.
- Major EMS operators investing in fleet commonality accounting for nearly 70% of all deals and really driving that market last year.

EC155B1 /H155



ABSORPTION RATE: 1 YEAR

RETAIL SALES VOLUME: 7
COMPARED TO 2017: ↑ +350%

SUPPLY: 7
COMPARED TO JAN 2018: ↓ -40%

RETAIL TRADING RANGE: \$500K - low 6m



2018
LIQUIDITY LINEUP
5th most liquid twin engine
pre-owned heli market

MARKET HIGHLIGHTS

- 2nd biggest decline in absorption rate in 2018 out of all twin's.
- An astounding 5 year drop :
 - From 6 to 1 year
 - Supply down 40%
 - Sales up 350%
- The amount of activity in this market is in stark contrast with its small fleet size (150)
- 75 % of buyer's were in Europe.
- 75% of the configs that sold were VIP.

BELL 429



ABSORPTION RATE: 2 YEARS

RETAIL SALES VOLUME: 7
COMPARED TO 2017: ↑ +30%

SUPPLY: 13
COMPARED TO JAN 2018: ↓ -20%

RETAIL TRADING RANGE: low \$4 - 5m



2018
LIQUIDITY LINEUP
6th most liquid twin engine
pre-owned heli market

MARKET HIGHLIGHTS

- Trading activity dominated by VIP configured, less than 5 year old aircraft in 2018.
- The Bell 429's mission versatility and large palette of options attracting North American buyers who represent approximately half of the pre-owned sales.
- The other half of pre-owned sales occurred with Asian and European buyers.

S76C+ / S76C++



7 **2018 LIQUIDITY LINEUP**
7th most liquid twin engine pre-owned heli market

ABSORPTION RATE: 3.5 YEARS

RETAIL SALES VOLUME: 11
COMPARED TO 2017: → NO CHANGE

SUPPLY: 38
COMPARED TO JAN 2018: ↓ -30%

RETAIL TRADING RANGE:
S76C+: \$1 - 3m
S76C++ \$3 - 5m

MARKET HIGHLIGHTS

- ◀ S76C++ sales more than doubled in 2018.
- ◀ S76C+ sales declined slightly.

BELL412

ALL VARIANTS



8 **2018 LIQUIDITY LINEUP**
8th most liquid twin engine pre-owned heli market

ABSORPTION RATE: 3 YEARS

RETAIL SALES VOLUME: 15
COMPARED TO 2017: ↓ -45%

SUPPLY: 43
COMPARED TO JAN 2018: → NO CHANGE

RETAIL TRADING RANGE: low \$2 - 8m

MARKET HIGHLIGHTS

- ◀ In the 412 market, No HP nor Classic 412's sold in 2018 which accounts for the important drop in retail sales volume.

AW139



ABSORPTION RATE: 4 YEARS

RETAIL SALES VOLUME: 7
COMPARED TO 2017: ↑ +350%

SUPPLY: 30
COMPARED TO JAN 2018: ↑ +20%

RETAIL TRADING RANGE: high \$3's - ...



2018
LIQUIDITY LINEUP
9th most liquid twin engine
pre-owned heli market

MARKET HIGHLIGHTS

- The biggest absorption rate drop, of all twin engine helicopter markets in 2018.
- 8 years decline in absorption rate last year - from 12 to 4 yrs.
- Retail trades up 350%:
 - 5 retailed in Europe, 2 in north America
 - 2 OGP; 2 VIP; 3 SAR's
 - The floor is represented by a couple of VIP sales
 - Ceiling is represented by several SAR configured sales
- All good news right? Well, 4 years of supply is still a lot; moreover, that supply is up 20%.
 - Of the 30 ships on the market 16 are short nose
- Over a 3rd of the listings for sale in the AW139 market have been so for more than 2 years.

S76D



10 **2018 LIQUIDITY LINEUP**
10th most liquid twin engine pre-owned heli market

ABSORPTION RATE: 1 YEAR

RETAIL SALES VOLUME: 3
COMPARED TO 2017: ↑ +200%

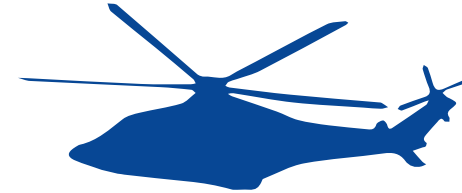
SUPPLY: 3
COMPARED TO JAN 2018: ↓ -25%

RETAIL TRADING RANGE: \$11 - 12.5m

MARKET HIGHLIGHTS

◀ All pre-owned S76D's sold in 2018 were utility or OGP ships converted to VIP by the OEM. Models nearly new and very low time.

AW169



11 **2018 LIQUIDITY LINEUP**
11th most liquid twin engine pre-owned heli market

ABSORPTION RATE: 4 YEARS

RETAIL SALES VOLUME: 1
COMPARED TO 2017: → NO CHANGE

SUPPLY: 4
COMPARED TO JAN 2018: ↑ +33%

RETAIL TRADING RANGE: \$6.5 - 7.5m

MARKET HIGHLIGHTS

◀ A young pre-owned market with very little activity.

EC225 / H225



12

2018
LIQUIDITY LINEUP
12th most liquid twin engine
pre-owned heli market

ABSORPTION RATE: 5 YEARS

RETAIL SALES VOLUME: OPAQUE
COMPARED TO 2017: CLOUDY

SUPPLY: 14
COMPARED TO JAN 2018: → NO CHANGE

RETAIL TRADING RANGE: \$1.5 - 8m

MARKET HIGHLIGHTS

- ◀ There are deals in the H225 market.
- ◀ On market supply does not constitute the full market available for sale.
- ◀ Not many deals if any constitute the definition of retail transaction.

S92A



13

2018
LIQUIDITY LINEUP
13th most liquid twin engine
pre-owned heli market

ABSORPTION RATE: N/A

RETAIL SALES VOLUME: 0
COMPARED TO 2017: → NO CHANGE

SUPPLY: 9
COMPARED TO JAN 2018: → NO CHANGE

RETAIL TRADING RANGE: N/A

MARKET HIGHLIGHTS

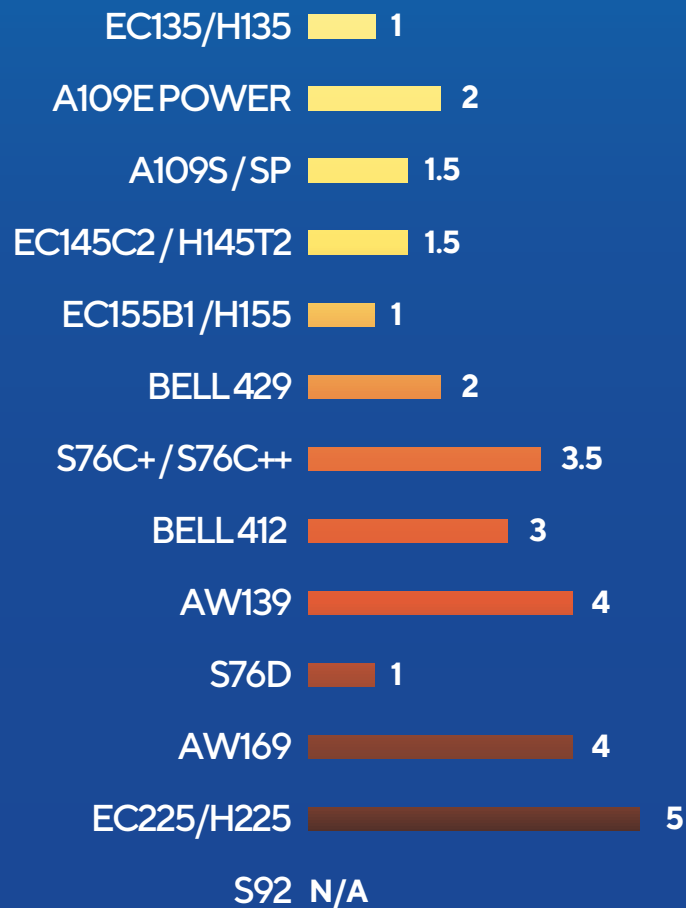
- ◀ The last retail pre-owned trade in the S92A market was #920094 sold to a Canadian operator in May of 2014.

Performance Trends

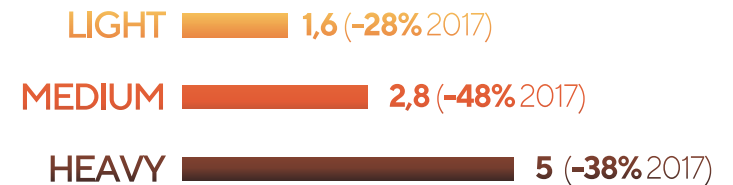
ABSORPTION RATES

YEARS OF SUPPLY AT 2018 TRADE LEVEL

BY MODEL (# of years)



BY WEIGHT CLASS (# of years)



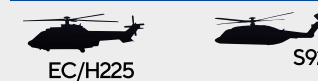
LIGHT TWIN



MEDIUM TWIN

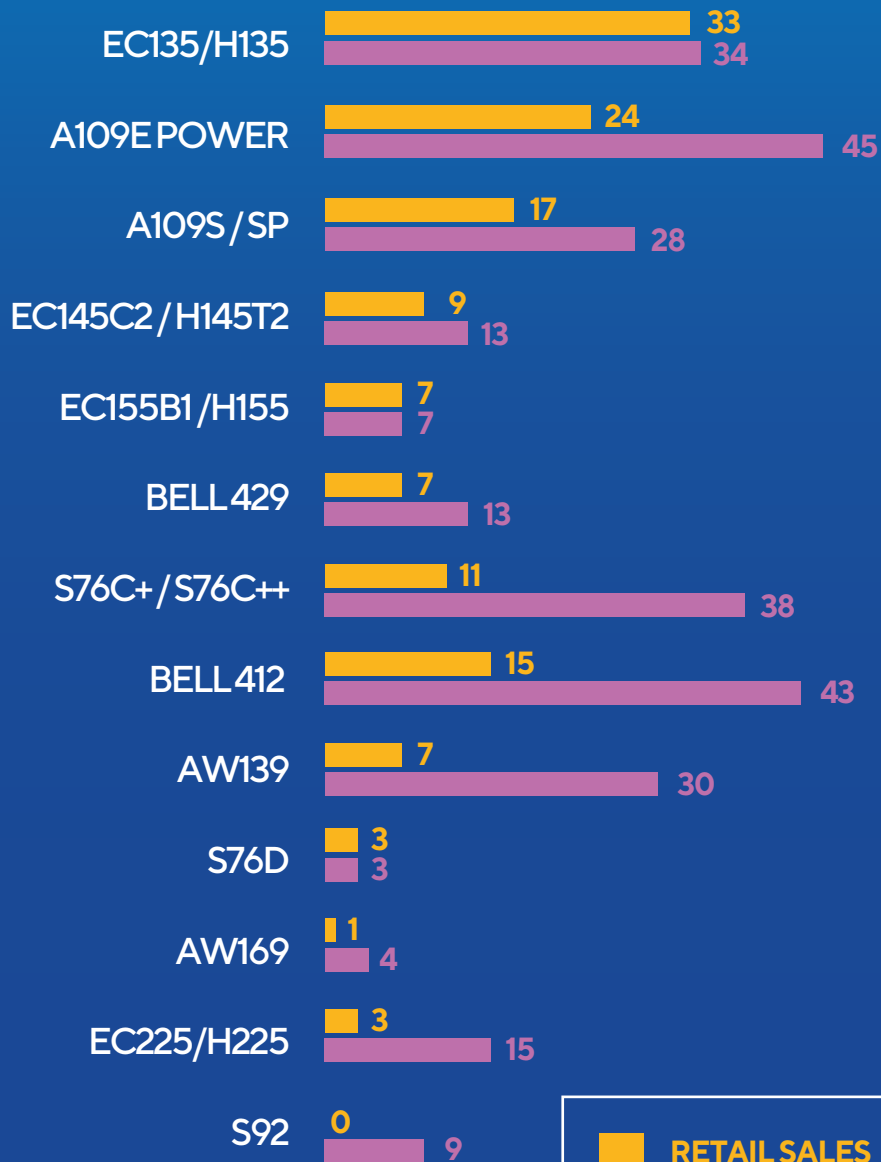


HEAVY



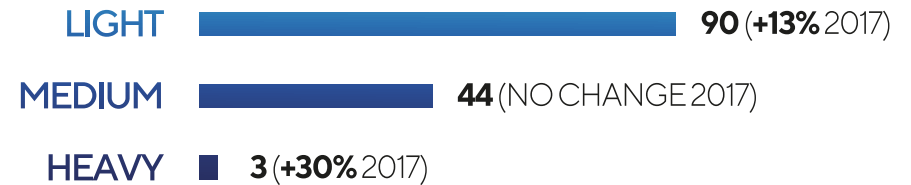
RETAIL SALES & SUPPLY

BY MODEL (# of aircraft)



 RETAIL SALES
 SUPPLY

RETAIL SALES BY WEIGHT CLASS (# of aircraft)



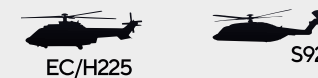
LIGHT TWIN



MEDIUM TWIN

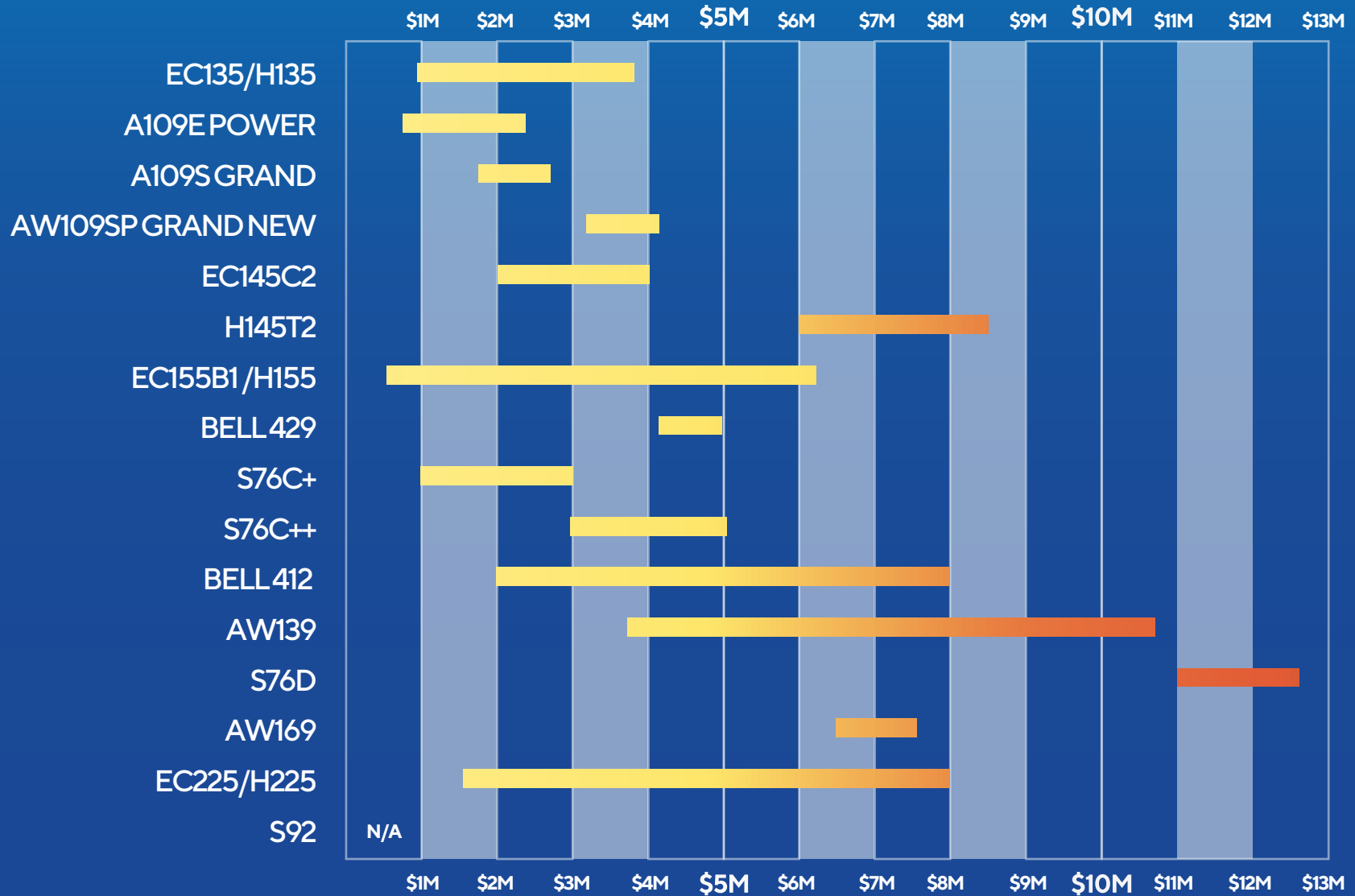


HEAVY



TRADING RANGE

BY MODEL (USD)



SAFE HARBOR STATEMENT

No representation, guarantee or warranty is given as to the accuracy, completeness or likelihood of achievement or reasonableness of any statements made by or on behalf of Aero Asset.

The information contained herein should not be construed as advice to purchase or sell aircraft.

Neither Aero Asset nor its owners, directors, officers, employees, agents, independent contractors or other representatives shall be liable for any loss, expense or cost (including without limitation, any consequential or indirect loss) that you incur directly or indirectly as a result of or in connection with the use of data or statements contained herein or otherwise provided by Aero Asset.



WWW.AEROASSET.COM

Aero Asset Inc, Brookfield Place, 181 Bay Street, Toronto, Canada M5J 2T9

For media enquiries please contact Pierre Bled - pyb@aeroasset.com - +1 732 578 8217

