



**JET**   
**MATCH**

# 1 Q 2 4 MARKET REPORT



3RD EDITION, MAY 2024



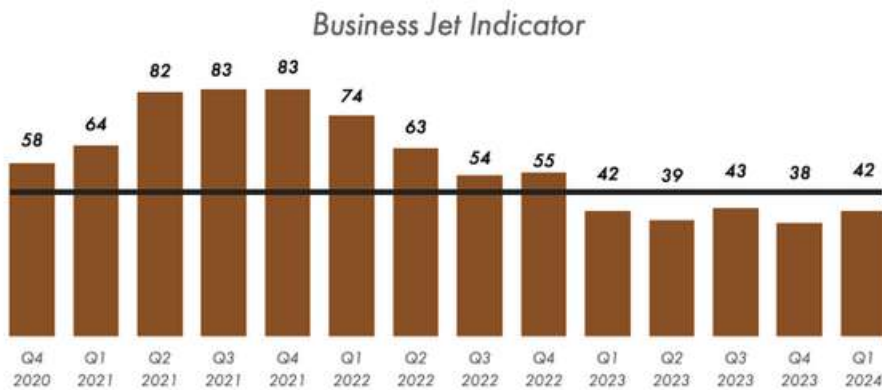
The recent FAA certification of the Gulfstream G700 has enabled Gulfstream to begin customer deliveries during 2Q24.

## INDUSTRY REMARKS

- The number of pre-owned jets for sale rose 29% during the first quarter of 2024, compared to the same period of 2023, while average asking prices declined 6%. During the same period, the resale transactions decreased by 3.6%.
- Curiously, the number of days an aircraft is available on the market fell 8%. There is no simple explanation for this phenomenon, but we believe that transactions are happening faster with lower prices and more flexible sellers.
- The number of new deliveries remained virtually stable during the quarter, with a technical increase of 1.8%, from 113 to 115. Due to lead times, new deliveries reflect a past moment, while resale transactions represent a more accurate snapshot of the present moment.
- For the Large and ULR pre-owned segment, supply rose from 299 to 412 units (38%) between 1Q23 and 1Q24, while average asking prices for similar models decreased by 27%. In terms of days in the market, the time rose 25%, from 167 to 209 days. The resale transactions changed from 106 to 105, comparing both periods. The segment behaves differently than the overall market, but we need to see how this slowdown evolves over the next quarters.

## INDICATORS

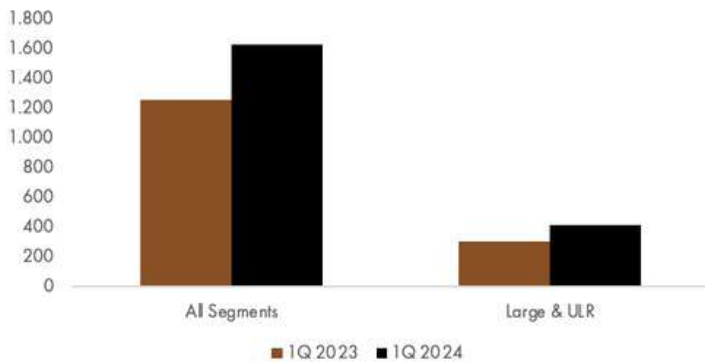
The Barclays Business Jet Indicator remained below the stability threshold of 50 points during the first quarter of the year. However, we have noticed a small uptake from the previous quarter.



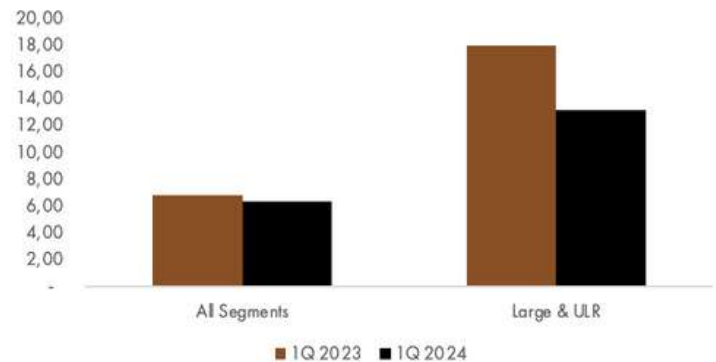
Source: Bombardier/Barclays \* The Business Jet Indicator is a measure of market confidence from industry professionals, gathered through regular surveys of brokers, dealers, manufacturers, fractional providers, financiers and others.

## PRE-OWNED MARKET

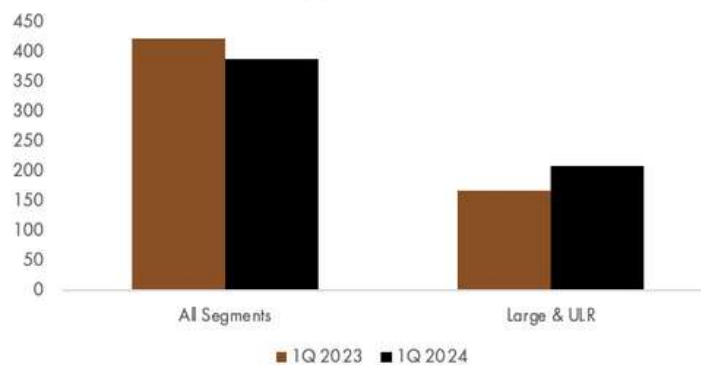
Jets For Sale



Average Asking Prices - US MM



Days on Market





## OEMS' RESULTS

### Gulfstream®

#### General Dynamics (Gulfstream's Parent Company)

- Reported 1Q 2024 operating earnings of \$1 billion (+10.4% over 1Q23) on revenue of \$10.7 billion (+8.6% over 1Q23). Diluted EPS (Earnings Per Share) was \$2.88 (+9.1% over 1Q23).
- The company generated negative free cash flow of US\$437 million during the first quarter (against a positive FCF of US\$1.301 billion from the period of 2023).
- Company-wide book-to-bill was 1-to-1, and backlog reached US\$93.7 billion (a growth of 4.4% over 1Q 23)

#### Aerospace Division (includes jet aviation and services)

- The division received US\$2.4 billion in new orders during the quarter (a 40% increase from 1Q 23), and its backlog grew 6.2% to \$20.5 billion.
- Revenue was US\$2.08 billion, a 10.1% increase versus 1Q 23.
- The book-to-bill ratio was 1.2-to-1 during the last quarter.

#### Gulfstream

- The company delivered 24 units in the last quarter, 3 more than in 1Q 23.
- According to JP Morgan, "G700 deliveries should expand Gulfstream margin rate as we move through 2024. Despite being unable to deliver any G700s in Q1, management maintained its delivery target of 50-52 G700s for the year and we model 51, resulting in our unchanged total of 160 Gulfstream deliveries."



## Bombardier

### Bombardier

- 1Q24 net income dropped to \$110 million from US\$302 million in 1Q23, while revenues fell 12% to \$1.281 billion. Diluted EPS (Earnings Per Share) was US\$1.02, a steep fall from US\$2.98 in 1Q 23.
- The company generated negative free cash flow of \$ 387 million during the first quarter, an increase from -US\$ 247 million from 1Q 23.
- Company-wide book-to-bill was 1.6-to-1, and backlog grew 5% to US\$14.9 billion.
- The company made 20 deliveries during 1Q24 (against 22 in 1Q23).
- According to the company, the deliveries from the first quarter were in line with the production plan and full-year delivery guidance of 150 to 155 aircraft.



### Embraer

- The company registered revenues of US\$897 million during 1Q24, a 25% increase over the same period in 2023. The adjusted net loss was US\$13 million, an improvement versus the negative US\$89 million in 1Q23.
- The company generated negative free cash flow of \$346 million during the first quarter, versus negative US\$ 399 million in 1Q23.
- The company-wide backlog rose 13% between 4Q23 and 1Q24 to US\$21.1 billion. Embraer delivered 25 jets during the first quarter, a 67% increase over the same period of 2023 when it delivered 15 jets.

### Executive Aviation

- The division registered net revenue of US\$240 million during the first quarter of the year, an increase from US\$87 million in 1Q23.
- They delivered 18 jets during the quarter, compared to 8 deliveries during 1Q23. The backlog rose from US\$4.3 billion in 1Q23 to US\$4.6 billion in 1Q24. With this result, the company registered an impressive book-to-bill ratio 2-to-1 during 1Q24.
- With this result, the division achieved the highest Q1 sales, deliveries, and revenues over the past eight years.