

# 2019

## Preowned Helicopter Market Trends



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

## KEY METRICS

YEAR	PREOWNED SALES	PREOWNED SUPPLY	ABSORPTION RATE
<b>2019</b>	<b>\$444M</b>	<b>\$1.14B</b>	<b>1.75 years</b>
<b>2018 variation</b>	<b>-5%</b>	<b>-18%</b>	<b>-3.5 months</b>

## KEY FINDINGS

- Overall market conditions continued to improve in 2019, amidst a slow down in light and medium twin retail sales volume
- Light and medium twin engine helicopter preowned supply continued to decline
- Most liquid market of 2019 was the H145 with just 7 month of supply at 2019 trade levels
- H225 market saw the biggest improvement in liquidity last year, with a drop in absorption rate of 3.5 years to 18 month of supply at 2019 trade levels
- 2019 mean trading values up in the H135, H155 & AW109SP markets; down in all other markets
- Bell 412EP experienced a \$2.2m fall in mean trading value last year, the biggest drop in pricing across all markets
- Pricing showing stability year of year (YOY)

# Liquidity Line Up and Market Highlights



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# DEFINITIONS

## ◀ Retail sales volume

- # of preowned aircraft sold to end-user only
- does not include : sale of a new aircraft, lease, sale lease back, internal transaction, early buy-out...

## ◀ Absorption rate

- number of sales divided by available supply
- time it would take to exhaust the supply in a market if no further supply is added

## ◀ Pricing USD

## ◀ Liquidity Line Up

- Ranks preowned markets from most to least active in 2019, based on their absorption rates, 2019 sales and active fleet size
- Covers twin engine helicopter models in production and recent variants with recent preowned sales activity.
- All configurations (EMS, VIP, OGP, ...)

# EC145C2 / H145T2



**ABSORPTION RATE:** 7 MONTHS\*

**RETAIL SALES VOLUME:** 14\*\*  
**COMPARED TO 2018:** +55%

**SUPPLY:** 8\*\*\*  
**COMPARED TO JAN 2019:** -40%

**MEAN TRADING VALUE:**  
**EC145 C2:** \$3m (low \$2 - low 4m\*\*\*\*)  
**COMPARED TO 2018:** -45%  
**H145 T2:** \$5.6m (low \$5 - low 6m\*\*\*\*)

\* supply at 2019 trade level

\*\* sold in 2019

\*\*\* aircraft for sale as of Jan 2020

\*\*\*\* trading value range

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2019 | Preowned Helicopter Market Trends



**2019  
LIQUIDITY LINEUP**  
Most liquid twin engine  
pre-owned heli market

## TAKEAWAY

- VIP configurations dominated supply in 2019 but not sales
- Sales concentrated in pre-Helionix segment of the market and driven by EMS buyer
- US EMS operators drove sales with an appetite on par with 2018



# A109E POWER



**ABSORPTION RATE:** 16 MONTHS

**RETAIL SALES VOLUME:** 22  
**COMPARED TO 2018:** -8%

**SUPPLY:** 29  
**COMPARED TO JAN 2019:** -35%

**MEAN TRADING VALUE:** \$1.25m (\$600k - high 1m)  
**COMPARED TO 2018:** -15%



## TAKEAWAY

- After falling by 25% in 2018, supply continued to drop in 2019
- VIP configurations dominated supply and sales in 2019
- Bulk of the supply for sale was in Latin America, Europe and US
- Pricing showing stability YOY

# EC/H135

ALL VARIANTS EXCLUDING HELIONIX



**ABSORPTION RATE:** 17 MONTHS

**RETAIL SALES VOLUME:** 19  
**COMPARED TO 2018:** -40%

**SUPPLY:** 27  
**COMPARED TO JAN 2019:** -20%

**MEAN TRADING VALUE:** \$2.8m (mid \$1 - low 4m)  
**COMPARED TO 2018:** +20%



## TAKEAWAY

- After dropping 30% in 2018, supply declined another 20% in 2019
- Considerable slow down in preowned sales activity in 2019, after a 25% sales volume increase in 2018
- Nearly all trading activity in 7 year range between 2006 and 2013 year of manufacture
- Pricing of models manufactured in above year range firmed upwards in 2019

# A109S GRAND / SP GRAND NEW



**ABSORPTION RATE:** 17 MONTHS

**RETAIL SALES VOLUME:** 18  
**COMPARED TO 2018:** +6%

**SUPPLY:** 25  
**COMPARED TO JAN 2019:** -10%

**MEAN TRADING VALUE:**  
**GRAND:** \$2.3m (high \$1 - low 3m)  
**COMPARED TO 2018:** -15%  
**GRAND NEW:** \$4m (low \$3 - mid 5m)  
**COMPARED TO 2018:** +10%

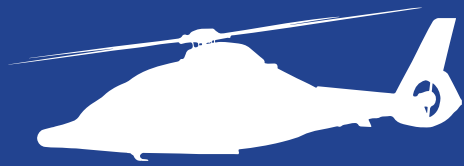


## TAKEAWAY

- Market continued to show signs of stability in 2019
- Grand represented 2/3<sup>rd</sup> of the supply
- 40% of Grand supply on market for over 1 year
- Grand New represented 1/3<sup>rd</sup> of retail trades
- Dealer purchases for resale slowed in 2019



# EC155B/B1/H155



**ABSORPTION RATE:** 13 MONTHS

**RETAIL SALES VOLUME:** 9  
**COMPARED TO 2018:** +30%

**SUPPLY:** 10  
**COMPARED TO JAN 2019:** +45%

**MEAN TRADING VALUE:** \$4.3m (mid \$1 - low 9m)  
**COMPARED TO 2018:** +50%



## TAKEAWAY

- Supply for sale rose slightly in 2019 but did not exceed 5% of active fleet
- Retail sales increased from 7 trades in 2018
- VIP configuration represented 30% of trades in 2019
- Mean pricing boosted by two retail trades at the top of the market

# AW139



**ABSORPTION RATE: 2 YEARS**

**RETAIL SALES VOLUME: 13**  
**COMPARED TO 2018: +86%**

**SUPPLY: 26**  
**COMPARED TO JAN 2019: -15%**

**MEAN TRADING VALUE: \$6.2m (high \$3 - mid 9m)**  
**COMPARED TO 2018: -20%**



## TAKEAWAY

- First drop in AW139 supply in several years
- Sales volume continued upswing in 2019
- Increased activity in the short nose segment
- Strong dealer activity purchasing inventory for resale

# EC/H225



**ABSORPTION RATE:** 1.5 YEARS

**RETAIL SALES VOLUME:** 9  
**COMPARED TO 2018:** +200%

**SUPPLY:** 12  
**COMPARED TO JAN 2019:** -20%

**MEAN TRADING VALUE:** \$4.3m (mid \$3 - low 7m)  
**COMPARES TO 2018:** -25%



## TAKEAWAY

- Improved market readability in 2019
- Steady public market supply YOY
- Half of the supply for sale Jan 2020 is deal pending
- Asia was major buyer of H225's in 2019
- OGP was the dominant configuration that traded in 2019
- Biggest improvement in liquidity last year, with a drop in absorption rate of 3.5 years

# BELL 429



**ABSORPTION RATE:** 2 YEARS

**RETAIL SALES VOLUME:** 8  
**COMPARED TO 2018:** +15%

**SUPPLY:** 17  
**COMPARED TO JAN 2019:** +30%

**MEAN TRADING VALUE:** \$4.6m (mid \$3 - mid 5m)  
**COMPARED TO 2018:** NO CHANGE



## TAKEAWAY

- Sharp increase in supply since Q3 19'
- Softer pricing spurred sales in 2<sup>nd</sup> half of last year
- Increased trading activity sub \$4m
- Pricing expected to stabilize at the bottom of the market in 2020

# BELL 412EP

9  
2019  
LIQUIDITY  
LINEUP



- ◀ Pricing adjusting amidst soft demand
- ◀ Expect more price decrease in 2020

**ABSORPTION RATE: 4 YEARS**

**RETAIL SALES VOLUME: 6**  
**COMPARED TO 2018: -60%**

**SUPPLY: 24**  
**COMPARED TO JAN 2019: -45%**

**MEAN TRADING VALUE: \$4.5m (low \$4 - low 5m)**  
**COMPARED TO 2018: -15%**

# S76C+/C++

10  
2019  
LIQUIDITY  
LINEUP



- ◀ Excessive utility and OGP supply
- ◀ Resurgent VIP demand end of 2019

**ABSORPTION RATE: 4.5 YEARS**

**RETAIL SALES VOLUME: 9 (4 C+ / 5 C++)**  
**COMPARED TO 2018: -20%**

**SUPPLY: 40 (15 C+ / 25 C++)**  
**COMPARED TO JAN 2019: +5%**

**MEAN TRADING VALUE:**  
**S76C+: \$1.4m (low \$1 - high 1m)**  
**COMPARED TO 2018: -30%**  
**S76C++: \$3.2m (high 2m to mid 3m)**  
**COMPARED TO 2018: NO CHANGE**

# S76D

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2019  
LIQUIDITY  
LINEUP



- ◀ OEM controlling part of market
- ◀ More deals expected in 2020 as pricing continues to fall

**ABSORPTION RATE:** 1.5 YEARS

**RETAIL SALES VOLUME:** 2  
**COMPARED TO 2018:** -30%

**SUPPLY:** 3  
**COMPARED TO JAN 2019:** NO CHANGE

**MEAN TRADING VALUE:** \$9.5m  
**COMPARED TO 2018:** -20%

# S92A

12

2019  
LIQUIDITY  
LINEUP



- ◀ Several serial numbers previously for sale put back into service
- ◀ Expectation is that values have reset on the purchase price of the last S92 to have retailed, the only known retail deal in several years

**ABSORPTION RATE:** 6 YEARS

**RETAIL SALES VOLUME:** 1  
**COMPARED TO 2018:** (NO SALES IN 2018)

**SUPPLY:** 6  
**COMPARED TO JAN 2019:** -30%

**MEAN TRADING VALUE:** N/A

# Market Performance Trends



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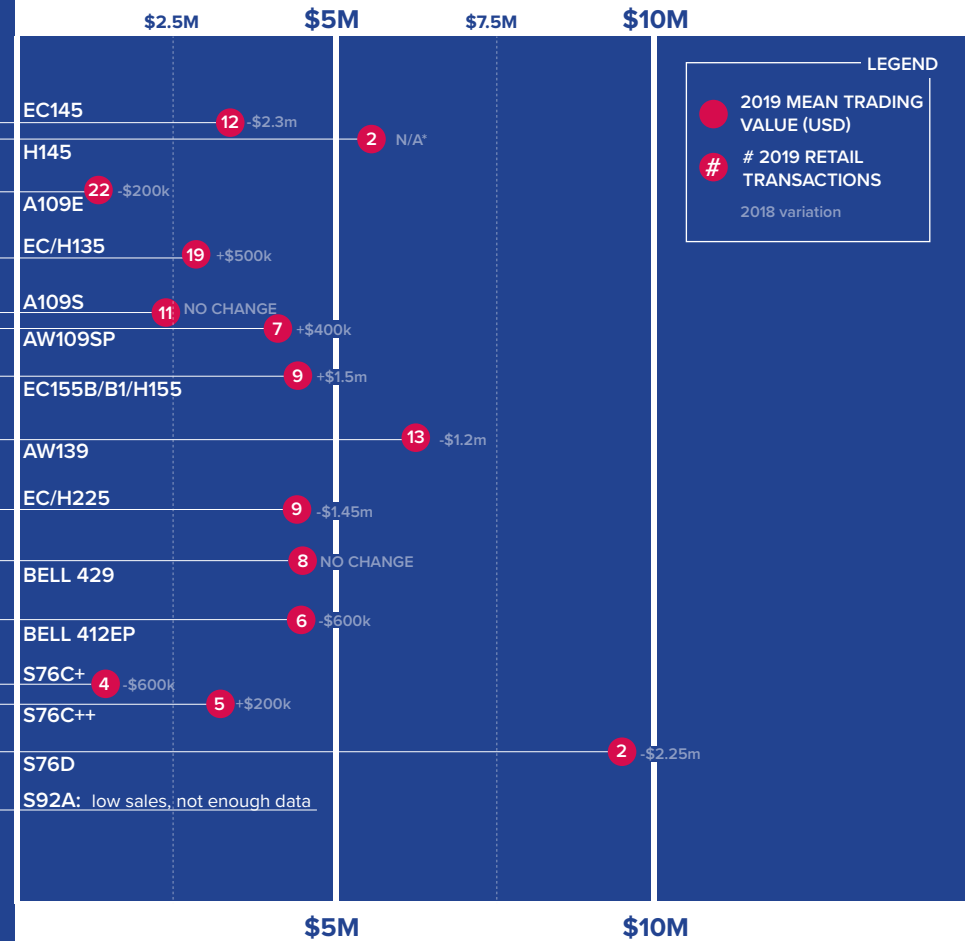
# RECAP BY MODEL

- Preowned helicopter market ranking based on absorption rate, 2019 sales and active fleet size
- All configurations (EMS, VIP, OGP, etc)

MODEL	2019 SALES		SUPPLY		2019 ABSORPTION RATE**		2018 trend
	2018 sales trend	2019 sales trend	2018 supply trend	2019 supply trend	RATE**	2018 trend	
EC/H145	8	14	14	8	7 mths	-10 mths	
A109E POWER	22	29	29	22	16 mths	-7 mths	
EC/H135	19	27	27	19	17 mths	+5 mths	
A109S/SP	18	25	25	18	17 mths	-3 mths	
EC155B/B1/H155	9	10	10	9	13 mths	+1 mths	
AW139	13	26	26	13	2 yrs	-2 yrs	
EC/H225	9	12	12	9	1.5 yrs	-3,5 yrs	
BELL 429	8	17	17	8	2 yrs	+3 mths	
BELL 412EP	6	24	24	6	4 yrs	+14 mths	
S76C+/C++	9	40	40	9	4.5 yrs	+12 mths	
S76D	2	3	3	2	1.5 yrs	+6 mths	
S92A	1	6	6	1	6 yrs	N/A*	

\*No preowned retail transactions in 2018

# TRADING VALUES





# RECAP BY ASSET CLASS

	LIGHT	MEDIUM	HEAVY	OVERALL
Absorption Rate* 2019	1.3 yrs	2.6 yrs	1.8 yrs	1.75 yrs
2018 variation	-2 mths	-2 mths	-3.5 yrs	-3.5 mths

## Supply end of 2019

units for sale	106 (47%)	103 (45%)	18 (8%)	227
estimated \$	\$440m	\$540m	\$160m	\$1.14b
<b>2018 variation</b>	<b>-20%</b>	<b>-15%</b>	<b>-25%</b>	<b>-18%</b>

## Retail Sales 2019

units sold	81 (62%)	39 (30%)	10 (8%)	130
estimated \$	\$230m	\$170m	\$45m	\$445m
<b>2018 variation</b>	<b>-10%</b>	<b>-9%</b>	<b>+233%</b>	<b>-5%</b>

**Light Twin:** Bell 429, EC/H135, EC/H145, A109E, A109S/SP

**Medium Twin:** Bell 412EP, EC/H155, AW139, S76C+/C++/D

**Heavy:** EC/H225, S92

Super-medium not included because no preowned market.

All configurations (EMS, VIP, OGP, etc)

## TAKEAWAY

- Light twin supply for sale fell 20% in 2019, driven by EMS operator demand for MEGHAS & IFR equipped H135 & H145. Although light twin sales volume declined slightly year over year (YOY), market conditions improved with supply at 2019 trade level falling 20% last year and 40% since Q1 2018.
- Medium twin supply & retail sales volume fell slightly in 2019. Although supply at 2019 trade level was stable YOY, medium twin absorption rate remains 45% lower than Q1 2018. Preowned supply at the top end of most medium twin markets has dropped significantly.
- Heavy twin supply on the market is up slightly YOY but retail sales volume is up as well to 10 units sold in 2019, a 300% increase YOY. Supply at 2019 trade levels dropped substantially to 21 month end of Q4 2019, showing a continued improvement of this asset class.

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[WWW.AEROASSET.COM](http://WWW.AEROASSET.COM)

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

**For media enquiries please contact Pierre Bled - [pyb@aeroasset.com](mailto:pyb@aeroasset.com) - +1 732 578 8217**

