The state of the business jet market: 2015-2050

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Market and industry trends
Current market scenario
N10Y market forecast
Forward looking statement

This presentation includes forward-looking statements or statements about events or circumstances which have not occurred. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting our business and our future financial performance. These forward-looking statements are subject to risks, uncertainties and assumptions, including, among other things: general economic, political and business conditions, both in Brazil and in our market.

The words “believes,” “may,” “will,” “estimates,” “continues,” “anticipates,” “intends,” “expects” and similar words are intended to identify forward-looking statements. We undertake no obligations to update publicly or revise any forward-looking statements because of new information, future events or other factors. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this presentation might not occur. Our actual results could differ substantially from those anticipated in our forward-looking statements.
Source: Embraer analysis.
CORPORATE JET INVESTOR

Source: Embraer analysis
CONNECTED WORLD

ENVIRONMENT CHALLENGES & OPPORTUNITIES

Source: Embraer analysis.
Several empowered customers

Global Executives

Cosmopolitan Commuters

Active Seniors

Global Clans

More informed consumers

expecting more choices
more customization
more personalization

Source: Future Traveler Tribes 2020 report (Amadeus and Henley Centre HeadlightVision).
The corporations driven by empowered consumers

The sustainability effect

Operational & ownership costs

Pre-owned and financed values as major concerns

Aircraft productivity: availability and cabin features

Source: Embraer proprietary analysis
World integration of supply & demand also for bizav

- Bizav accessibility
- Aircraft management
- Charter commoditization
- Reduced ownership costs

Source: Embraer proprietary analysis and companies websites.
Technology trends: passenger experience

- Fast and reliable connectivity
- Personalized entertainment systems
- Privacy and comfort
- Hands-free commands
- Cabin micro environments
- Cabin connectivity
- Cabin air quality and medical care
- Self-cleaning and anti-bacteria materials

Source: Embraer proprietary analysis
Technology trends: operational efficiency

Aircraft Health Management
- Accelerated diagnosis
- Systems Prognostics
- Structural health monitoring

Fleet Management System
- Advanced decision making system
- Spare parts management

Source: Embraer proprietary analysis
Leading to a smart integration philosophy

**CENTRAL STORAGE HEALTH MONITORING**

**DATA EXCHANGE INTERCONNECTED FLEET**

**FLIGHT OPERATIONS**

**INTEGRATED FLEET MANAGEMENT CENTER**

Source: Embraer proprietary analysis
Leading to innovation and constant rethinking

- Clean sheet design
- Technology available in larger jets only
- Digital flight controls | Full Fly-By-Wire
- HUD, EVS and future vision
- Air Data System – SmartProbe™
- Low noise and emissions
Bizav’s future will rely on several issues other than just the aircraft...
Current market scenario
Current Scenario

- Improved economic environment in US is driving demand
- US 2015 GDP growth expected at 2.5%
- US Corporate profits and HNWI at record levels
- New products entering into service
- Traffic recovery on track in US but slower than expected in Europe
- New and pre-owned pricing pressure
- European markets continue at risk
- Softening emerging markets demand

Source: Embraer proprietary analysis
2015 World GDP growth rates per region

- USA: 2.5%
- Brazil: -2.7%
- Latin America: -0.2%
- Europe: 1.8%
- India: 7.4%
- China: 6.5%
- Asia Pacific: 4.5%
- Africa: 3.5%
- World: 2.6%
- Below or equal world average:
  - Europe: 1.8%
- Above world average:
  - China: 6.5%
  - Asia Pacific: 4.5%
  - USA: 2.5%
  - Africa: 3.5%
  - World: 2.6%
- Negative change:
  - Brazil: -2.7%

An unbalanced world economic recovery

Source: IHS Global Insight, September 2015. *Note: Europe includes Western, Central and Eastern countries and excludes CIS.
Flight activity in major markets

**USA**
- 2015: 1.6% higher than 2014 (Jan-Jul)

**EUROPE**
- 2015: 2.5% lower than 2014 (Jan-Aug)

Depreciation of local currencies: reducing purchase power in emerging markets

Pre-owned prices and inventory

Pre-owned aircraft prices still pressuring new aircraft sales

Source: Jetnet and Embraer Analysis – Sep 2015.
Regional markets: deliveries evolution (units)

US share has grown 28% since 2009

Historic deliveries

2015 volume expected to be similar to 2014

Source: GAMA.
N10Y Market forecast snapshot
9,250 jets and US$ 265 Bi over the next 10 years

2015-2024 deliveries forecast

Source: Embraer proprietary analysis.
## Forecastsed growth rates

<table>
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<th>Jet class</th>
<th>Deliveries</th>
<th>Revenue</th>
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<td><strong>Total</strong></td>
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<td><strong>4%</strong></td>
<td><strong>5%</strong></td>
</tr>
</tbody>
</table>

Source: Embraer proprietary analysis.
2015-2024 Market forecast by region

North America
4,620 a/c (50%)
US$ 120 Bi (45%)

EMEA
2,360 a/c (26%)
US$ 77 Bi (29%)

Latin America
850 a/c (9%)
US$ 16 Bi (6%)

Asia Pacific
570 a/c (6%)
US$ 19 Bi (7%)

China
835 a/c (9%)
US$ 33 Bi (12%)

Worldwide
9,250 units
US$ 265 Bi

Note: Sum of regional numbers might differ from total numbers due to rounding. Source: Embraer proprietary analysis.
Summary: key forces and drivers shaping bizav

Short-medium term:
- A slow growth global market, US centric
- Emerging markets slower demand: political & economical uncertainties, mainly
- New aircraft versus pre-owned gap (prices and inventory) continued
- Innovative aircraft models

Long term:
- Empowered, connected and more demanding users
- Unbalanced and shorter cycles in global economies
- Sustainability pressure: individuals and corporations
- Technology-driven innovations encompassing OEMs, operators and passengers

Source: Embraer proprietary analysis