



HONEYWELL FORECASTS 4,000 TO 4,200 NEW CIVIL HELICOPTER DELIVERIES OVER NEXT FIVE YEARS

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With a better long-term global economic outlook this year, customers are holding firm in their intentions to invest in new helicopter purchases over the next five years. In its 20th annual "Turbine-Powered Civil Helicopter Purchase Outlook," Honeywell forecasts 4,000 to 4,200 new civilian-use helicopters will be delivered from 2018 to 2022, aligning with the five-year forecast from 2017.

"In addition to better global economic conditions expected in the coming years, potential positive impacts of U.S. tax reform on new helicopter demand and lower volatility in oil and gas-related markets have helped fleet managers confirm what they told us last year," said Ben Driggs, president, Americas, Honeywell Aerospace. "With the expectation of stable purchase plans for new helicopters over the next five years, Honeywell is focused on bringing increased value to operators' current and new fleets by offering Connected Helicopter engine, Health and Usage Monitoring Systems, and avionics solutions that help

boost a platform's efficiency and availability."

Key survey findings this year include:

- Over the next 12 months, helicopter fleet utilization is expected to increase significantly in North America and modestly in Europe and Latin America.
- When choosing their make and model, operators purchasing new aircraft are largely considering factors like brand experience and performance, with cabin size and range factors declining from last year's survey.
- The outlook showed stable new purchase-plan rates for the next five years for North America, Europe and Asia. Latin America showed higher growth rates for the next five years with lower rates in the Middle East and Africa.

Regional Overview

North America: Purchase plans were stable in this year's survey with 13 percent of respondents saying they would either replace or expand their fleet with a new helicopter over the next five years, consistent with 2017. North America is home to more than 40 percent of the world helicopter fleet.

- More than 50 percent of planned North American purchases were identified as light single-engine models, while roughly 20 percent of new planned purchases were for both light and medium-twin product classes.

Europe: Compared with 2017 results, purchase plans were stable in this year's survey. Nearly 22 percent of respondents said they would either replace or expand their fleet with a new helicopter over the next five years.

- Both light single-engine and medium twin-engine classes captured roughly 35 percent of total mentions for new helicopters. Twelve percent of respondents indicated plans to purchase heavy-twin helicopters, up by 10 percentage points from last year.
- The sample of Russian operators responding in the 2018 survey remains small, which continues to add some uncertainty to the overall European results.

Latin America: Results for 2018 show higher fleet replacement and growth expectations than 2017. Above the world average, the region's purchase plans increased by more than 12 percentage points from last year.

- Latin America had the leading rate of new aircraft purchase plans globally, with 35 percent of respondents saying they would either replace or expand their fleet with a new helicopter over the next five years.
- Brazilian purchase plans increased to 35 percent, reflecting better expectations for economic growth.
- Latin American respondents favored light single-engine models, which represent more than 50 percent of their planned purchases, followed by intermediate and medium twin-engine product classes.

Middle East and Africa: This region had the lowest new purchase rate globally, with only 10 percent of respondents' fleets expected to get a new helicopter replacement or addition. Purchase plans were 12 percentage points lower compared with 2017 survey results.

- Close to 75 percent of planned new helicopter purchases were light single-engine models.

- Medium twin-engine models were the second-highest mentioned product class in the survey by operators.

Asia Pacific: Overall buying plans were up 1 percentage point when compared with 2017. More than 18 percent of respondents said they would either replace or expand their fleet with a new helicopter over the next five years.

- Light single-engine and medium twin-engine helicopters were the most popular classes, both capturing about 35 percent of mentions for new helicopters.
- Despite limited inputs, new helicopter purchase plans were up by 9 percentage points in China, increasing to more than 21 percent compared with last year's results. Plans were down by more than 40 percentage points in India.

Methodology

The 2018 outlook presents a snapshot of the helicopter business at a given point in time and reflects the current business and political environment. This year's data comes from a survey of more than 1,000 chief pilots and flight department managers of companies operating 3,489 turbine and 334 piston helicopters worldwide. The survey excluded large fleet or "mega" operators, which were addressed separately. Input received from large oil and gas support and emergency medical service fleet operators is factored into the overall outlook in addition to the individual flight department responses. The survey detailed the types of aircraft operated and assessed specific plans to replace aircraft or add new helicopters to the fleet.

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