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

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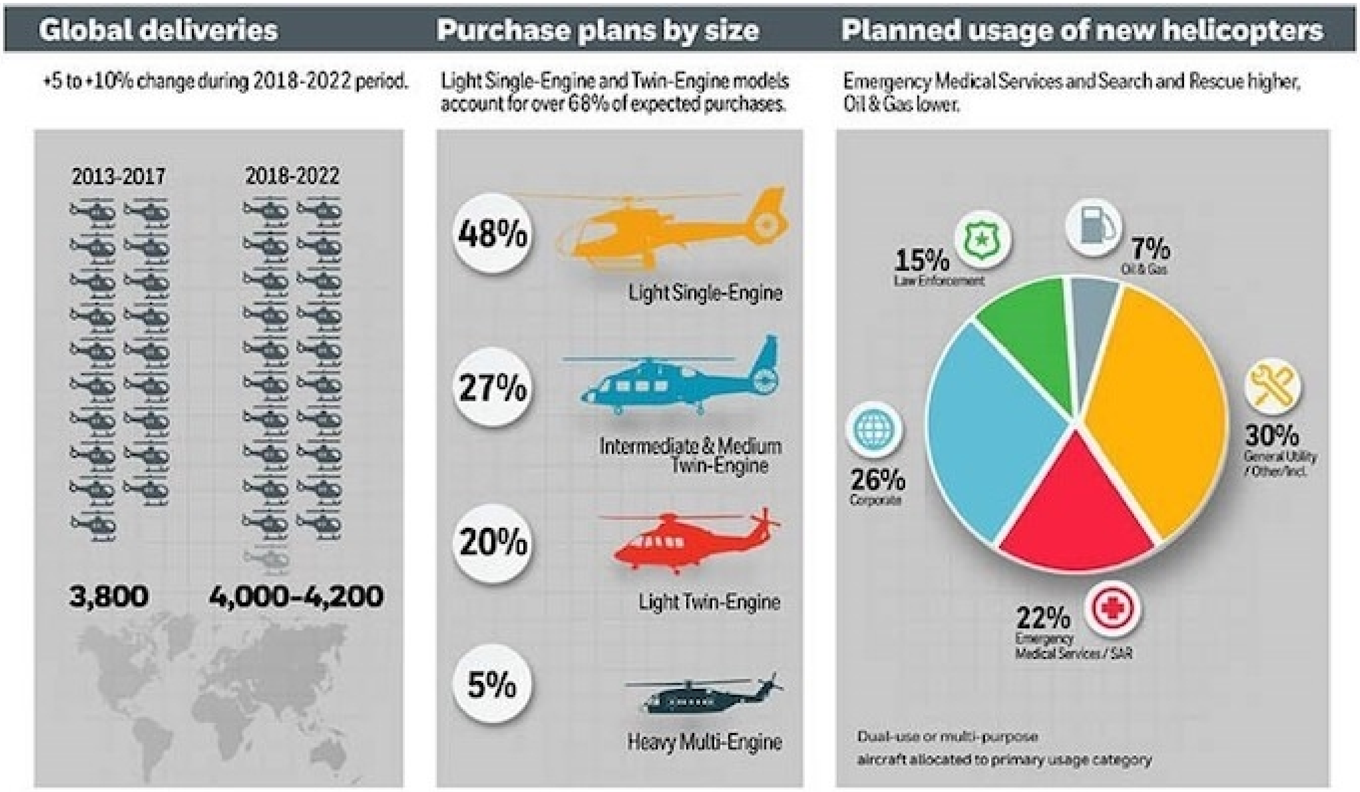

In its 21st annual "Turbine-Powered Civil Helicopter Purchase Outlook," Honeywell forecasts 4,000 new civilian-use helicopters will be delivered from 2019 to 2023, marginally lower than the 4,200 cited in the five-year forecast from 2018.

"Despite positive impacts of U.S. tax reform on new helicopter purchase plans in North America, an inconsistent economic outlook for international markets has resulted in lower purchase plans worldwide from fleet managers when compared with a year ago," said Heath Patrick, president, Americas Aftermarket, Honeywell Aerospace. "Honeywell remains focused on bringing innovation to the market by delivering avionics, monitoring systems and Connected Helicopter technologies that boost a platform's efficiency and availability."

Key survey findings this year include:

- About 20 percent of survey respondents in North America said their helicopter fleet utilization is expected to increase over the next 12 months — higher than the global rate of 14 percent.
- Purchase plans are stronger from law enforcement and oil and gas operators in this year's survey, but significantly lower from corporate operators.
- A greater proportion of planned new helicopter purchases are for intermediate/medium twin-engine models in this year's survey compared with 2018. The proportion is lower for light twin-engine. The proportion of light single-engine and heavy twin-engine planned purchases

are about the same as last year.
- When choosing make and model for a new aircraft, the top three factors operators consider are brand experience, aircraft performance and cabin size.

Despite respondents having a slightly less positive view of the global economic outlook in this year's survey compared with 2018, new helicopter platforms will support an expected 3 to 4 percent annual growth rate in overall deliveries. The predicted increase in deliveries signals an overall healthy helicopter market poised for moderate growth.

Regional Overview

North America: Purchase plans have risen by five percentage points over a year ago, with 18 percent of respondents saying they would either replace or expand their fleet with a new helicopter over the next five years. North America is home to more than 40 percent of the world's helicopter fleet.

- Close to 65 percent of planned North American purchases were identified as light single-engine models, while roughly 22 percent of new planned purchases were for intermediate and medium-twin product classes.

Europe: Compared with 2018 results, purchase plans were lower in this year's survey. Nearly 15 percent of respondents said they would either replace or expand their fleet with a new helicopter over the next five years. The figure was 22 percent a year ago.

- Intermediate and medium twin-engine classes captured roughly 30 percent of total mentions for new helicopters. Meanwhile, 25 percent of respondents indicated plans to purchase light single-engine helicopters, down 12 percentage points from last year.
- The sample of Russian operators responding in the 2019 survey remains small, which continues to add some uncertainty to the overall European results.

Latin America: Results for 2019 show significantly lower fleet replacement and growth expectations compared with 2018. Purchase plans are well below the global average of 15 percent, and the region's purchase plans decreased by 26 percentage points from last year.

- Latin America had the lowest rate of new aircraft purchase plans globally, with only 9 percent of respondents saying they would either replace or expand their fleet with a new helicopter over the next five years.
- Purchase plans in Brazil decreased to only 5 percent, reflecting higher political tensions and lower expectations for long-term economic growth.
- Latin American respondents favored light single-engine models, which represent about 70 percent of their planned purchases, an increase of 20 percentage points when compared with 2018 survey results.

Middle East and Africa: This region had the second highest new purchase rate globally, with 15 percent of respondents' fleets expected to get a new helicopter replacement or addition. Purchase plans were 5 percentage points higher compared with 2018 survey results.

- Close to 70 percent of planned new helicopter purchases were medium twin-engine models.
- Light single-engine models were the second-highest mentioned product class in the survey by operators.

Asia Pacific: Overall buying plans were down 5 percentage points when compared with 2018.

Close to 13 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 near 30 percent of mentions for new helicopters.
- Despite limited inputs, new helicopter purchase plans were stable in China, showing that about 21 percent of the fleet would be replaced or expanded by a new helicopter over the next five years. Plans were up by about 10 percentage points in India.

Methodology

The 2019 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 3,334 turbine and 321 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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