



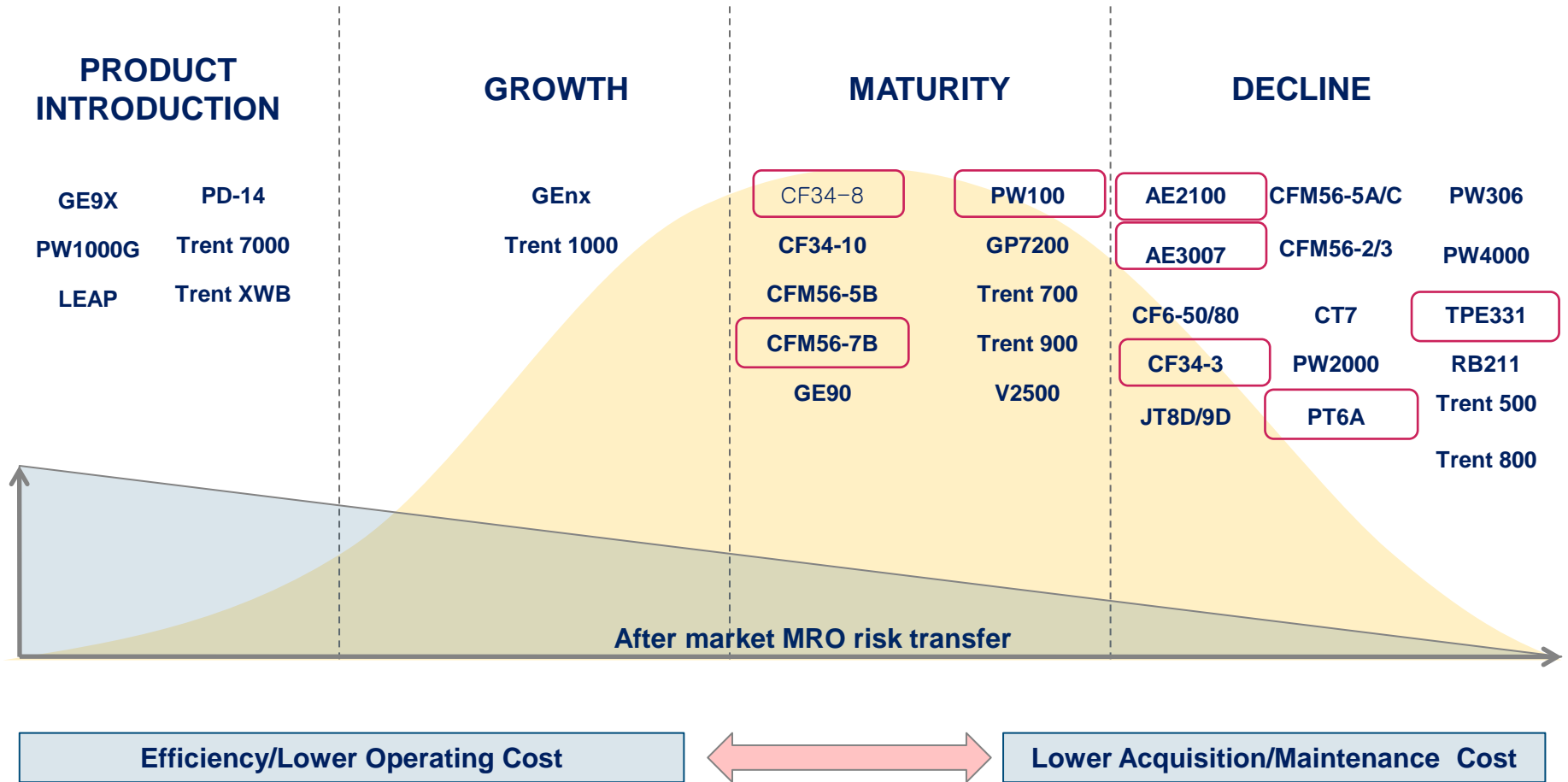
Kevin Cusack, P. Eng
Director Strategy and BD



StandardAero

Engine Maturity Cycle

Independent MRO will add value in aging mature markets creating solutions to extend life



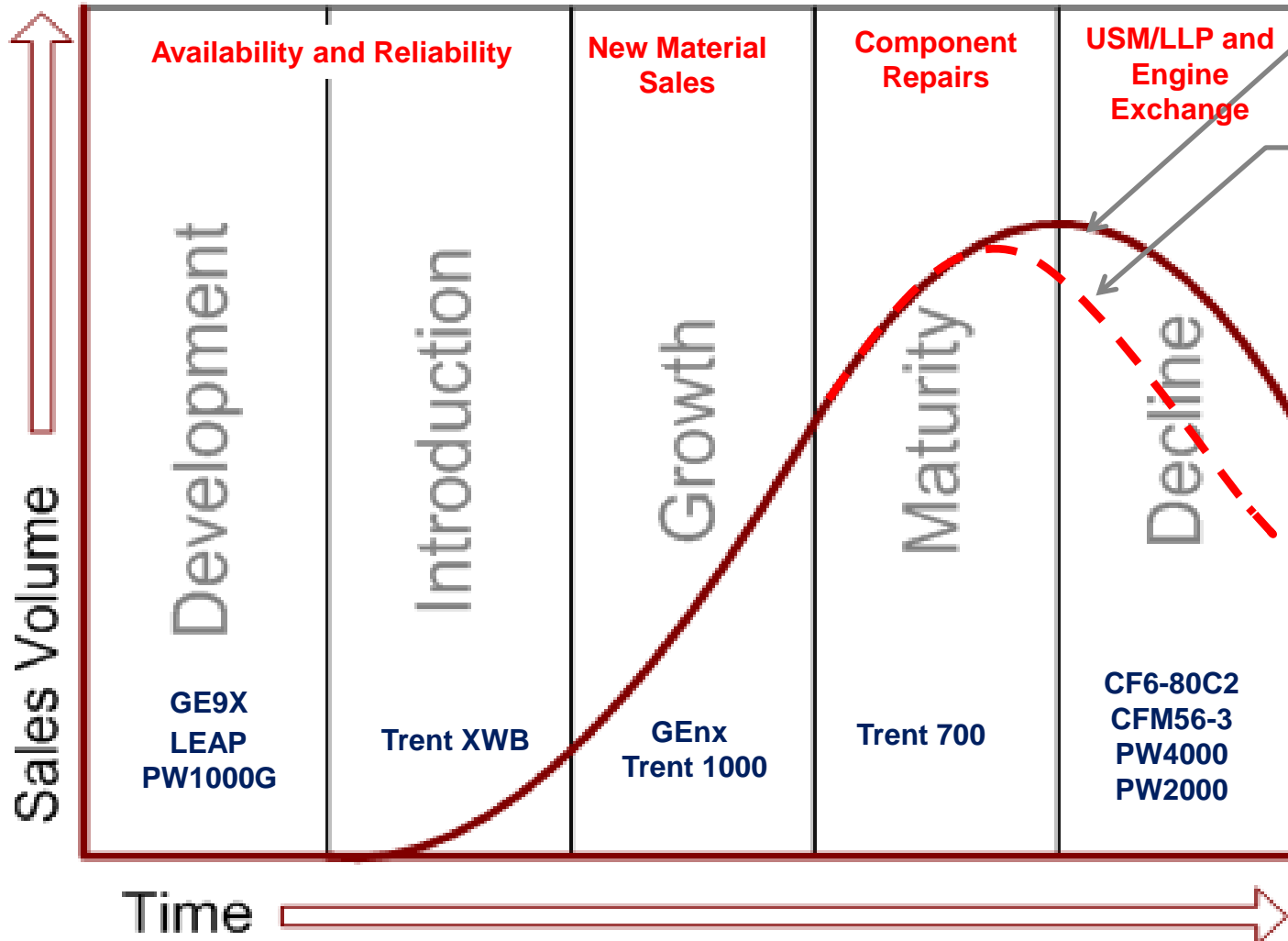
StandardAero Engine Markets



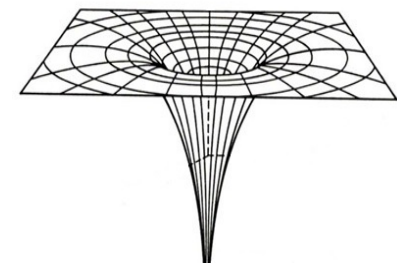
Price pressure as product matures

As life cycle advances initial retirement provide new sources of material to reduce cost and prolong service of remaining fleets

■ Engine Product Life Cycle

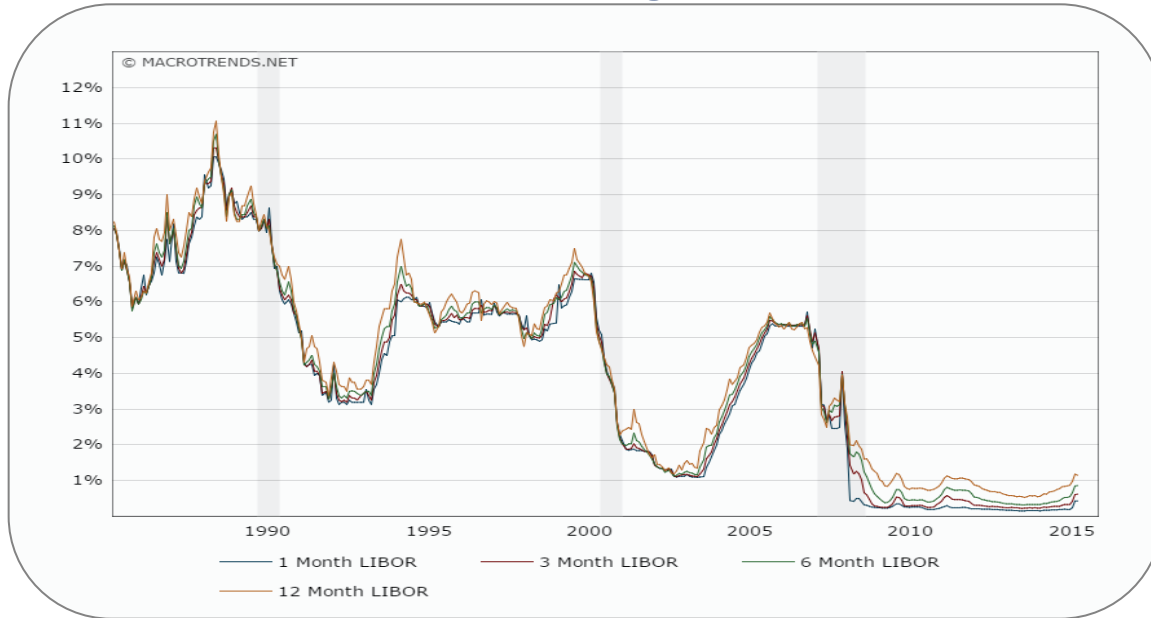


- Mature phase ends as deliveries peak
- As OEM introduce new product, may have implications on decline curve in contrast to operating cost of aging hardware
- LLP and gas path USM key drivers to mature fleet strategies



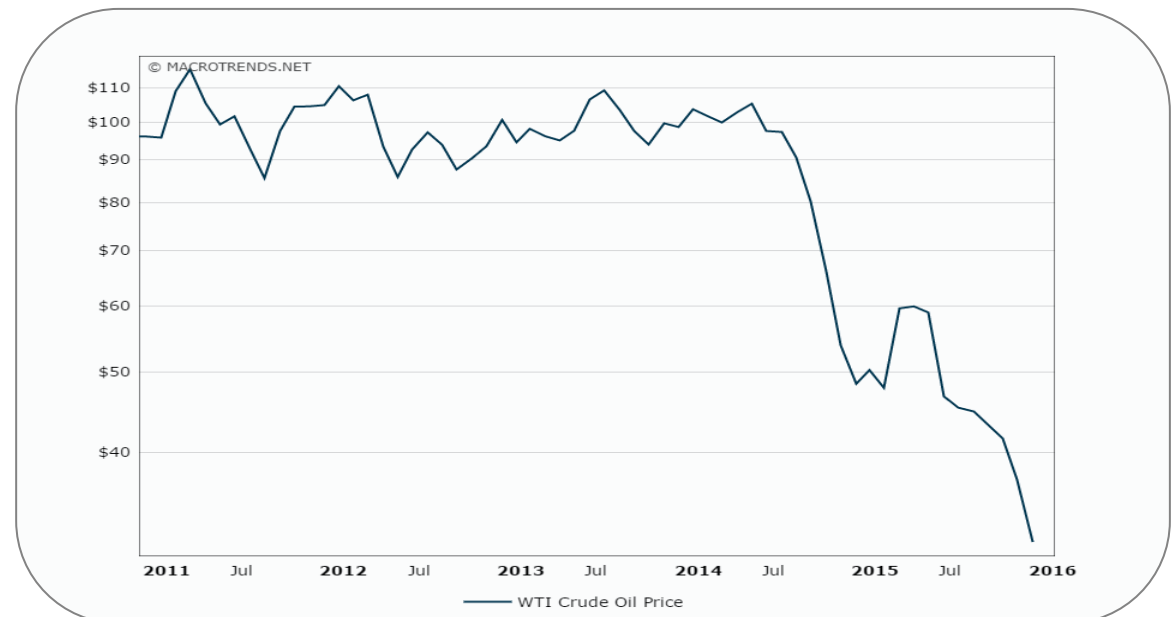
Macro Economic Trends

Cost of borrowing as well as cost of operating aging hardware will impact fleet renewal strategies and fleet retirements



LIBOR rates at 30 year lows

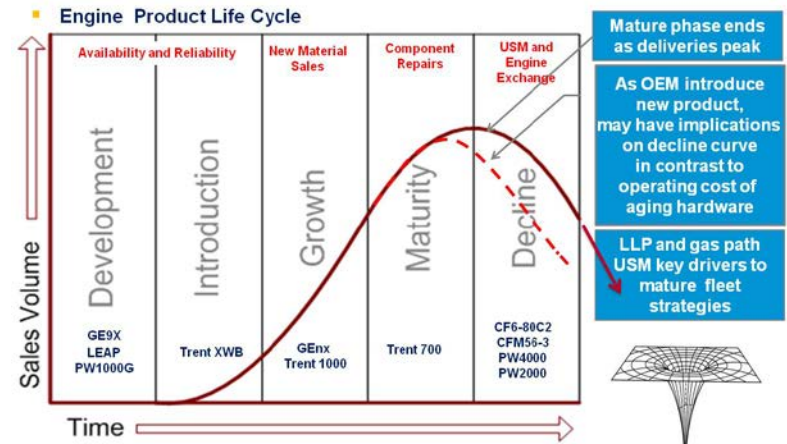
Fuel prices at 10 year lows



In Summary

3 key elements to fleet retirements

1. Availability of new hardware to replace existing lift
2. Access to low cost capital
3. Existing operating cost in the form of fuel and maintenance expense





Thank you!



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