

SUMMER NUMBERS

Key Takeaways

"Those who have knowledge, don't predict. Those who predict, don't have knowledge."
Lao Tzu

Boeing got it right? With the lower risk, but also the only option, LEAP engine, it is looking increasingly likely that BCA is going to be in a much stronger cashflow position over the next five years than Airbus might. However, we still view the GTF eventually delivering more significant performance improvements over the 320NEO service life and therefore becoming a system with significantly more longevity and performance than MAX.

Avionics is the new battleground for services and logically so. With technology maturation, integrated systems, the colossal amount of data generated by the aircraft, it's a natural evolutionary path for aircraft OEMs to implicate themselves more actively into these connected services.

We will expand soon on this issue and report on our meeting with Boeing's CIO Ted Colbert during the Paris Airshow. His approach will contribute a great deal to the performance of Boeing Global Services. Our confidence level surrounding BGS implementation is strong following this meeting.

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183

net orders for Boeing Q2 vs 152 for the same quarter last year. Worth \$22 billion at list, positive trend for widebodies and 787 in particular

25-30

C-Series likely to be delivered in 2017, on par with our January forecast

1

Billion. For Dassault Systèmes' 30 year contract with Boeing.

8

That is the production rate for A380 from 2019. If orders don't pick up this year, then the programme is at risk. Crunchtime.

1405

That is the suggested revised 787 accounting block number from Spirit Aero press release of August 2nd. We are expecting this figure to be eventually closer to 1500.

5,6

million is the delta price between the MAX10 and the MAX9. What is therefore the rationale to keep MAX9 going?

15

billion is the target annual revenue that Boeing Global Service should eventually achieve in our estimation. Since Boeing is suggesting a very aggressive figure of \$50b in revenue in the next 5-7 years, Organic growth will not suffice and Boeing will need to shop for either large MROs or S&T (sim/training) targets and/or expands its services footprint, notably in the Gulf and Asia.

600

The number of Boeing employees eventually assigned to its "new" avionics group. Nothing to worry about for avionics prime really but another smart move by Boeing to strengthen its services business. This is first and foremost about capturing aftermarket revenue streams, resetting avionics supplier roles, and in particular, developing a set of systems and services solutions around data generation.

63

Transaction for the sale of ex-French Air Force Mirage F-1C/CT to ATAC (Textron). These aircraft will be modified and refurbished (30 or so initially) and likely be flown by ATAC for red air missions for the US/NATO military customers. RFP to USAF is due August 15.

40

Million, that is the estimated current amount to be recovered per 787 produced for Boeing

(based on current 1,300 accounting block)

53

That's the number of MAX10 new firm orders to date. (excluding the -9 swaps)

1,9

Billion. That's Etihad's losses in 2016. Air Berlin's Future in doubt

6

Q400 from the French Sécurité Civile (firefighting role). That's about 6 months production. Q400 holds steady. It's a good product.

20

Percent. That's Airbus goal for its services shares by 2020. Up from 7 percent currently.

50

The potential number of ATR 600 series for Silver Airways in Florida, ATR is back in the US but the effort really started in 2008 and took a long time to pay off.

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