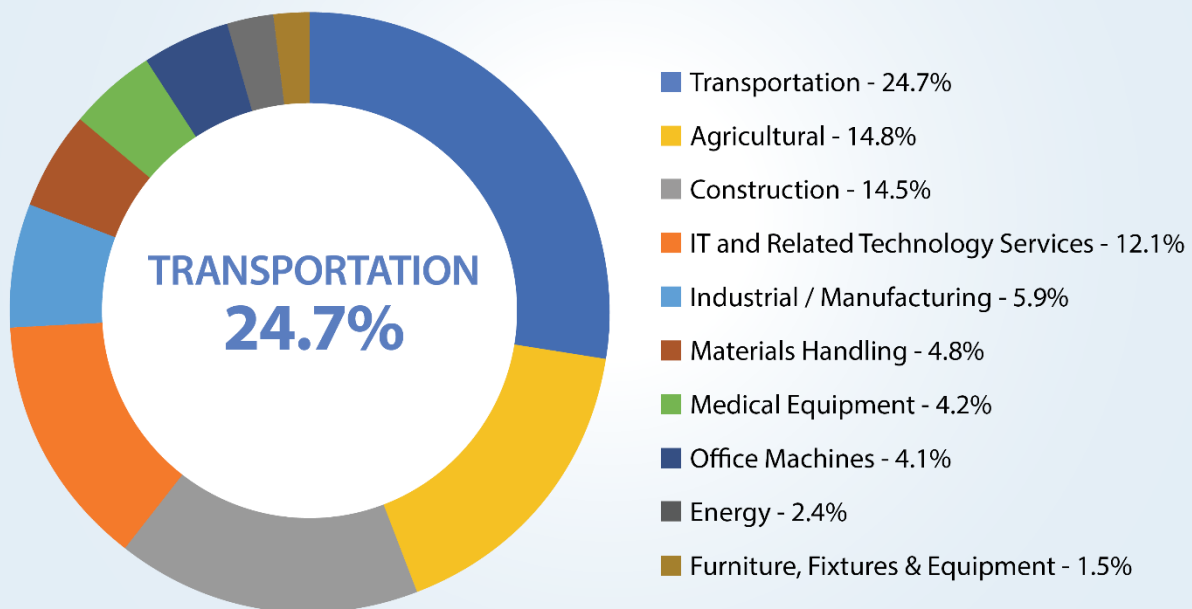


Fact Sheet: Equipment Finance in the Aircraft Industry



EQUIPMENT FINANCE IN THE TRANSPORTATION INDUSTRY

Transportation equipment represents 24.7% of equipment financing new business volume in the United States.



Source: 2023 Survey of Equipment Finance Activity.

Learn how the equipment finance industry equips your business for success at www.EquipmentFinanceAdvantage.org

Equipment Financing Volume

According to the Equipment Leasing and Finance Association's (ELFA) [2023 Survey of Equipment Finance Activity](#), in 2022:

- Overall, transportation equipment represented 24.7% of equipment financing new business volume reported by ELFA member companies, up from 21.3% from 2021.
- The air transportation industry represented 1.5% of new business volume reported by ELFA member companies, up from 0.8% in 2021.
- Corporate aircraft represented 4.4% of new business volume reported by ELFA member companies, up from 4.1% in 2021.

- Commercial aircraft represented 0.6% of new business volume reported by ELFA member companies, up from 0.2% in 2021.

According to the Equipment Leasing & Finance Foundation's [2022 Equipment Leasing & Finance Industry Horizon Report](#):

- Nearly 8 in 10 businesses (79%) that acquired equipment and software used at least one form of financing to do so (i.e., lease, secured loan or line of credit).
- Total public and private sector equipment and software investment expanded to \$2.0 trillion in nominal terms. Approximately 57% of this investment was financed, yielding an industry size estimate of about \$1.16 trillion.
- Of private sector equipment and software investment, 61.8% was financed.
- Leasing was the most common financing method (used by 26%), followed by secured loans (19%) and lines of credit (17%).

Investment

According to the [Foundation-Keybridge Equipment & Software Investment Momentum Monitor](#):

- Investment in aircraft increased at an annualized rate of 101% in Q2 2023.
- In October 2023, investment in aircraft was up 49% year over year.
- Aircraft investment growth will remain solidly positive through the end of Q1 2024.

Aircraft Market

According to "[What's Hot, What's Not: Equipment Market Forecast 2023](#)," based on a survey of ELFA members to measure industry perceptions of equipment types:

- Aircraft ranked 8th in portfolio preference among equipment finance industry executives, up from 10th the previous year.
- Executives appear to view parts of the aircraft market being in continued recovery, both in the private and commercial aircraft markets.
- The International Air Transport Association (IATA) estimates the commercial sector booked a \$6.9 billion loss for 2022 after losses of \$138 billion in 2020 and \$52 billion in 2021. 2023 should see a return to profitability with earnings forecast at \$4.7 billion.
- Revenue passenger kilometers (RPK) increased by over 75% in 2021, and were estimated to increase by 43.5% in 2022. 2023 is forecast to further recover to 97% of 2019 levels.
- All-time low levels of used business jet inventories coupled with strong buyer demand have pushed a string of month-to-month price increases to near all-time highs. Overall average price increases in 2022 were 79% year to date and 57.9% year over year.
- The helicopter market remains challenged in spite of some recovery in used prices and demand in the offshore and EMS sectors. Shipments were up around 6% year over year through Q3 2022.

According to the U.S. Bureau of Economic Analysis, in 2022:

- Aircraft investment was \$43.1 billion.

According to the U.S. Census Bureau, in August 2023:

- New orders of nondefense aircraft and parts decreased 15.9% month to month, and new shipments of nondefense aircraft and parts increased 4% month to month (seasonally adjusted).
- New orders and shipments of nondefense aircraft and parts (not seasonally adjusted) were up 32.9% and 37.8%, respectively, year to date.

According to Boeing's [Commercial Aircraft Finance Market Outlook 2023](#),

- Financing for aircraft deliveries amounted to about \$69 billion in 2022, up 7% year over year.
- The forecast for financing of aircraft deliveries in 2023 is estimated at \$94 billion, close to pre-pandemic financing of \$98 billion in 2019.

About ELFA

The Equipment Leasing and Finance Association (ELFA) is the trade association that represents companies in the \$1 trillion equipment finance sector, which includes financial services companies and manufacturers engaged in financing capital goods. ELFA members are the driving force behind the growth in the commercial equipment finance market and contribute to capital formation in the U.S. and abroad. Its 580 members include independent and captive leasing and finance companies, banks, financial services corporations, broker/packageers and investment banks, as well as manufacturers and service providers. ELFA has been equipping business for success for more than 60 years. For more information, please visit www.elfaonline.org.

ELFA's **Knowledge Hub** is *the* source for business intelligence on the equipment finance industry. This one-stop, online library provides easy access to ELFA's wide range of industry data and information. Visit <https://www.elfaonline.org/KnowledgeHub> for additional information.

ELFA believes that information and education about available options regarding investment in equipment are important to all businesses. ELFA offers resources, including a loan/lease comparison, a glossary of terms, an analysis to help determine suitable financing options, videos and topical bylined articles available for reprint free of charge, at www.EquipmentFinanceAdvantage.org.

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