

**PRIVATE AVIATION PROGRAM
STRUCTURE & PRICING**

CASE STUDY

DECEMBER 2017



INTRODUCTION

With the complexity of the myriad private aviation options available in the market today, this study aims to normalize the structural and financial components to offer a simplified side-by-side cost comparison.

Programs evaluate in this Case Study:



JETLINX
Executive Membership



FLEXJET
Flex 25-Hour Card




DELTA
PRIVATE JETS
DPJ \$100k Deposit



NETJETS
Marquis 25-Hour Card



SENTIENTJET
Preferred 25-Hour Card



JETSUITE
SuiteKey \$100k Deposit



STRAIGHTLINE
PRIVATE AIR
StraightLine \$100k Deposit



WHEELS UP
Individual & Corporate
Memberships



XOJET
Elite Access

DISCLAIMER:

Information is for representative purposes only and is current as of 12/1/2017. Consumers should review each program in detail before making a purchase decision. Flight options, utilization assumptions and prices will vary and additional membership options (including those not contemplated in this analysis) may be available. Comparisons based upon publicly published rates for initiation fees, annual dues, hourly rates, taxes and other fees set forth below. Supporting calculations may be made available upon request. JetLinX, NetJets, FlexJet, Sentient Jet, Wheels Up, Delta Private Jets, JetSuite, XOJet are trademarks of each respective company. StraightLine Private Air is a trademark of StraightLine Private Air, LLC.

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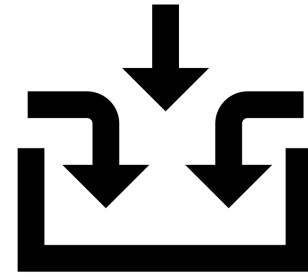
THE KEY QUESTION

Each private aviation program is structured differently, with their own distinct pricing models. To offer a normalized side-by-side comparison, this analysis is distilled down to a single, revealing question that compares all programs through a common lens.



For a fixed \$100,000 - spent over a 2-year timeframe - approximately how many hours of flight time will I receive from each major program - net of taxes & fees?





3 KEY INPUTS

- ① Program Structure Details
- ② Taxes & Fees by Program
- ③ Aircraft Categories & Associated Rates

ASSUMPTIONS

UNDERLYING ASSUMPTIONS

Term

Assumes \$100,000 total spend over 24-months from date of purchase.

Flight Types

This analysis assumes an equal number of "one-way" and "round-trip" flights.

Aircraft Categories

This analysis includes piston, turboprop, very light, light & super light jets.

Aircraft Usage

This analysis assumes that aircraft usage is evenly spread amongst each aircraft type available through each program.

Additional Assumptions

For additional assumptions please inquire.

DEFINITIONS

PROGRAM STRUCTURE

Pre-Paid Flight Deposit (Dollar Denominated)

In a dollar-denominated Pre-Paid Flight Deposit program, member contributes funds ranging from \$50,000 to \$1mm to a flight account. Funds are deducted from the account on a trip-by-trip basis. Deducted amounts are comprised of the hourly rate charged for the selected aircraft plus trip-related taxes & fees.

Pre-Paid Flight Deposit (Hour Denominated)

In an hour-denominated Pre-Paid Flight Deposit program, member pre-purchases a set number of hours to be used for a specific aircraft type. 25-hour light jet cards typically range in price from \$125,000 to \$200,000. If a member wishes to utilize alternative aircraft categories, interchange calculations are typically applied to determine number of hours to be deducted.

Membership + Pay-As-You-Fly

A Membership + Pay-As-You-Fly program is structured much like a private country club. Members contribute a non-refundable Initiation Fee and Annual Dues to gain access to the assets and services of the club. Members pay for each flight individually with pricing comprised of the hourly rate charged for the selected aircraft plus trip-related taxes & fees.

Federal Excise Tax (FET)

All aircraft charter programs are subject to 7.5% tax on the total amount of each flight OR the total purchase price of the deposit.

DEFINITIONS

AIRCRAFT DETAILS

PISTON



Piston aircraft are the most popular aircraft type in the world, though are only available through select private aviation programs. Pistons are extremely inexpensive to operate, have redundant safety systems, superb reliability and can access the shortest airfields.

Examples: Cirrus SR-22, Beechcraft Baron 58, Piper Malibu

TURBOPROP



Turboprops are powered by turbine engines, the same engines found in jets. The only difference is their external propeller vs. the internal fan of a jet. Turboprops are less expensive to operate than a jet, have better short-field performance (access more airports) and are faster than pistons.

Examples: Pilatus PC-12, King Air 200/350, Socata TBM

VERY LIGHT JET



The smallest, most cost-efficient jet category, the VLJ offers agility to access shorter runways than other jets. They are the least expensive jet to operate, yet still deliver speed and travel flexibility.

Examples: Citation Mustang, Embraer Phenom 100.

LIGHT JET







Light jets are the most popular aircraft type among business jets. They possess extensive cabin amenities, can land at relatively small airports and deliver fast, intra-continental capabilities.

Examples: Learjet, Beechcraft 400, Embraer Phenom 300, Citation V

	Passenger Capacity
	Ideal Range (mi)
	Speed (mph)
	Min Runway (ft)

	3 - 5
	100 - 500
	200 - 250
	2,000

	6 - 9
	500 - 1,250
	250 - 350
	3,000

	4 - 5
	500 - 1,000
	400 - 450
	3,500

	6 - 8
	750 - 1,500
	450 - 500
	4,000



RANGE MAP

This map provides context around flight distances to underscore the importance of selecting the appropriate aircraft for each individual mission. Pistons, turboprops, VLJs and light jets are capable of handling approximately 90% of private aviation missions, with mid-sized and heavy jets used for ultra-long-haul requirements.



IDEAL RANGE BY AIRCRAFT (MILES)

PISTON



100 - 500



TURBOPROP



500 - 1,250



VERY LIGHT JET



500 - 1,000



LIGHT JET



750 - 1,500



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PROGRAM STRUCTURE

Step one is to understand the pertinent financial components of each program. This chart outlines key product structure and financial elements.



DPJ
\$100k Deposit



Flex
25hr Card



Executive
Membership



SuiteKey
\$100k



Marquis
25hr Card

	DELTA PRIVATE JETS	FLEXJET	JETLINX	JETSUITE	NETJETS
STRUCTURE	Pre-Paid Deposit	Pre-Paid Deposit	Membership	Pre-Paid Deposit	Pre-Paid Deposit
DENOMINATION	Dollars	Hours	N/A	Dollars	Hours
AMOUNT	\$100k - \$1mm	\$150k	N/A	\$50k - \$400k	\$157k
INITIATION FEE	None	None	\$17,500	None	None
ANNUAL DUES	None	None	\$3,500	None	None



Preferred
25hr Card



StraightLine
Membership



Individual
Membership



Corporate
Membership





Elite Access
\$200k Deposit






	SENTIENTJET	STRAIGHTLINE PRIVATE AIR	WHEELS UP	WHEELS UP	XOJET
STRUCTURE	Pre-Paid Deposit	Pre-Paid Deposit	Membership	Membership	Hybrid
DENOMINATION	Hours	Dollars	N/A	N/A	Dollars
AMOUNT	\$142k	\$50k - \$100k	N/A	N/A	\$200k
INITIATION FEE	None	None	\$17,500	\$29,500	\$3,000
ANNUAL DUES	None	None	\$8,500	\$14,500	\$18,000



TAXES & FEES

This chart calculates the net amount of funds available for flight expenses. It begins with a notional balance of \$100,000 then deducts taxes and fees, if any, charged by each program over the two year term.

	 DELTA PRIVATE JETS DPJ \$100k Deposit	 FLEXJET Flex 25hr Card	 JETLINX Executive Membership	 JETSUITE SuiteKey \$100k	 NETJETS® Marquis 25hr Card
NOTIONAL AMT PAID	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
FEDERAL EXCISE TAX	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
INITIATION FEE	\$0	\$0	\$17,500	\$0	\$0
ANNUAL DUES	\$0	\$0	\$3,500	\$0	\$0
NET FLIGHT FUNDS	\$92,500	\$92,500	\$71,500	\$92,500	\$92,500

	 SENTIENTJET Preferred 25hr Card	 STRAIGHTLINE PRIVATE AIR StraightLine Membership	 WHEELS UP Individual Membership	 WHEELS UP Corporate Membership	 XOJET Elite Access \$200k Deposit
NOTIONAL AMT PAID	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
FEDERAL EXCISE TAX	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
INITIATION FEE	\$0	\$0	\$17,500	\$29,500	\$3,000
ANNUAL DUES	\$0	\$0	\$8,500	\$14,500	\$36,000
NET FLIGHT FUNDS	\$92,500	\$92,500	\$66,500	\$48,500	\$53,500



HOURLY RATES

This chart outlines hourly aircraft rates charged by each program by available aircraft category. This data will be used further in the analysis to determine actual consumable flight time net of taxes & fees.

Round-Trip¹ / One-Way²



	DELTA PRIVATE JETS	FLEXJET	JETLINX	JETSUITE	NETJETS
PISTON	N/A	N/A	N/A	N/A	N/A
TURBOPROP	N/A	N/A	N/A	N/A	N/A
VERY LIGHT JET	N/A	N/A	N/A	\$3,550 / \$3,550	N/A
LIGHT JET	\$5,500 / \$5,500	\$6,750 / \$6,750	\$3,875 / \$4,800	\$5,050 / \$5,050	\$6,290 / \$6,290
BLENDED AVERAGE	\$5,500	\$6,750	\$4,338	\$4,300	\$6,290



	SENTIENTJET	STRAIGHTLINE PRIVATE AIR	WHEELS UP	XOJET
PISTON	N/A	\$850 / \$1,550	N/A	N/A
TURBOPROP	N/A	\$1,950 / \$3,950	\$4,295 / \$4,295	N/A
VERY LIGHT JET	N/A	\$2,650 / \$4,950	N/A	N/A
LIGHT JET	\$5,295 / \$5,295	\$3,250 / \$5,450	\$7,495 / \$7,495 ³	\$5,500 / \$5,500
BLENDED AVERAGE	\$5,295	\$3,075	\$5,895	\$5,500

1 Lower round-trip rates offered by some programs for trips completed within a short, defined timeframe (max length varies by program).

2 One-way rates are standard with many programs. Rates are higher to account for aircraft positioning costs which are preemptively built into the fixed rate.

3 The Citation XLS available through WheelsUp is categorized as a Super Light Jet (hybrid between a Light Jet & Mid-Sized Jet).



THE RESULTS - AVERAGE

This chart ties it all together. It takes net funds available after taxes & fees divided by the blended average hourly rate for each program. It yields the total number of hours available per program for \$100,000 and the resulting "effective hourly rate" for your flight time.



DPJ
\$100k Deposit



Flex
25hr Card



Executive
Membership



SuiteKey
\$100k



Marquis
25hr Card

NET FUNDS AVAILABLE	\$92,500	\$92,500	\$71,500	\$92,500	\$92,500
AVERAGE HOURLY RATE	\$5,500	\$6,750	\$4,338	\$4,300	\$6,290
NET FLIGHT HOURS	17	14	16	22	15
EFFECTIVE HOURLY RATE	\$5,946	\$7,297	\$6,066	\$4,649	\$6,800



Preferred
25hr Card



StraightLine
\$100k Deposit



Individual
Membership



Corporate
Membership



Elite Access
\$200k Deposit






NET FUNDS AVAILABLE	\$92,500	\$92,500	\$66,500	\$48,500	\$53,500
AVERAGE HOURLY RATE	\$5,295	\$3,075	\$5,895	\$5,895	\$5,500
NET FLIGHT HOURS	17	30	11	8	10
EFFECTIVE HOURLY RATE	\$5,724	\$3,324	\$8,865	\$12,155	\$10,280








THE RESULTS - BY AIRCRAFT

This chart assumes that the \$100,000 is spent on a single aircraft category within each program. It outlines how much flight time you would receive for \$100,000 by aircraft type and the resulting "effective hourly rate" for that aircraft type.

HOURS FLOWN FOR \$100k / EFFECTIVE HOURLY RATE

	 DPJ \$100k Deposit	 Flex 25hr Card	 Executive Membership	 SuiteKey \$100k	 Marquis 25hr Card
PISTON	N/A	N/A	N/A	N/A	N/A
TURBOPROP	N/A	N/A	N/A	N/A	N/A
VERY LIGHT JET	N/A	N/A	N/A	26 / \$3,838	N/A
LIGHT JET	17 / \$5,946	14 / \$7,297	16 / \$6,066	18 / \$5,460	15 / \$6,800

	 Preferred 25hr Card	 StraightLine \$100k Deposit	 Individual Membership	 Corporate Membership	 Elite Access \$200k Deposit
PISTON	N/A	77 / \$1,297	N/A	N/A	N/A
TURBOPROP	N/A	31 / \$3,189	15 / \$6,459	11 / \$8,856	N/A
VERY LIGHT JET	N/A	24 / \$4,108	N/A	N/A	N/A
LIGHT JET	17 / \$5,724	21 / \$4,702	9 / \$11,271 ¹	6 / \$15,454 ¹	10 / \$10,280

¹ The Citation XLS available through WheelsUp is categorized as a Super Light Jet (hybrid between a Light & Mid-Sized Jet).

THE ANSWER



For a fixed \$100,000 - spent over a 2-year timeframe - approximately how many hours of flight time will I receive from each major program - net of taxes & fees?

