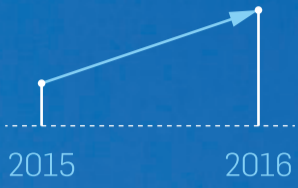


CFM56

MRO

MARKET TRENDS



Analysts at Canaccord Genuity believe that

A LONG-ANTICIPATED SURGE IN CFM56 SHOP VISITS IS UNDERWAY

This year, the CFM56-7 will see a significant jump in demand, while the -5 is expected to be strong. Canaccord says a double-digit increase in shop visits this year compared to 2015 is possible.

Source: Canaccord Genuity

2018

26,800
ENGINES

CFM56 FLEET

will rise for the next several years before peaking in 2018 at about 26,800 engines in all applications. It then will slowly decline. Spares revenue will continue to increase annually through about 2025.

Source: Safran



5,000 2020

20,000

CFM56
ENGINES IN
SERVICE

While many carriers are opting for long-term service agreements on newer engines,

THE CFM56 FLEET WILL CONTINUE TO BE DOMINATED BY TIME-AND-MATERIALS CONTRACTS

Safran calculates that fewer than 5,000 of the projected 20,000 CFM56 engines in service in 2020 will be under long-term agreements, while the rest will be serviced under time-and-materials contracts.

Source: Safran

2010

100%

2020

↑ 200%

2025

↑ 300%

CFM56 SPARE PARTS REVENUE

which last dipped in 2010, will grow consistently to its peak in the middle of the next decade. Revenue in 2020 will be twice what it was in 2010, and 2025 revenue will be triple what it was in 2010.

Source: Safran