



The Price is Right

A fun, but serious, look at different aircraft types

Moderator: **Willi Sturm**, Aero Asset



Gérard DETERNE
CEO & Founder



Accredited Senior Appraiser, Gérard Deterne formed PTERON Valuations in 2021 with the intent to build up new valuation services upon many years of Business Development experience in the aerospace industry.



Sharon Desfor
Chairman



Sharon Desfor, FASA, is Chairman of HeliValue\$, Inc., the world's most trusted helicopter appraisal firm, and publisher of The Official Helicopter Blue Book®, the accepted standard for helicopter resale pricing information.

Sharon is a member of the College of Fellows of the American Society of Appraisers (ASA), the highest honor ASA bestows. The ASA College of Fellows is comprised of Accredited Senior Appraisers who have been recognized by their peers for their contributions to ASA and the appraisal profession. She is a past international president of ASA, who served on multiple committees and edited several publications for ASA. Sharon is past Chair of the Helicopter Foundation International and of the Helicopter Association International's (HAI) Finance & Leasing Committee, and edited HAI's finance handbook, Helicopter Funding: Assembling the Pieces of the Puzzle.

Sharon has been moving HeliValue\$' appraisal work onto the broad backs of her staff for more than 5 years now, but she still performs appraisals in a few more specialized areas: bankruptcies, estate settlements, mergers and acquisitions, insurance subrogation, and litigation support. She still enjoys teaching finance people about the helicopter industry, and helicopter people about the finance industry, but more than that she now prefers teaching both of the above about the appraisal profession.



Sara Dhariwal
Valuations Analyst



Sara joined Ascend by Cirium in 2016, after six years in the EMEA sales team managing relationships with the majority of EMEA lessors and aircraft traders. Sara specializes in commercial aircraft and helicopter valuations, and is also responsible for liaising with the market regarding developments and providing thought-leadership input, particularly for the helicopter space. Sara holds a BAHons in Business from the University of Westminster and a CIRM from the Institute of Risk Management

Three Approaches to Value

1. Sales – The sales comparison approach is most reliable method when there is an active market providing a sufficient number of sales of comparable aircraft that can be independently verified through reliable sources.
2. Cost – The cost approach uses current replacement or reproduction cost new and deducts for the loss in value caused by physical deterioration, functional obsolescence, and economic obsolescence. The logic behind the cost approach is the principle of substitution: a prudent buyer will not pay more for a property than the cost of acquiring a substitute property of equivalent utility.
3. Income - The income approach measures the present value of monetary benefits anticipated to be derived in the future from asset ownership with an identifiable income stream.

Price is what you pay; Value is what you get

❖ **Value** is an opinion of what an asset would sell for in a competitive market, It is based on:

- The features and benefits of that asset,
- The overall market situation of that asset,
- The supply and demand pertaining to that asset,
- On what other similar asset have sold for in the same conditions.

↳ Value is a **subjective view**

❖ **Price** is the amount asked, offered and eventually paid for an asset:

- Ends up being the amount of money a willing and bank-qualified buyer agrees to pay, and a particular seller agrees to accept,
- It implies an exchange under mutually agreed circumstances.

↳ Price is an **accomplished and objective fact!**

Price is what you pay; Value is what you get

Appraisers, when appraising :

- Will endeavor to aggregate as many market factors as possible to come-up with a justified opinion,
- Must clearly consider the circumstances and type of transaction foreseen for the asset to be valued
- Must then ascertain whether the Market Value is to be the most probable *Price*,

⇒ *Values* are not necessarily a shared opinion (by Buyer and Seller)

Willing Buyers & Sellers, when negotiating:

- Will definitely agree on a price for the asset at stake,
- May still hold different views on the value of that asset after the transaction.

⇒ *Prices* are necessarily a shared agreement (between Buyer and Seller)

What is the purpose of an evaluation?

Uses of Appraisal

- Insurance placement
- Mergers and acquisitions
- Financial planning
- Financing
- Liquidation
- Many others

To Determine

- Fair market value (the most common)
- Orderly liquidation value
- Forced liquidation value
- Any other values or purposes

Property to be Appraised

- What is the property to be appraised?
- Where is it located?
- Where are the records located?
- What records do you need to see?

**The appraiser and client must have a mutual understanding of the uses of the appraisal report prior to starting the appraisal engagement.*

Key: Sourcing Valuable Reliable Market Data

Reliable source material must be found to adequately price the property, new or used. All data must be properly documented and whenever possible, verified by a reliable source.

- OEMs (inc. Airbus Helicopters, Leonardo Helicopters, Bell Flight, Sikorsky plus others)
- Brokers (inc. Aero Asset plus others)
- Data providers (inc. IBA iQ, Jet Net, Amstat plus others)
- General Internet search (inc. AvBuyer, Globalair plus many others)



Reliable trusted market appraised value counts and experience matters

Now lets play... The price is right!



COME ON DOWN!!!!

The Price is Right – Helicopter Edition

- How to play the game...
- The objective for our audience members is to guess as close to the average appraisal value of the aircraft without going over.
- Please use the SliDo app to enter your estimate for the following aircraft...
- Note: The evaluations provided are for aircraft that are fully airworthy and in service and located in either North America or Western Europe.

The Price is Right



Airbus H145

YOM 2010

TTAF 2300

Config VIP

Options: SP/DP IFR, Color Wx Radar, Floats

*No Programs

Heli Values: \$3,020M

Pteron Valuations: \$3,100M

Cirium: \$3,020M

Average FMV: \$3,046M

The Price is Right



Leonardo AW139

YOM 2015

TTAF 3700

Config EMS

Options: 7 ton mod,

*Engine/Airframe programs - Transferrable

Heli Values: \$8,820M

Pteron Valuations: \$7,500M

Cirium: \$9,840M

Average FMV: \$8,720M

The Price is Right



Sikorsky S-92

YOM 2013

TTAF 4000

Config Offshore OGP – North Sea

Options: *No Programs

Heli Values: \$5,660M

Pteron Valuation: \$9,380M

Cirium: \$6,820M

Average FMV: \$7,286M



William STURM
VP SALES



William grew up in business aviation and started selling fixed and rotary wing aircraft for OEM and leading aircraft brokerage firms in 2005. He has overseen and contributed to hundreds of aircraft transaction around the world.

Questions?