

Annual Report

2023

Pilatus Aircraft Ltd



PILATUS

KEY FACTS



TOTAL SALES
1.478 BILLION + 10 %



EBIT
240 MILLION + 6 %



ORDERS RECEIVED
1.513 BILLION - 7 %



ORDER BOOK VALUE
2.325 BILLION - 3 %



AIRCRAFT DELIVERED
148 AIRCRAFT

 **101** + 26 %
PC-12

 **47** + 18 %
PC-24



FULL-TIME EQUIVALENTS
2,848 EMPLOYEES

 **137** - 5 %
Apprentices

 **53.1 %**
in Production

 **87.6 %**
in Switzerland

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2023 – A SUPERLATIVE YEAR

Looking back over the past year, it is amazing how much can happen in just twelve months. The work, the millions of manual operations and the countless hours which employees expended for Pilatus are extraordinary in every respect. Our Swiss, high-tech company, with its sights set on the global market from its location at the foot of the Alps, is a complex organization with a culture that is unique within our industry.



GOALS ACHIEVED

There were many memorable highlights, some of which deserve particular mention: the renowned Spanish Air Force bought another 16 PC-21s, making it the biggest European operator of our high-performance training system. We also celebrated the delivery of our 2000th PC-12 with our customer, PlaneSense, and over 2,000 Pilatus employees. That delivery is proof of the longevity of our products, as well as our ability to constantly renew and improve them. Take the PC-24, for example – our Super Versatile Jet now boasts greater range and a higher payload. Swiss high-tech engineering at its best!

But our success in keeping the promises we make to customers should not be taken for granted – supply chains are still not as we would like them to be, resulting in fewer deliveries than planned. Pilatus has therefore approved a gradual takeover of all 230 or so employees, plus all machinery, of RUAG Aerostructures Schweiz AG at the Emmen site.

RUAG has produced components for Pilatus aircraft since the early 1990s. In the future, Pilatus will produce its own components at the new location in Emmen. Taking over the workforce and machinery will allow Pilatus to increase its own production capacity so that orders currently handled abroad by third-party manufacturers can be brought back to Switzerland. The new site close to Lucerne will also offer better access to talent. The purchase package also includes two plots of land – one in Emmen and one in Ennetbürgen right next to the Pilatus headquarters. Over the next two years, a



first expansion project will go ahead on the over 50,000 square meter site (12.35 acres) in Ennetbürgen in the form of a state-of-the-art production line for composite components. It will be housed in a new building

designed to meet the highest standards of sustainability. Technologically and environmentally, this project is a major step forward into the future.

FIGURES STAND FOR SUCCESS

Summarizing, we were successful in meeting the needs of our customers over the past year, 2023. That speaks to the Pilatus spirit, culture, organization and direction. We look back on another excellent year with well-filled order books. We should be cautious with the superlatives, but the figures speak for themselves:

Turnover grew by ten percent. At 1.478 billion Swiss francs, it reached an impressive level.

The operating result kept pace too, having risen by six percent to 240 million Swiss francs. The number of employees also increased again: another 249 people joined the Pilatus Family. That speaks for our quality and reputation as an employer.

Figures are one thing, the right strategy and its implementation are another. We are well diversified and more solidly positioned than ever before. The Business Aviation Unit continues to grow, and Government Aviation has an enormous volume of potential business in the pipeline – more than ever before. Developments in after-sales business are encouraging too.

A PROMISING 2024

We will continue to innovate in all areas and develop our products further. We will also focus on location diversification in Europe and the USA, for example, and on tapping into new markets in Asia. The acquisition of the sales and maintenance services of Atlanta-based Aero Center Epps is part of this new drive. With that, as well as additional investment in our employees, we are laying further foundations for our future.



Hansueli Loosli
Chairman

We will continue to invest in infrastructure: in addition to the planned extension to our logistics building, the “Brisen” maintenance hall currently under construction is particularly noteworthy. Its full-surface photovoltaic system, use of groundwater for cooling, heating and process energy, as well as Swiss timber construction, will reduce CO₂ emissions and send a clear signal of our commitment to sustainability.

January 2024 also brought changes to the management team: Ignaz Gretener retired at the end of 2023. In over 30 years of service, he built up his Business Unit and developed it into what is now; our most successful and important area of business. André Zimmermann, former VP Government Aviation, was appointed as the new Head of Business Aviation with effect from January 1, 2024. At the same time, Ioannis Papachristofilou, a new and highly experienced manager, took over as Head of Government Aviation. Karsten Wachholz became the new VP Supply Chain in November 2023.

And so we advance, strengthened and with a clear strategy, towards a promising future!



Markus Bucher
Chief Executive Officer

BUSINESS AVIATION

CONTINUING HIGH DEMAND

The Business Aviation Unit looks back on another successful year – clearly demonstrated by the number of aircraft deliveries. In a challenging environment, 101 PC-12s emerged from the production hangars in Stans. During the same period, we completed 47 PC-24s for subsequent handover to our customers. These are impressive figures given the difficulties already mentioned.

2000TH PC-12 & A NEW PC-24

Pilatus handed over the best-selling PC-12 to PlaneSense, our long-standing US customer, at a grand ceremony attended by over 2,000 employees, held at our headquarters in Stans

on 12 May 2023. This milestone aircraft was allocated to PlaneSense as a symbolic thank you for its many years of loyalty. PlaneSense currently operates over 40 PC-12s and 10 PC-24s under its fractional ownership business model.

For the first time ever, a PC-12 NGX and a PC-24 were also delivered to Japan.

The launch of the new PC-24 in October was another milestone. The latest version delivers an additional 272 kilograms (600 pounds) of payload. The maximum range with six passengers on board has been extended by 370 kilometers (200 nautical miles). In addition, the interior

offers a range of new options including a large divan which converts into a bed. Further, all PC-24s from serial number 501 onwards now feature a new function to enable predictive maintenance services, with aircraft data being transferred to Pilatus directly after landing. After analysis, a forward-looking maintenance recommendation is issued to the operator if necessary.

Finally, in November, Ornge, a longstanding Canadian provider of air ambulance services, decided to replace its existing fleet of eight PC-12s with twelve new PC-12 turboprops – a fleet deal concluded by our subsidiary, Pilatus Business Aircraft Ltd in the USA.

We have also made a concerted effort to improve our customer service even further, and have worked out new guidelines with our independent partners, the Authorized Service Centers, which will soon deliver the first positive results.

Skytech, the US-American Sales and Service Center based in the states of Maryland and South Carolina, which we acquired as a subsidiary in 2022, has helped us ensure the continuity of our customer service and sales on the Eastern Seaboard and allowed us to grow our footprint further. In this context, we took over the maintenance and sales services of our previously independent Center, Aero Center Epps, at the end of last year.

Pilatus Australia Pty Ltd, our subsidiary in Australia, is also operating successfully. It celebrated its 25th anniversary last year and made further sales of the PC-24 and PC-12. The first deployment of the PC-24 by New South Wales Air Ambulance Service in December is another highlight.

The outlook is promising: demand for the PC-12 and PC-24 remains high. Little stands in the way of the continuing success of these two Pilatus flagships. We have very good products in their respective niches.



THE NEW PC-24 ARRIVES!

From 2024, the PC-24 will have a maximum range of 3,704 kilometers (2,000 nautical miles). A range of new interior options will also be available, including a generous divan which converts to a bed.



Watch the Video

GOVERNMENT AVIATION

PLENTY OF POTENTIAL DEALS IN THE PIPELINE

We can look back on a good year in this Business Unit. Early in the year there was a welcome vote of confidence by the Spanish Air Force, with the acquisition of another 16 PC-21s, making it the largest fleet operator of our “Next Generation Trainer” in Europe. These additional PC-21s bring the total Spanish fleet to 40.

The final four PC-21s of the 2021 order were also delivered to France last year. Heavy use is made of the entire fleet of 26 aircraft and the training system is a complete success.

Our military customers from all over the world have high expectations in terms of trainer aircraft

availability, and these were met. By fall 2023, the global PC-21 fleet had safely completed a million landings and over 500,000 hours in the air.

STRONG GROWTH IN AFTERSALES BUSINESS

The enormous sales growth in our aftersales business marks another milestone, with a year-on-year increase of over 25 percent. This rise is due, among other things, to follow-on support contracts and modification projects for various customers.

Last year saw us deliver new ground-based training systems, including a simulator for the Royal Australian Air Force, which operates 49

PC-21s. Seeking to ensure the best possible service for the air force, we plan on enlarging our local footprint: in Sale, a headquarters with space for 35 employees is currently under construction for our Australian subsidiary, Pilatus Training Solutions Australia Pty Ltd. Building work began in October 2023 and completion is scheduled for June 2024.

FOCUS ON THE TECHNOLOGY OF THE FUTURE

We are seeing a new business sector emerge in connection with new technology: the possibilities for using virtual reality, augmented reality and

mixed reality technologies are particularly noteworthy, as are reflections on how artificial intelligence and big data can be used to benefit the training process. We are working flat out on these technologies and products.

Pilatus sells the world’s best-performing military flight training systems. That is why customer interest in our PC-21 and PC-7 MKX remains so high. Generally speaking, we have never had so many promising government deals in the pipeline as at the moment. We are confident that we will see further contracts signed in the near future.



LIEUTENANT COLONEL ILDEFONSO MARTÍNEZ-PARDO GONZÁLEZ

“Now in use with the Spanish Air and Space Force for over two years, the PC-21 integrated training system far exceeds our expectations. The high levels of success achieved wouldn’t have been possible without the outstanding relationship between the operators and Pilatus. The professionalism and teamwork of everyone involved have enabled us to roll out this PC-21 training course in record time without interruption to training.”

Air Operations Group Commander, Academia General del Aire (AGA)



OPERATIONS

ORDERLY GROWTH

RESEARCH & DEVELOPMENT

One of the highlights in this area was undoubtedly the maiden flight of the new PC-24 on 7 August 2023 which necessitated over 330 engineering reports. Once again, we went all the way to the limit in fully exploiting all technical possibilities in order to develop the best PC-24 ever. This extensive upgrade means there is currently no other business aircraft on the market in this class offering a performance equal to that of our Super Versatile Jet. The successful presentation of the

new PC-24 at the NBAA in Las Vegas and the positive feedback from our customers are encouraging.

In addition to many other projects large and small, we obtained PC-24 country certification in Argentina, India and New Zealand.

MANUFACTURING

Around 294,376 machine hours were recorded in Stans over the past year. More than 65,000

production orders led to the completion of over two million components. Procurement also handled raw material purchases and contracts for external production worth over 136 million Swiss francs. Over 42 percent of the order volume was placed with Swiss businesses.

Looking to the future, the new Composite production project at the Ennetbürgen site is certainly promising. We are making good progress with the planning phase of the new "Schwarzhorn"

timber hall. Intended as a center of competence, it is a clear commitment to Switzerland as a hub for innovation, work and training.

ASSEMBLY & MAINTENANCE

Continuing difficulties with supply chains kept us busy in 2023. As a result, we were unable to fully meet our production schedule for the PC-12 and PC-24.

Visualization of the new "Brisen" maintenance hall at Buochs Airport



46°58'20"N | 8°24'14"E



“ For me, Pilatus means working in a family environment. I feel privileged, not constrained, to work here. As part of the company, I'm proud to train the specialists of tomorrow and grateful that Pilatus helped make me what I am today.”

Samuel Blättler
Supervisor Logistic Apprentices



SHIGETO HONDA

"I was looking for a suitable aircraft with enough payload, range, cabin comfort and affordable prices for first-time users. The PC-12 and PC-24 both meet my expectations and are perfectly suitable for my customers. Hats off to Pilatus for these fantastic aircraft!"

Founder and CEO OpenSky Inc. Japan



We invested a great deal in infrastructure and sustainability over the past year. Construction work on our new “Brisen” maintenance hall, built with local timber, is progressing well. The Maintenance organization will be merged into a single competence center in this new building. The co-located expertise will noticeably improve the quality of service for our customers. The

“Brisen” Hall will accommodate over 140 modern, attractive workplaces. There will also be a new customer zone where newly completed aircraft and aircraft returning from maintenance can be handed over to their owners. It will also be possible to carry out maintenance training directly on the aircraft. Customers can look forward to experiencing handover, training and maintenance all in one place.

SUPPLY CHAIN

It is still difficult to predict when we are likely to see a sustained recovery in delivery processes. 2024 will be another challenging year. Much is being done to reinforce supply chains and minimize the chance of shortages, so we anticipate a gradual improvement over the upcoming quarters.

There were some notable highlights over the past year, including implementation of the global orientation of procurement and supply chain quality at our US subsidiary, Pilatus Business Aircraft Ltd, and the intensification of supplier management. Successful contract signings with key suppliers and completion of a preliminary study for a strategic project envisaging an extension to the logistics building in Stans are also worth mentioning.

CORPORATE RESPONSIBILITY FOCUS ON SUSTAINABILITY

IT & DIGITALIZATION

Rollouts and successful implementations were a hallmark of the past business year – for example the go-live of the new SAP S/4HANA warehouse management system, which was implemented without noticeable impact on aircraft production or operations. The same is true of the new MyPilatus customer portal, launched in March 2023 after a one-year development phase.

In addition, there was further expansion of HR resources for the implementation of the Pilatus IT strategy.

QUALITY & SAFETY

There was a noticeable improvement in cooperation across the quality departments groupwide. This facilitated the development of a quality strategy aligned with our corporate strategy, thereby strengthening the quality culture throughout the company. Improved shop floor management was pleasing too. Nevertheless, there were still too many error notifications and problems with supplier quality in particular. Appropriate remedial action has been identified and initiated, including the deployment of additional Quality specialists.

Pilatus is aware of the growing importance of ESG criteria – the standards applicable to Environmental, Social and Governance issues – and invested heavily in optimization throughout 2023. Among other things, a sustainability strategy has been developed and implementation has begun.

PILATUS CREW

Our employees are our most important resource: with that in mind, we have brought our employment conditions into line with the times and significantly improved them with regard to salary, vacation and pensions.

Pilatus received more applications last year than ever before, but finding the best qualified candidates for difficult-to-fill positions remains challenging, particularly with regard to the company's future growth. Active sourcing and exclusive mandates are used to meet our recruitment needs, which remain high. Besides efficient induction of new employees, we also provide targeted support for our existing junior staff: of the 40 apprentices who sat exams last year, all passed successfully. The average grade was 5.1, which is very pleasing. Of these, 32 remained with us. Pilatus is currently training 137 apprentices in 14 professions.



“ I enjoy working for Pilatus and being part of something big, with an opportunity to make a daily contribution in a working environment that is highly complex, varied and unique. I feel I can make a difference with Pilatus, and I know Pilatus will help me in my personal development.”

A handwritten signature in blue ink, appearing to read 'Roman Truttmann'.

Roman Truttmann
Team Leader Flightline



35°31'25"N | 115°27'40"W

We also continue to invest in modernizing our offices and premises. In October, for example, in response to a need expressed by many employees, we opened a modern store selling a wide, healthy range of products.

SUSTAINABILITY

We aim to protect the climate, preserve resources, use renewable energies and promote biodiversity. We have adopted specific measures to achieve these goals. In addition to tracking greenhouse gas emissions according to the Greenhouse Gas Protocol (GHG), we focus on greater use of photovoltaic

systems in existing buildings and buildings under construction. We will also ensure that new buildings and renovation projects meet international energy standards (LEED). Sustainability is uppermost in our minds in connection with construction projects and other processes. Among other things, we intend to increase our commitment to sustainable aviation fuel (SAF), and would like to use it for part of our own fleet, too. A first delivery of SAF arrived at Pilatus last November. We plan on using it for our own test and demo flights. We also continue to invest in electric vehicles and charging stations for employees and visitors.

AIRPORT BUOCHS LTD STEADY PROGRESS

Airport Buochs AG (ABAG) looks back on a good business year. Regarding flight operations, ABAG, which is owned half by canton Nidwalden and half by Pilatus, reported an overall year-on-year increase of seven percent, mainly due to the higher number of flight movements at Pilatus. The decline in third-party flight movements is due, in particular, to the reduced availability of taxiways and parking associated with building work during the first half of the year.

The airfield crew's team performance was excellent, and ensured very good collaboration with all the businesses involved in working on the new Pilatus "Brisen" maintenance hall located on

the Airport Buochs AG premises. Building work for the new barrier and monitoring system at the intersection of Herdernstrasse and the runway was also largely completed. Overall, there is good progress with planning work for new infrastructure, even though the decision regarding a change of use is still pending at the Federal Administrative Court.

Our goals are clear for 2024: complete the "Brisen" maintenance hangar and approve a long-term usage agreement with the canton for the airfield infrastructure. The planning approval application for the construction of the new operations building and two hangars has yet to be submitted.



“Pilatus' real value lies in its employees. Their dedication is the driving force allowing Pilatus to position itself as one of the most successful aviation companies. The success of Pilatus flows from the success of all our employees and I'm proud to be able to contribute to that.”

Cinzia Gualandi Cerletti
Team Leader Materials & Processes

FLIGHT MOVEMENTS AIRPORT BUOCHS	2022	2023
Pilatus Aircraft Ltd	4,469	5,588
Airport Buochs Ltd	4,555	2,953
Nidwalden Gliding Club	2,803	4,050
Swiss Air Force	206	323
Total	12,033	12,914

PILATUS MANAGEMENT MANAGEMENT



Markus Bucher
CEO



Bruno Cervia
VP Research & Development,
Deputy CEO



André Zimmermann
VP Business Aviation
(from January 1, 2024)



Ignaz Gretener
VP Business Aviation
(until December 31, 2023)



Ioannis Papachristofilou
VP Government Aviation
(from January 1, 2024)



Thomas Ochsenbein
VP Business Support & CFO



Daniel Geiser
VP Aircraft Assembly & MRO



Roman Emmenegger
VP Manufacturing



Marcel Aregger
VP Information Technology



Karsten Wachholz
VP Supply Chain
(from November 1, 2023)

BOARD OF DIRECTORS



Hansueli Loosli
Chairman



Lukas Gähwiler
Vice Chairman



Dominik Burkart
Member



Annette Rinck
Member



Mario Rossi
Member



Martin P. Furrer
Member

SUBSIDIARIES

PILATUS BUSINESS AIRCRAFT LTD, USA

Markus Bucher	Chairman
Thomas Bosshard	CEO

PILATUS AUSTRALIA PTY LTD

Markus Bucher	Chairman
Sebastian Lip	CEO

PILATUS TRAINING SOLUTIONS AUSTRALIA PTY LTD

Markus Bucher	Chairman
Jennifer Marshall	CEO

SKYTECH INC., USA

Markus Bucher	Chairman
Justin Lazzeri	CEO

2023 HIGHLIGHTS

FEBRUARY

Jetfly takes delivery of its tenth PC-24 Super Versatile Jet



MARCH

The Spanish Air Force purchases a further 16 PC-21s and associated simulators



MAY

- The Pilatus PC-12 fleet completes ten million hours in the air
- Pilatus hands over the 2000th PC-12 to PlaneSense



JUNE

The first ever PC-12 NGX takes to the air in Japan



APRIL

Platoon Aviation takes delivery of its sixth PC-24



APRIL

For the first time ever, a Royal Flying Doctor Service PC-24 lands on a highway in the Australian outback



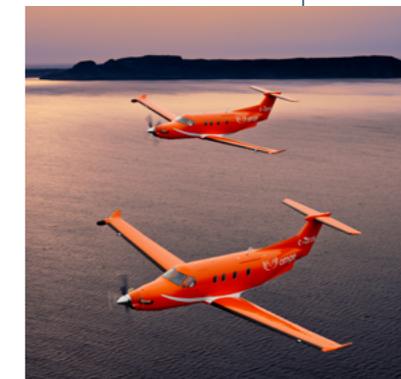
OCTOBER

- ANOY, the Nidwalden artist, designs the livery for a PC-12 and a PC-24
- The new PC-24 arrives: more range, more payload, even more possibilities!



NOVEMBER

Ornge, the Canadian ambulance organization, buys a further 12 PC-12s



FACTS AND FIGURES

PILATUS GROUP

KEY INDICATORS FOR THE PILATUS GROUP

	2022	2023		2022	2023
Total Sales (CHFm)	1,347	1,478	EBIT before R&D (CHFm)	281	299
Aircraft in Net Sales	133	148	EBIT before R&D as % of Sales	20.9	20.2
Orders Received (CHFm)	1,628	1,513	Cash-flow	266	276
Order Book Value (CHFm)	2,395	2,325	(net profit plus depreciation, CHFm)		
			Cash-flow as % of Sales	19.8	18.7
EBIT (CHFm)	226	240	Equity Ratio in %	73.2	74.8
EBIT as % of Sales	16.8	16.2			
			Full-time Equivalents	2,599	2,848
Investments in R&D (CHFm)	55	59			

TOTAL SALES

	2022	2023		2022	2023
	in %	CHFm	in %	CHFm	CHFm
Pilatus Aircraft Ltd, Stans, Switzerland ¹	53.8	724	51.0	754	
Pilatus Business Aircraft Ltd, Broomfield, USA	39.0	525	39.9	589	
Pilatus Australia Pty Ltd, Adelaide, Australia	4.6	62	2.3	34	
Skytech Inc./LLC, USA ²	2.6	36	6.8	101	
Total	100.0	1,347	100.0	1,478	

¹ Consolidated via Pilatus Stans / US dollar exchange rates 2023: 0.8990 / 2022: 0.9549 / Australian dollar exchange rates 2023: 0.5973 / 2022: 0.6631

² from October 1, 2022

SALES BY REGION

	2022	2023		2022	2023
	in %	CHFm	in %	CHFm	CHFm
The Americas	41.9	565	48.4	715	
Europe	35.0	471	29.8	441	
Asia	12.0	162	12.5	185	
Australia	8.9	120	6.6	98	
Africa	2.2	29	2.7	39	
Total	100.0	1,347	100.0	1,478	

SALES BY BUSINESS UNIT

	2022	2023		2022	2023
	in %	CHFm	in %	CHFm	CHFm
Business Aviation	71.8	967	78.7	1,164	
Government Aviation	28.2	380	21.3	314	
Total	100.0	1,347	100.0	1,478	

AIRCRAFT IN NET SALES³

	2022	2023
	Number of aircraft	Number of aircraft
PC-12	80	101
PC-24	40	47
PC-21	10	0
PC-6	3	0
Total	133	148

³ Delivered aircraft and accrued aircraft based on the PoC method (PoC = Percentage of Completion; net sales of trainer aircraft are considered based on the production progress)

EMPLOYEES BY FUNCTION⁴

	2022	2023		
	in %	Employees	in %	Employees
Production	53.6	1,394	53.1	1,512
Sales and Services	14.8	384	14.2	404
Research & Development	14.5	378	15.1	431
Logistics (incl. ICT)	11.0	286	11.6	330
Administration	6.0	157	6.0	171
Total	100.0	2,599	100.0	2,848

EMPLOYEES BY COMPANY⁴

	2022	2023		
	in %	Employees	in %	Employees
Pilatus Aircraft Ltd, Stans, Switzerland	88.2	2,292	87.6	2,496
Pilatus Business Aircraft Ltd, Broomfield, USA	6.0	156	6.4	181
Skytech Inc./LLC, USA	3.6	93	3.7	104
Pilatus Training Solutions Australia Pty Ltd, Sale, Australia	1.4	37	1.5	43
Pilatus Australia Pty Ltd, Adelaide, Australia	0.8	21	0.8	24
Total	100.0	2,599	100.0	2,848

⁴ Full-Time Equivalents

 **Crafted in Switzerland**

