

Trust and Safety

An Interview with Kenny Dichter,
Founder and Chief Executive Officer, Wheels Up



Wheels Up Citation Excel/XLS and Beechcraft King Air 350i

EDITORS' NOTE Kenny Dichter founded Marquis Jet in 2001 and created the first-ever fractional jet card program. Led by Dichter, Marquis Jet generated over \$4 billion in revenue, culminating in its sale to Warren Buffet's Berkshire Hathaway's NetJets in 2010. At that time, Dichter was named Vice Chairman of NetJets. He has played an active role and invested in Juice Press, a chain of 75+ stores that sell organic,



Kenny Dichter

cold-pressed juice smoothies, salads, soups and vegan snacks. In 2010, he co-founded Tequila Avion. Paris-based Pernod Ricard, the world's second largest premium wine and spirits company, purchased a minority stake in Tequila Avion in 2011, and acquired the company in July 2014 for more than \$100 million. Dichter is also the Founder and Chairman of Tour GCX Partners, Inc. In 1996, he co-founded Alphabet City, which was acquired by Robert F.X. Sillerman's SFX Entertainment in 1998. Dichter chairs the Council of Advocates at New York's Mount Sinai Hospital for Dr. Ken Davis and is on the Board of the Jack Martin Fund. He is a major supporter of his alma mater, the University of Wisconsin-Madison.

COMPANY BRIEF Wheels Up (wheelsup.com) is a revolutionary membership-based private aviation company that significantly reduces the upfront costs to fly privately, while providing unparalleled flexibility, service and safety. Wheels Up offers guaranteed availability to its private fleet of new Beechcraft King Air 350i and Citation Excel/XLS aircraft to individual, family and corporate members. With the cutting-edge Wheels Up mobile app, members can seamlessly book flights, manage their accounts, participate in ride-share opportunities, purchase seats on Shuttle Flights to and from popular events and destinations, and select Hot Flights, a vast selection of one-way "empty leg" flights that are posted daily to the app and updated in real time. Members also have access to Wheels Down, a program featuring exclusive events and experiences, unique partner benefits and a full-service luxury concierge.

What have been the key drivers of growth for Wheels Up?

The growth continues to come from outside the traditional private aviation pyramid led by members who are upgrading from business class and first class – this is exciting because it means we're growing the category.

At the same time, we are adding many people who are focused on the less than two-hour flight, which comprises 80 percent of all general aviation and business aviation flights in North America.

We also have a third group of people who own their own airplanes or have a fractional contract who are using us for supplemental lift.

The fourth bucket is we're adding businesses every day where we act as an extension of their traditional corporate flight department. In certain cases, we serve as the virtual flight department for many companies.

How important has it been to build greater awareness and understanding for the King Air 350i?

As we approach our fifth anniversary, we have over 4,300 members and close to an 87 percent retention rate. We continue to educate the market on the power of the King Air 350i, which is the world's flying SUV.

As time goes on, knowledge is power – the more people understand what the King Air 350i can do and how reliable and predictable it is, the more memberships we will enjoy and the greater share of the air economy we will gain. We're more Netflix than NetJets. People really appreciate the flexibility in the way that they interface and transact with us.

Are there growth opportunities for Wheels Up outside of North America?

The biggest and most natural market for the King Air 350i in the world is Western Europe. The King Air 350i is an iconic airplane that was originally the Queen Air, built in Europe for the Queen of England. It has a long and storied history.

Eighty-five percent of general/business aviation flights in Western Europe are two hours in length which, in a way, makes it even more robust than the U.S. opportunity with its larger geography.

Are trust and safety the major differentiating factors for Wheels Up?

In our business, we have built our brand on trust and safety. The first hire that we made was Dave Hewitt, who ran safety for NetJets for 14 years prior to joining Wheels Up. He provides the underpinning of our program.

Will you discuss the benefits of your relationship with Textron?

We have a very special relationship with Textron Aviation, our manufacturing partner. We exclusively sell the King Air 350i in fleet format. There is no partnership in all of private aviation that has the power of what Wheels Up and Textron have in connection with the Wheels Up program.

What was your vision in creating Wheels Up Cares?

We feel that we have a corporate responsibility to use our platform to support and help others where appropriate, so we created Wheels Up Cares. The pink plane is for breast cancer awareness, the teal plane is for ovarian cancer awareness, and the red plane is a partnership with the American Heart Association and Simon's Heart to address heart health. We hope to add one or two a year to the fleet that will be there permanently and that speaks to a cause that our membership supports. It's our job to make the world a better place.

How critical has it been to attract and retain top talent?

Life and business are all about people, and the group we have assembled at Wheels Up is world-class. We want to hire and partner with the best of the best. Our team, pound for pound, is the strongest team in private or business aviation in the United States in terms of operations, technology, marketing and sales.

If one wants to win in this space, it starts and ends with people – it's not about airplanes.

Has Wheels Up developed the way you had envisioned when you created the company?

When we launched the business, we had a vision for where we could be five years in. The good news is, now that we're in the business, our collective vision has clearly expanded. Wheels Up can be the number one brand and player in our space, similar to Uber and Airbnb, by redefining and reimaging what this space is. The sky is literally the limit. ●