



# Q4 2023 Investor Presentation



# Important Notice



The information contained in the following slides is presented without any liability whatsoever to Aviation Capital Group LLC or any of its related entities (collectively “ACG”, the “Company”, “we” or “our”) or their respective directors or officers. If any information contained in these slides has been obtained or compiled from outside sources, such information has not been independently verified by ACG. The use of registered trademarks, commercial trademarks and logos or photographic materials within this presentation are exclusively for illustrative purposes and are not meant to violate the rights of the creators and/or applicable intellectual property laws. ACG makes no representation or warranty, expressed or implied, as to the accuracy, completeness or thoroughness of the content of the information, and ACG disclaims any responsibility for any errors or omissions in such information, including any financial calculations, projections and forecasts. In particular, ACG makes no representation or warranty that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in the following slides should or will be achieved. This presentation includes forward-looking statements relating to ACG’s business, industry and financial performance including, but not limited to, statements regarding ACG’s orderbook. These statements may be identified by words such as “expect”, “belief”, “estimate”, “plan”, “anticipate”, “target”, or “forecast” and similar expressions or the negative thereof; or by the forward-looking nature of discussions of strategy, plans or intentions; or by their context. Actual results are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements.

The information contained in the following slides refers to ACG and its owned portfolio of aircraft (unless aircraft managed by ACG are noted as included) and does not include aircraft financed or guaranteed through ACG’s Aircraft Financing Solutions program. All information is as of December 31, 2023, unless otherwise indicated. ACG does not undertake any obligation to update the information contained herein. Please note that in providing this information, ACG has not considered the objectives, financial position or needs of any reader. The reader should not construe this information as investment, legal, accounting or tax advice, and should obtain and rely on the reader’s own professional advice from its tax, legal, accounting and other professional advisers.

This presentation includes references to certain non-GAAP financial measures. Management believes that, in addition to using GAAP results to evaluate ACG’s business, these non-GAAP financial measures can be useful to evaluate our financial condition and compare results across periods. Non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures prepared in accordance with GAAP. The non-GAAP measures used by ACG may differ from the non-GAAP measures used by other companies. Investors and potential investors are encouraged to review the reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measure set forth in the Appendix.

# Premier Investment Grade Global Aircraft Lessor



- ✓ Favorable macro backdrop and industry dynamics
- ✓ Global aircraft lessor with a scale portfolio of liquid aircraft
- ✓ New technology aircraft investment via multiple channels
- ✓ Long-term committed cash flows and contracted growth
- ✓ Investment grade issuer, conservative balance sheet
- ✓ Pursuing a more sustainable future

# Favorable Macro Backdrop and Industry Dynamics



## Strong Industry-Wide Recovery in 2023

- 36.9% YoY RPK growth in 2023<sup>1</sup>
- 82.3% global passenger load factor in 2023<sup>1</sup>
- Airline industry profitable again in 2023<sup>2</sup>
- ✈️ OEM delivery delays constrained supply
- Rising lease rate factors
- Rising aircraft values



**Momentum continues into 2024**










# Global Operations, Diversified Customer Base

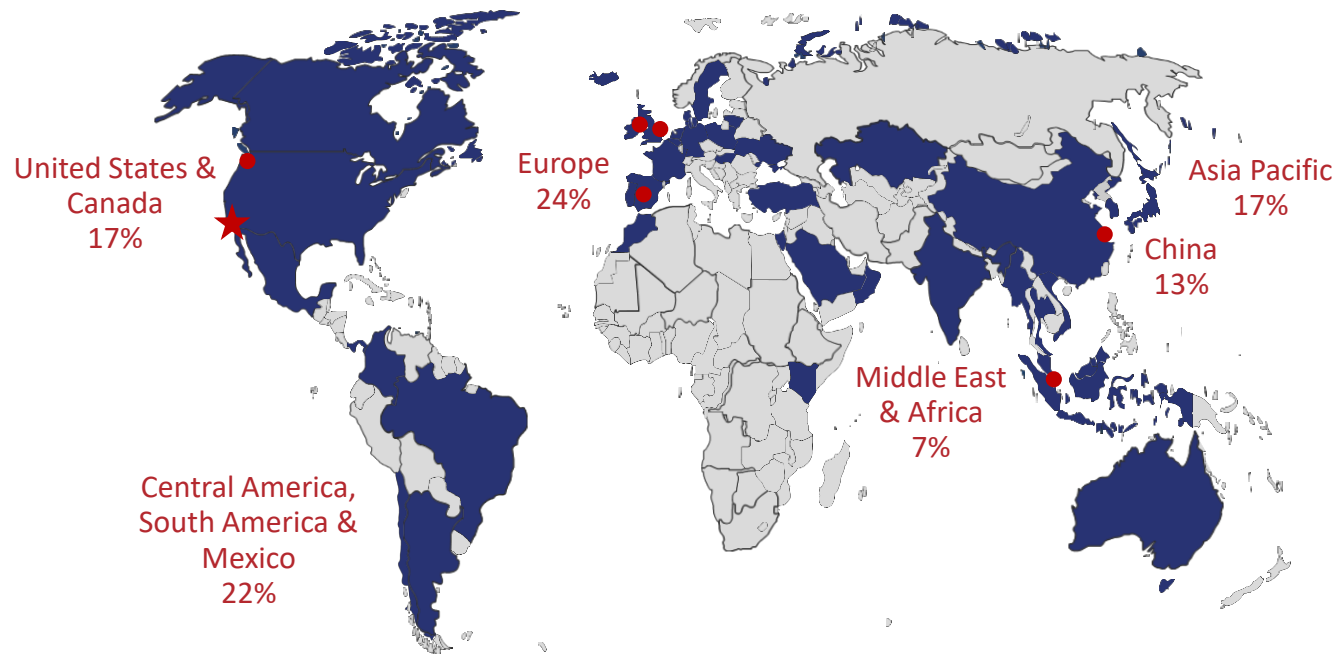


~90 Lessees<sup>1</sup>



## Top Lessees

	Avianca	8%
	Frontier Airlines	5%
	American Airlines	4%
	COPA Airlines	4%
	Spirit Airlines	4%
	Scandinavian Airlines	3%
	LOT Polish Airlines	3%
	Sky Express	3%
	VivaAerobus	3%
	Asiana Airlines	3%













★ Headquarters

● Representatives

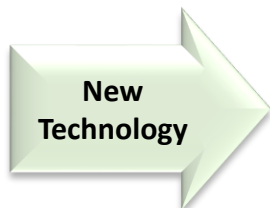
~45 Countries<sup>1</sup>



## Top Countries

	United States	14%
	China	13%
	Colombia	8%
	Mexico	6%
	South Korea	5%
	Greece	4%
	Vietnam	4%
	Panama	4%
	Israel	3%
	Sweden	3%

# Scale Portfolio of Liquid Aircraft



Aircraft Family	Owned Aircraft	% NBV <sup>1</sup>	Managed Aircraft	Committed Aircraft	Total Aircraft
Airbus A320neo	106	45%	6	53	165
Boeing 737 MAX	15	6%	-	47	62
Airbus A220	4	1%	-	20	24
Boeing 787	6	6%	2	-	8
Airbus A350	3	4%	-	-	3
Boeing 737 NG	88	19%	20	-	108
Airbus A320ceo	76	19%	27	-	103
Other <sup>3</sup>	11	-	4	-	15
<b>Total</b>	<b>309</b>	<b>100%</b>	<b>59</b>	<b>120</b>	<b>488</b>

Total Aircraft Assets<sup>2</sup>

**\$11.5B**

Narrowbody by Count

**97%**

Fleet Age<sup>4</sup>

**6.1 Years**

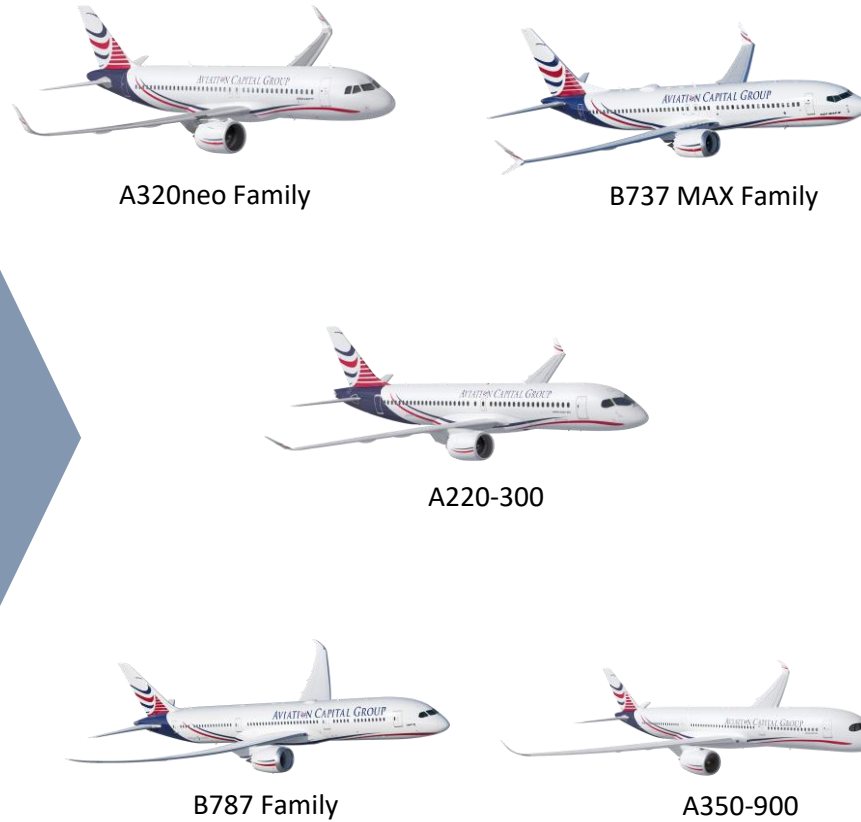
# New Technology Aircraft Investment



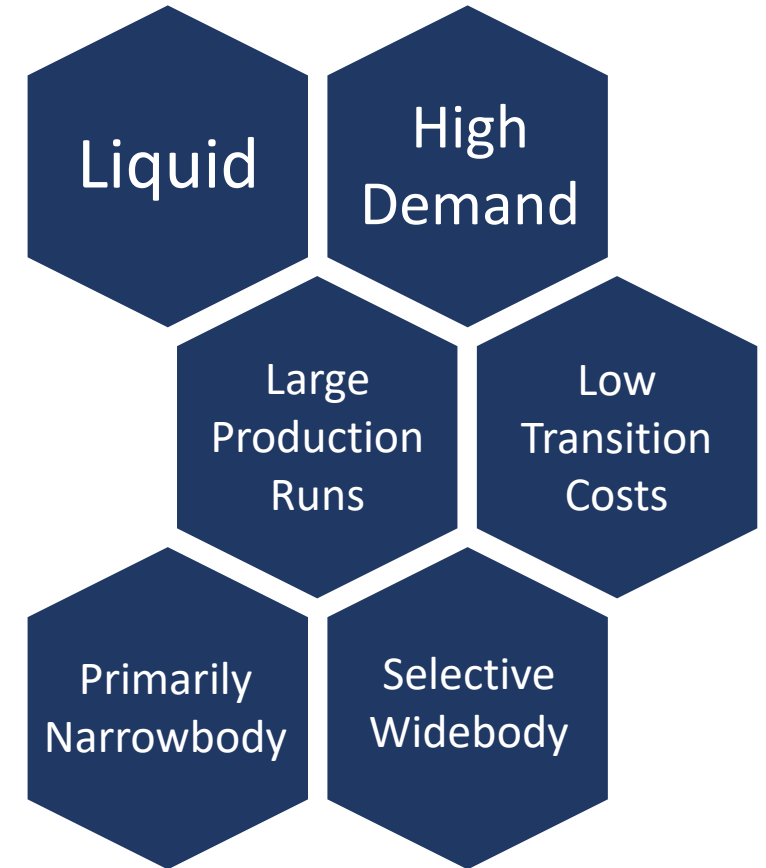
## Multiple Investment Channels



## New Technology Aircraft



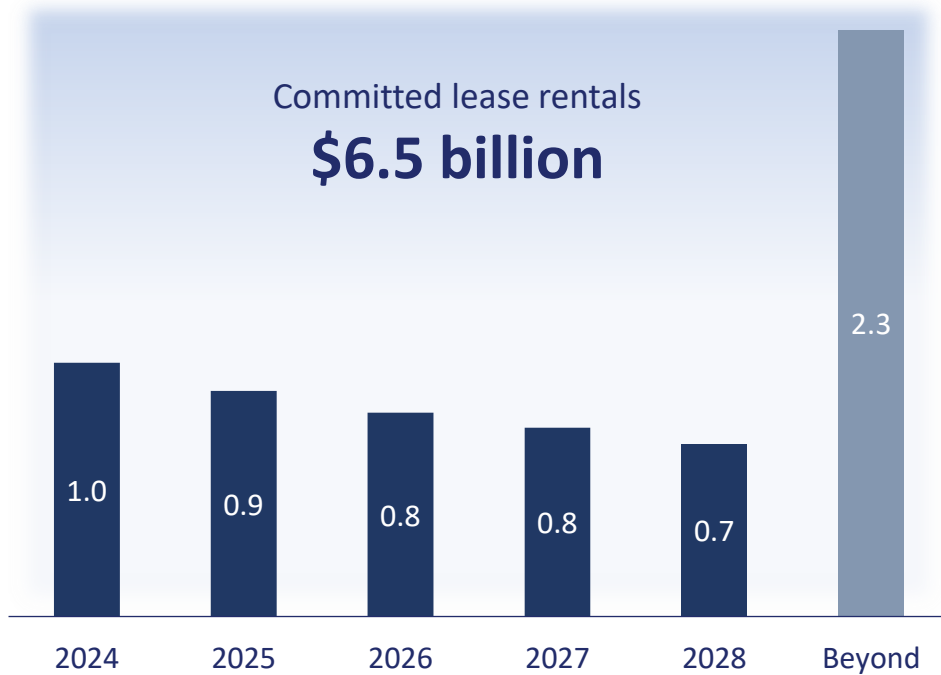
## Investment Strategy



# Long-Term Committed Cash Flows...



## Committed Lease Rentals (\$B)<sup>1</sup>



## Portfolio Concentration by Lease Maturity<sup>2</sup>

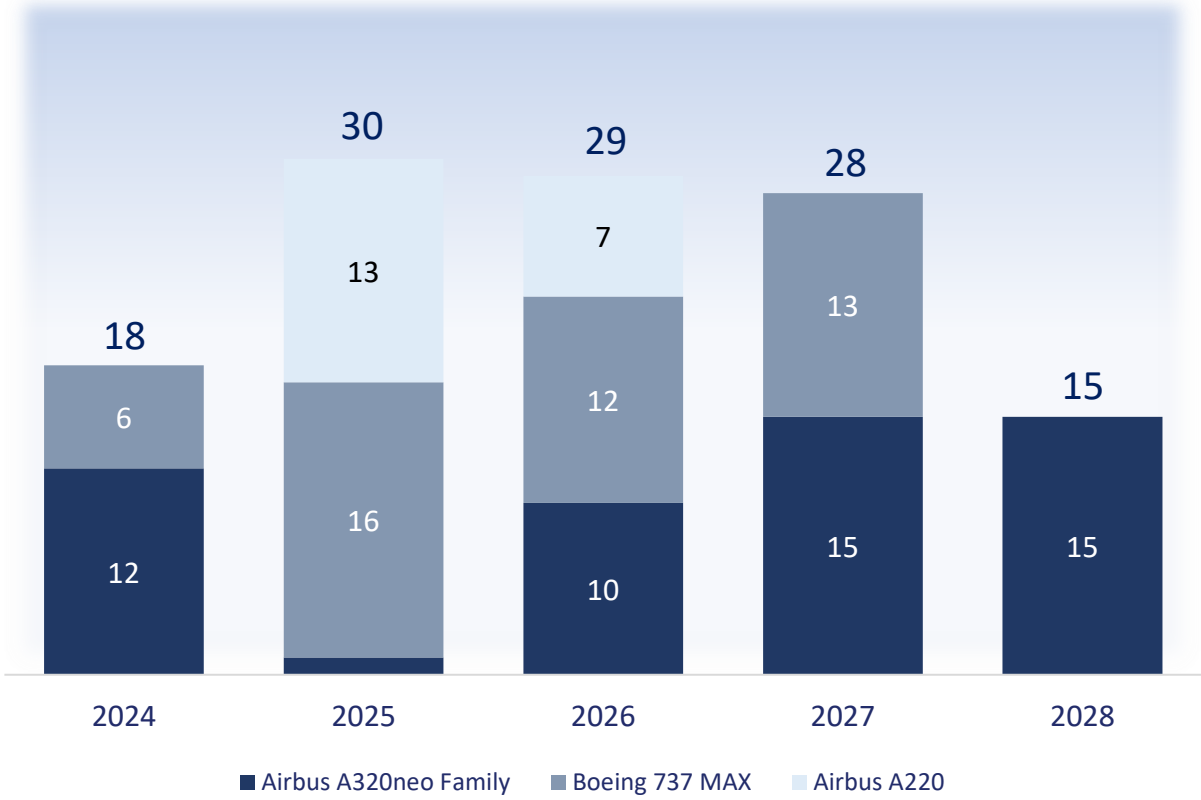




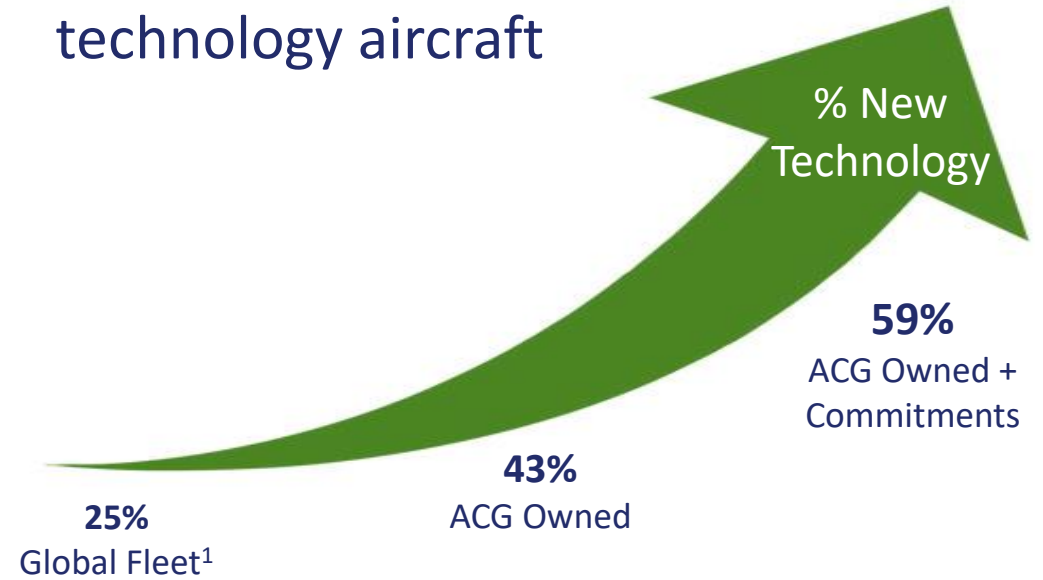
# ..and Contracted Growth



## Future Aircraft Deliveries



**100%** of ACG's orderbook is fuel efficient, new technology aircraft



# Investment Grade Issuer, Conservative Balance Sheet



## Investment Grade Ratings

MOODY'S

**Baa2**

Stable

S&P Global

**BBB-**

Stable

## Solid Liquidity Position

**1.6x**

forward liquidity coverage<sup>1</sup>

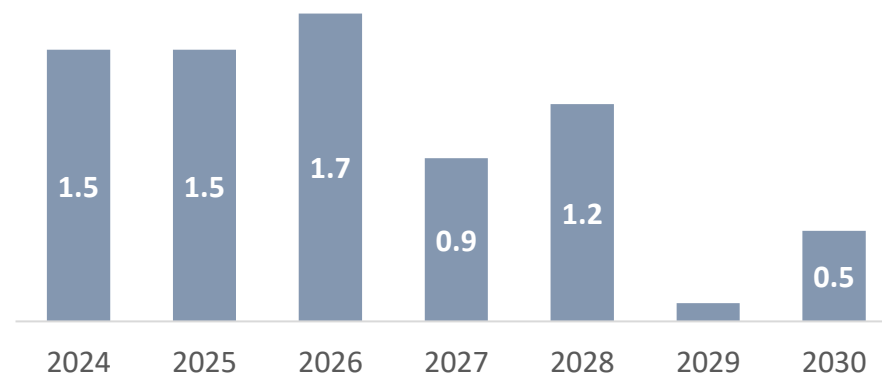
## Unsecured Funding Model

**1.5x**

unencumbered asset coverage<sup>2</sup>

## Conservative Debt Maturity Profile<sup>3</sup>

(\$B unsecured debt)



## Diversified Funding Sources

- **\$4.4B** revolving credit facilities<sup>4</sup>
- **\$6.0B** unsecured senior notes
- **\$2.7B** raised globally in 2023

# Pursuing a more sustainable future



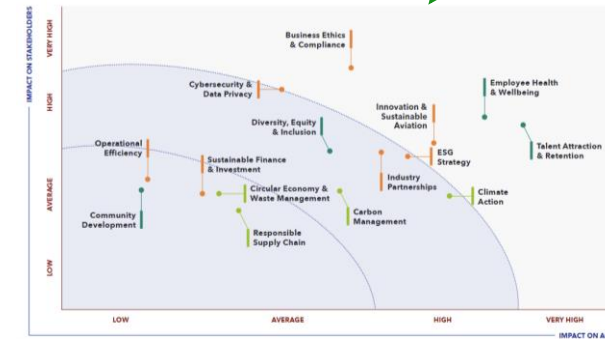
ESG Report



SAF Investment



Materiality Assessment



ALI Sustainability Charter



Community Involvement



Sponsorships



# ACG Highlights



Strong Investment Grade Ratings	Baa2 / BBB-	Moody's / S&P
Scale Player	488	Owned, managed and committed aircraft
Most Liquid Assets	97%	Narrowbody fleet composition <sup>1</sup>
Young Fleet	6.1 years	Weighted-average fleet age <sup>2</sup>
Transitioning to New Technology	59%	Owned aircraft + Commitments
Long-term Committed Cash Flows	6.8 years	Weighted-average remaining lease term <sup>2</sup>
Strong Diversification	90	Airline customers across 45 countries <sup>3</sup>
Conservative Leverage	2.5x	Net debt / equity <sup>4</sup>
Significant Unencumbered Assets	\$12.1 billion	Unencumbered assets <sup>5</sup>



# *Appendices*

# Appendix: Debt Financing Summary

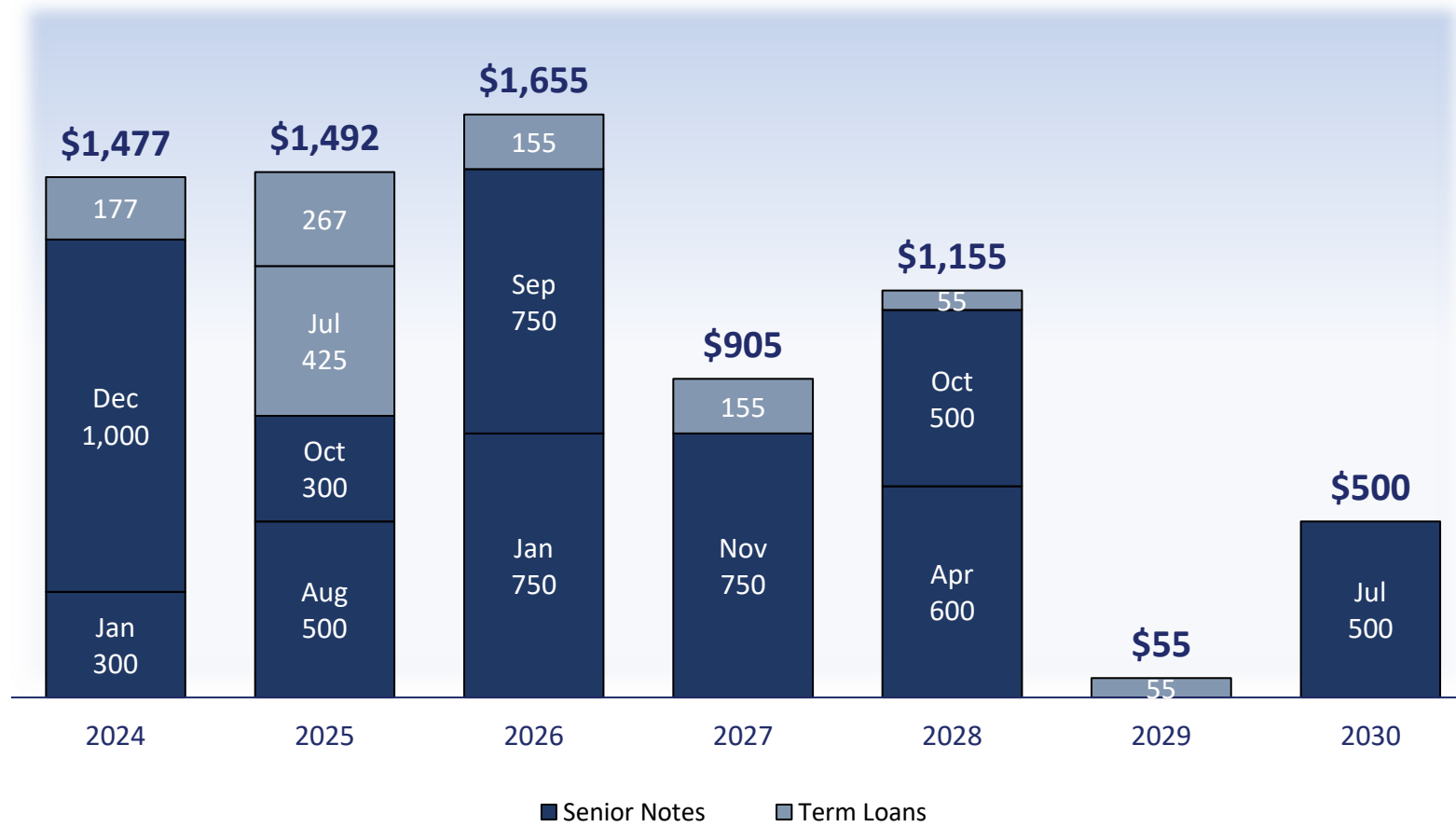


(\$ in Thousands)	Carrying Amount	Maturity Date	Interest Rate	Type
<b>Unsecured debt obligations:</b>				
Senior Notes	\$5,950,000	Jan 2024 – Jul 2030	2.0% - 6.8%	Fixed
Term Loans	1,287,500	Jul 2025 – Dec 2029	5.8% - 7.3%	Floating <sup>1</sup>
Commercial Paper	810,250	Jan 2024 – Feb 2024	5.9% - 6.1%	Fixed
<b>Secured debt obligations:</b>				
Secured loans	480,215	May 2024 – Feb 2034	1.5% - 6.8%	Fixed & Floating
<b>Debt acquisition costs</b>	(39,262)			
<b>Original issuance discounts</b>	(25,727)			
<b>Debt financings, net</b>	<b>\$8,462,976</b>			

# Appendix: Debt Maturity Profile



## Unsecured Debt Maturities (\$M)<sup>1</sup>

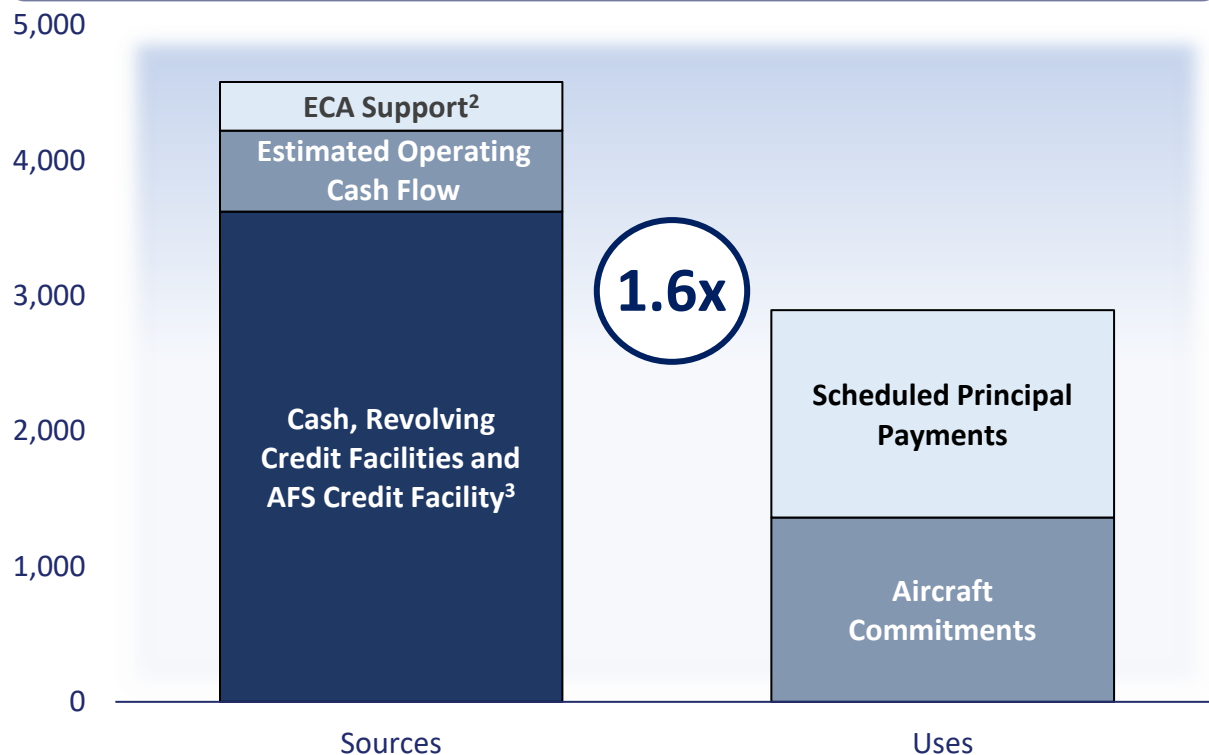


# Appendix: Forward Liquidity Coverage



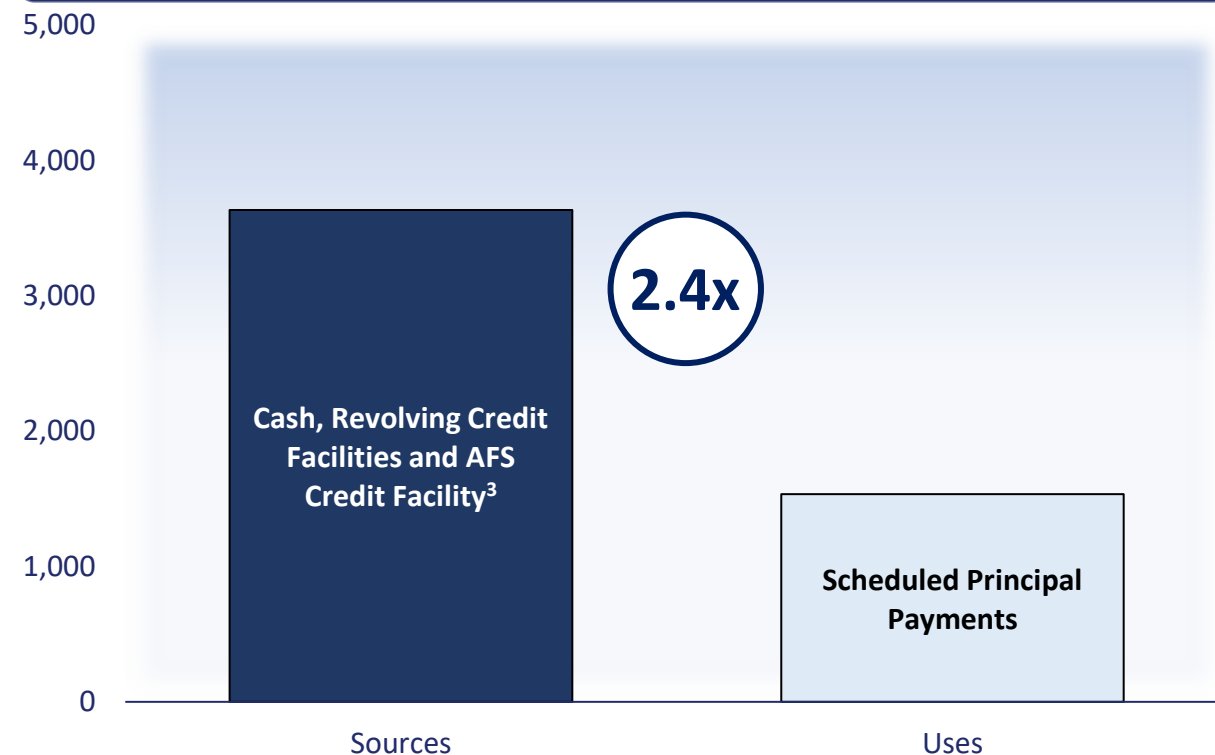
## NTM Forward Liquidity Coverage<sup>1</sup>

(\$M)



## NTM Debt Maturities Coverage<sup>1</sup>

(\$M)





# Appendix: Non-GAAP Reconciliation



<b>Reconciliation of net debt to debt financings, net</b>	
<i>(\$ in millions, except multiples)</i>	<b>12/31/2023</b>
Debt financings, net	\$8,463
Less:	
Cash and restricted cash	79
Net debt	\$8,384
Total Equity	\$3,415
<b>Net debt to equity</b>	<b>2.5x</b>

# Appendix: Footnotes



## **Slide 3**

- 1 – Source: IATA December 2023 Air Passenger Market Analysis.
- 2 – Source: IATA. December 6, 2023 “Airlines Set to Earn 2.7% Net Profit Margin on Record Revenues in 2024”

## **Slide 4**

- 1 – Counts include owned and managed aircraft. All percentage calculations are based on net book value of owned aircraft and exclude aircraft off-lease and investments in finance leases. “Asia Pacific” excludes China.

## **Slide 5**

- 1 – Excludes investments in finance leases.
- 2 – Includes \$332 million of assets held for sale.
- 3 – Includes 11 owned Boeing 757s, 3 managed Airbus A330s and 1 managed Boeing 777.
- 4 – Weighted average age of owned aircraft based on net book value.

## **Slide 7**

- 1 – Committed minimum lease rentals (inclusive of executed deferral and restructuring agreements) we are due under operating leases as of December 31, 2023.
- 2 – Weighted average remaining lease term figure excludes aircraft off-lease and investments in finance leases.

## **Slide 8**

- 1 – Source for global fleet percent: Cirium. The global fleet includes commercial aircraft used for passenger service. ACG percentages based on new technology by count.

## **Slide 9**

- 1 – See Appendix: Forward Liquidity Coverage on page 15 for calculation details.
- 2 – Debt covenant to maintain 1.25x unencumbered assets to unsecured debt.
- 3 – Excludes revolving lines of credit and commercial paper, which had outstanding balances of \$0 million and \$810 million, respectively, as of December 31, 2023.
- 4 – Includes \$2.66 billion under our syndicated revolving credit facility, \$1.2 billion intercompany line of credit with Tokyo Century and \$500 million AFS secured credit facility.

## **Slide 11**

- 1 – Based on narrowbody by count, which is the percent of the number of owned narrowbody aircraft.
- 2 – Weighted average of owned aircraft based on net book value. Remaining lease term figure excludes aircraft off-lease and investments in finance leases.
- 3 – Owned and managed aircraft.
- 4 – Calculated as Net Debt divided by Equity. Net Debt is calculated as debt financings net of cash and restricted cash. Net Debt is a non-GAAP financial measure. See Appendix for reconciliation to the most directly comparable GAAP measure.
- 5 – Comprised of cash and cash equivalents, in each case to the extent that such assets are not subject to a lien, and non-pledged aircraft assets (aircraft, engines, airframes, parts and pre-delivery payments).

## **Slide 13**

- 1 – We have entered into interest rate swaps that exchange a portion of this floating rate interest to fixed interest rates to manage exposure to changes in SOFR. The interest rate swaps have amortizing notional values and mature in July 2025 and December 2027. As of December 31, 2023, our interest rate swaps had a notional value of \$1,025 million.

## **Slide 14**

- 1 – Excludes revolving lines of credit and commercial paper, which had outstanding balances of \$0 million and \$810 million, respectively, as of December 31, 2023.

## **Slide 15**

- 1 – Sources and Uses are for the next twelve months as of December 31, 2023. Outstanding commercial paper as of December 31, 2023 is subtracted from the amount of undrawn revolving credit available to us, and therefore is not included in the “Uses” column.
- 2 – The European ECAs have agreed to guarantee future financings of certain of our Airbus deliveries; we have not entered into any related loan agreements as of December 31, 2023.
- 3 – Comprised of \$1.85 billion undrawn commitments out of \$2.66 billion total commitments under our syndicated revolving credit facility, \$1.2 billion intercompany line of credit with Tokyo Century, \$500 million AFS secured credit facility and \$72 million in unrestricted cash.