



**JP Morgan Conference - March 2021**



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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, 2020 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.

# ACG AT A GLANCE

## Scale player

31 years of operating performance and profitability

\$12.4 Billion of assets

\$3.7 Billion of equity

## Optimal portfolio

95% narrowbody by count<sup>1</sup>  
87% narrowbody by NBV<sup>1</sup>

5.5 years fleet age<sup>2</sup>

6.7 years remaining lease term<sup>2</sup>

## Disciplined diversification

~85 airline customers in ~40 countries<sup>3</sup>

74% flag carriers or government-supported<sup>4</sup>

Global marketing and technical platform

## Financial strength

\$3.2 Billion of unrestricted cash and undrawn revolving credit facilities<sup>5</sup>

1.9x net debt / equity<sup>6</sup>

Investment Grade Rated<sup>7</sup>  
A- / Baa2 / BBB-  
Kroll / Moody's / S&P

## Subsidiary of Tokyo Century<sup>8</sup>

Strong highly supportive parent – core expertise in transportation finance

Globally diversified leasing and specialty finance conglomerate

Publicly listed on Tokyo Stock Exchange

<sup>1</sup> Narrowbody by count is the percent of the number of owned aircraft that are narrowbody aircraft. Narrowbody by NBV is the percent of the NBV of owned aircraft that are narrowbody aircraft.

<sup>2</sup> Weighted average of owned aircraft based on net book value. Remaining lease term figure excludes aircraft off lease.

<sup>3</sup> Owned and managed aircraft.

<sup>4</sup> Includes customers of our owned aircraft who are flag carriers, U.S. majors, government-owned (wholly- or partially-owned), and customers who have received government support (in the form of direct loans, loan guarantees, payroll support grants or other grants, subsidies, or tax and fee relief) as a result of the COVID-19 pandemic.

<sup>5</sup> Includes \$2.6 billion of revolving lines of credit and approximately \$0.6 billion of unrestricted cash.

<sup>6</sup> Calculated as Net Debt divided by Equity. Net Debt is calculated as debt financings net of cash and cash equivalents and restricted cash. Net Debt is a non-GAAP financial measure. See Appendix for reconciliation to the most directly comparable GAAP measure.

<sup>7</sup> Rating agencies have affirmed ACG's credit ratings while the aircraft leasing sector was placed on negative outlook.

<sup>8</sup> Tokyo Century Corporation, a Japanese corporation, indirectly owns all of ACG's outstanding equity interests. For additional information about Tokyo Century Corporation, visit Tokyo Century Corporation online at [www.tokyocentury.co.jp/en/](http://www.tokyocentury.co.jp/en/).



# WORKING WITH OUR AIRLINE CUSTOMERS AND OEMS TO NAVIGATE COVID-19

## Cooperative effort with airline customers

- Most of our customers have requested some form of rental relief
- We have been actively addressing these requests on a case-by-case basis
- Our marketing and credit teams jointly manage requests, with approvals based on:
  - Long-term viability of the airline
  - Existing security package in place for the relevant airline (e.g., cash maintenance reserves and security deposits)
  - Strength and history of relationship with the lessee and its affiliates
  - Linkage to other commercial transactions

## Selective deferrals granted

- As of December 31, 2020, we have executed payment reprofiling agreements or agreed to defer \$170.2 million in lease payments, of which \$142.6 million was originally due in 2020, representing 16.9% of our total operating lease revenue for 2019
  - We hold \$415.9 million of collateral<sup>1</sup> related to these deferrals
  - We have collected \$32.2 million in repayments of deferred amounts as of December 31, 2020
- Accommodations granted have generally involved partial rent deferrals with interest due on deferred amounts
- In select cases, lease extensions or other concessions from the lessee were also negotiated and agreed as part of the deferral accommodations

## Cooperative effort with OEMs

- We maintain a constant dialogue with our OEM partners. Since December 31, 2019, we have reduced capital expenditures for unconditional aircraft purchase commitments by \$4.0 billion, including a reduction of \$2.7 billion in Q4 2020
- Consistent with our narrowbody focus, all of our current order commitments are for A320neo family and 737 MAX aircraft
- Our contracts with aircraft OEMs (and our lessees' contracts with us) generally provide cancellation rights if delivery is delayed beyond a specified period

<sup>1</sup> Collateral held is in aggregate and comprised of security deposits, maintenance reserves and letters of credit.

**Aircraft<sup>1</sup>**  
409

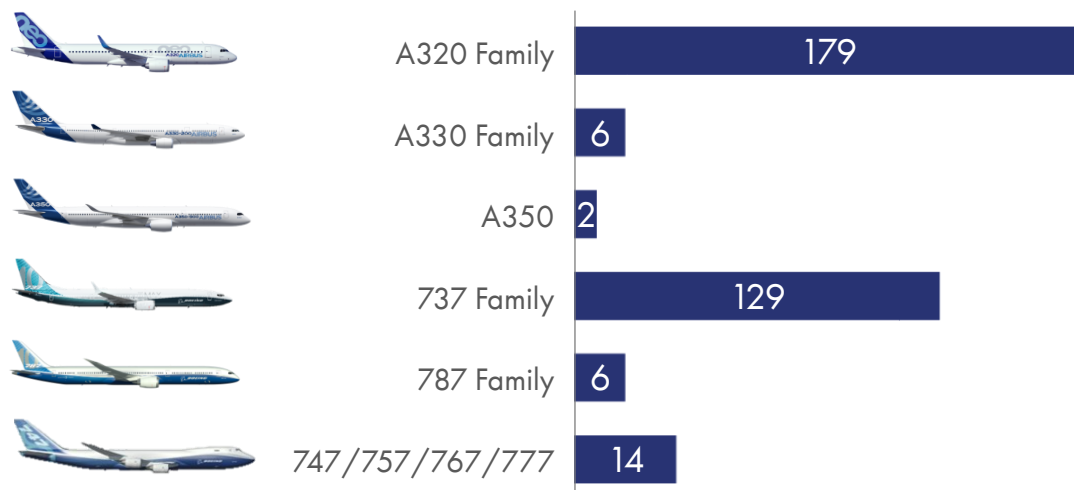
**Narrowbody by Count<sup>2</sup>**  
95%

**Narrowbody by NBV<sup>2</sup>**  
87%

**During 2020, we reduced our capital expenditures by \$4 billion**

- \$1.3 billion during the nine-month period ended September 30, 2020
- \$2.7 billion during the fourth quarter of 2020

## Owned and Managed Portfolio



## Adjustments to our Aircraft Commitments (\$ thousands)

	Firm orders disclosed in our September 30, 2020 financial statements <sup>3</sup>	Firm orders disclosed in our December 31, 2020 financial statements	Change from Previous Period
2021	\$1,610,206	\$1,030,148	(\$580,058)
2022	\$2,074,499	\$788,986	(\$1,285,513)
2023	\$1,113,043	\$549,052	(\$563,991)
2024	\$693,152	\$492,588	(\$200,564)
2025	<u>\$286,518</u>	<u>\$216,152</u>	<u>(\$70,366)</u>
Total	\$5,777,418	\$3,076,926 <sup>4</sup>	(\$2,700,492)

<sup>1</sup> Includes 270 owned aircraft, 66 managed aircraft and 73 unconditional aircraft purchase commitments.

<sup>2</sup> Narrowbody by count is the percent of the number of owned aircraft that are narrowbody aircraft. Narrowbody by NBV is the percent of the NBV of owned aircraft that are narrowbody aircraft. All of our current aircraft purchase commitments are for narrowbody A320 neo family and 737 MAX aircraft.

<sup>3</sup> Our financial statements for the period ended September 30, 2020 also disclosed capital expenditures of approximately \$300.0 million for the remainder of 2020. We took delivery of six Airbus A320 neo family aircraft during the fourth quarter of 2020.

<sup>4</sup> This amount does not include deposits already made related to these commitments, which totaled \$956.9 million.

# OPTIMAL LOW RISK PORTFOLIO

**Fleet Age<sup>1</sup>**  
5.5 years

Aircraft Type	Owned Aircraft	% NBV	Managed Aircraft	Committed Aircraft	Total Aircraft
Airbus A320 Family	89	28%	34	-	123
Airbus A320neo Family	56	28%	-	52	108
Airbus A330	3	1%	3	-	6
Airbus A350	2	3%	-	-	2
Boeing 737 Family	94	27%	28	-	122
Boeing 737 MAX	7	3%	-	21	28
Boeing 757	11	-	-	-	11
Boeing 777	-	-	1	-	1
Boeing 787	6	8%	-	-	6
Other	2	2%	-	-	2
<b>Total</b>	<b>270</b>	<b>100%</b>	<b>66</b>	<b>73</b>	<b>409</b>

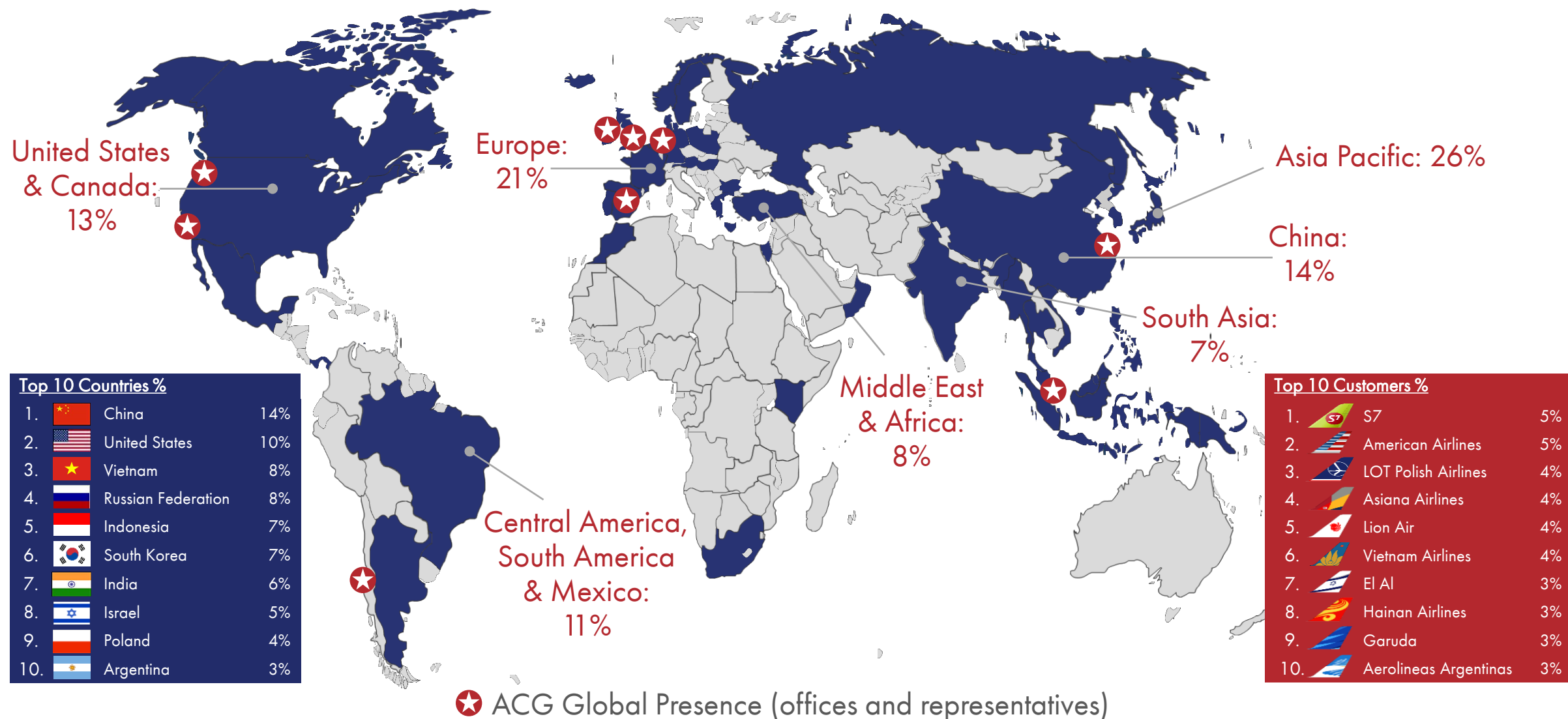
**Remaining Lease Term<sup>2</sup>**  
6.7 years

- Invest in liquid, high demand aircraft which provide the following benefits:
  - Broad airline user base
  - Relatively low transition costs
  - Tradable assets
- Order book consists of only new technology narrowbody aircraft consistent with global focus on environmental sustainability
- Risk mitigation through portfolio diversification and active asset management
- Optimize long-term economic value

<sup>1</sup> Weighted average of owned aircraft based on net book value.

<sup>2</sup> Weighted average of owned aircraft based on net book value, excluding aircraft off lease.

# GLOBAL PLATFORM AND DIVERSIFIED BUSINESS



*Note: All percentage calculations are based on net book value and exclude aircraft off-lease. "Asia Pacific" excludes China and South Asia.*



## Maintain Appropriate Liquidity

### Liquidity: Access to Global Capital Markets

- Over \$25 billion in capital raised
- Access to liquid commercial paper market
- \$3.2 billion of revolver and cash
- Liquidity coverage 2x



## Diversify Funding Sources

### Diversification: Leader in Funding Innovation

- Access to unsecured funding since 2007
- Active issuer in global capital markets
- Over 20 years of ABS financing experience
- \$650 million warehouse facility for our AFS<sup>1</sup> business line
- First NEXI insured financing in the industry



## Prudent Asset-Liability Management

### ALM: Risk Management Culture

- Manage to minimal duration mismatch
- Target debt maturities across the curve out to 10 years
- Superior leverage of 1.9x<sup>2</sup>



## Maximize Operating Flexibility

### Flexibility: Enterprise Level Funding

- Funding decisions independent of asset decisions
- \$10.6 billion unencumbered assets<sup>3</sup>
- 3% net secured debt to assets<sup>4</sup>
- 1.5x unencumbered asset coverage<sup>5</sup>

<sup>1</sup> ACG's Aircraft Financing Solutions (AFS) program focuses on the development, marketing and execution of ACG credit-enhanced financing structures that provide airline customers with greater access to additional sources of capital for aircraft purchases.

<sup>2</sup> Calculated as Net Debt divided by Equity. Net Debt is calculated as debt financings net of cash and cash equivalents and restricted cash. Net Debt is a non-GAAP financial measure. See Appendix for reconciliation to the most directly comparable GAAP measure.

<sup>3</sup> Comprised of cash, 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).

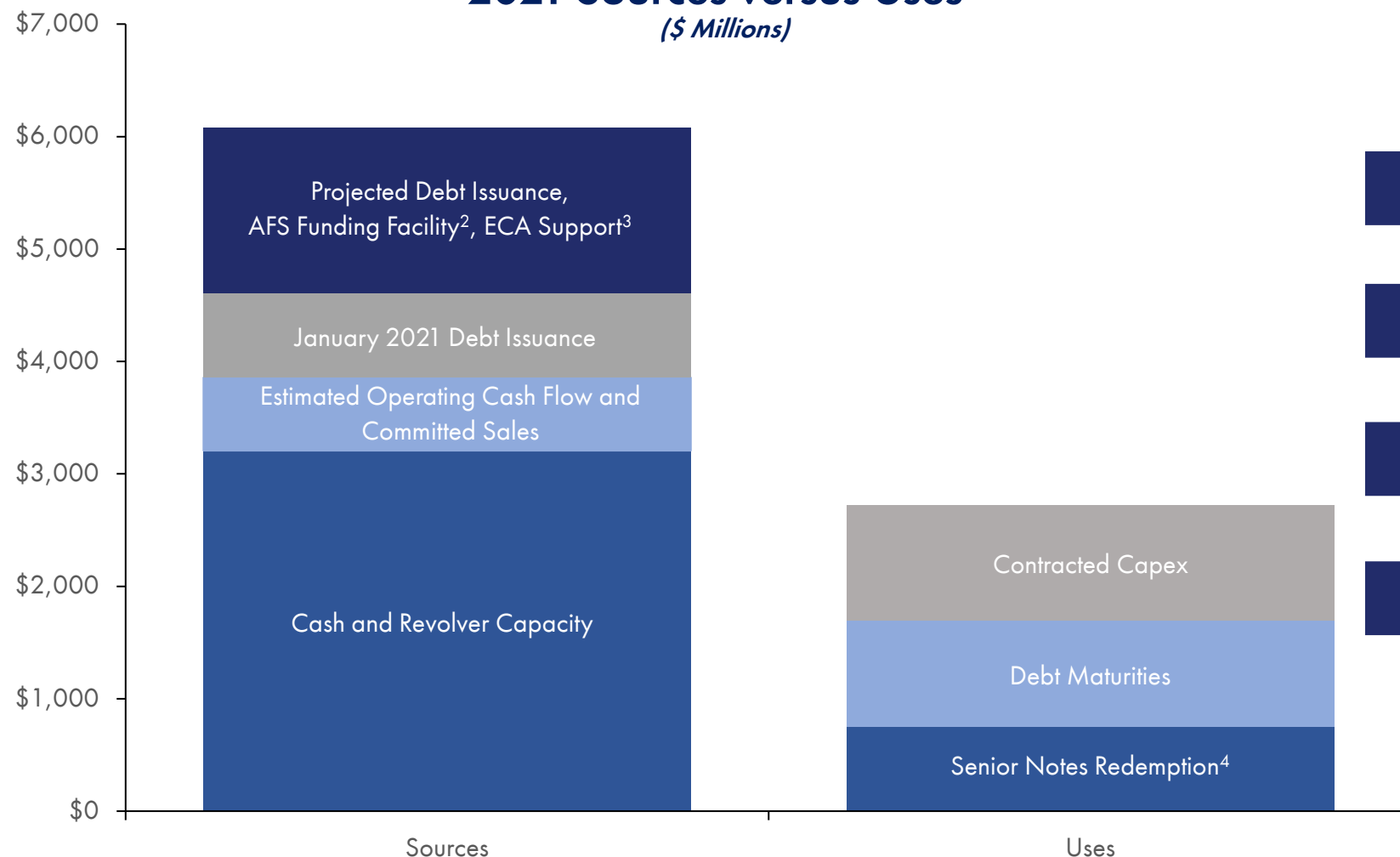
<sup>4</sup> Calculated as Net Secured Debt divided by Assets. Net Secured Debt is calculated as secured debt net of restricted cash. Net Secured Debt is a non-GAAP financial measure. See Appendix for reconciliation to the most directly comparable GAAP measure.

<sup>5</sup> Debt covenant to maintain 1.25x unencumbered assets to unsecured debt.



# ROBUST LIQUIDITY AND BALANCE SHEET POSITION

## 2021 Sources versus Uses<sup>1</sup> (\$ Millions)



➤ FY 2021 Liquidity Coverage 2x

➤ 97% Unsecured Debt

➤ \$10.6 Billion Unencumbered Assets

➤ 1.9x Leverage Ratio

<sup>1</sup> Sources and Uses are for the next twelve months as of 12/31/2020 with the exception of the \$750 million issuance of senior notes, which was completed in January 2021.

<sup>2</sup> In March 2020, we entered into a secured funding facility to support the growth of our AFS business. Amounts available under this facility can be drawn on to fund AFS transactions through September 2021.

<sup>3</sup> The European ECAs have agreed to guaranty future financings of certain of our Airbus deliveries, including 11 scheduled to deliver during 2021, which provides us with additional financing options for these aircraft.

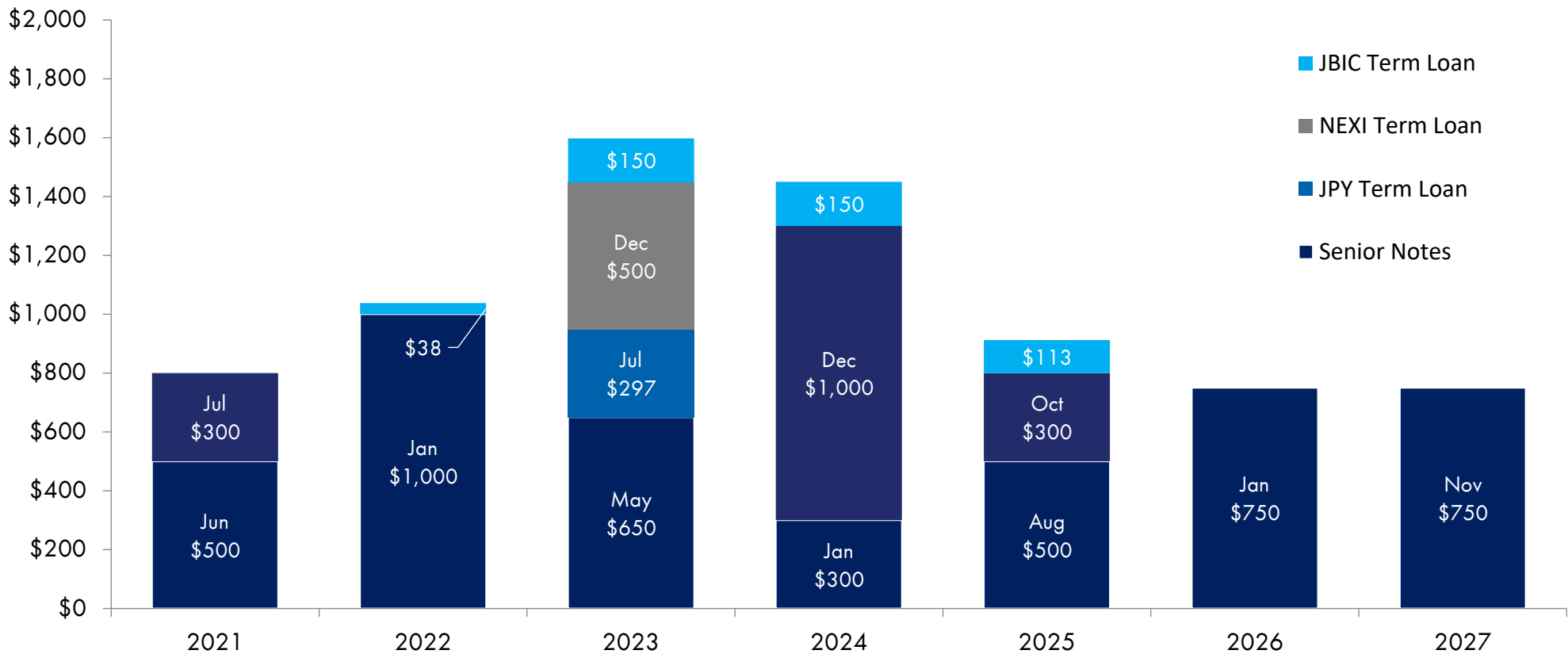
<sup>4</sup> In February 2021, we redeemed all \$750 million of our 6.75% senior notes that were originally scheduled to mature in April 2021.

# CONSERVATIVE DEBT MATURITY MANAGEMENT

Focus on financing requirements 1.5 to 2 years in advance



- Actively manage debt maturities to minimize refinancing risk

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



<sup>1</sup> As of March 1, 2021. Excludes revolving lines of credit and commercial paper, both of which had outstanding balances of \$0 as of March 1, 2021.

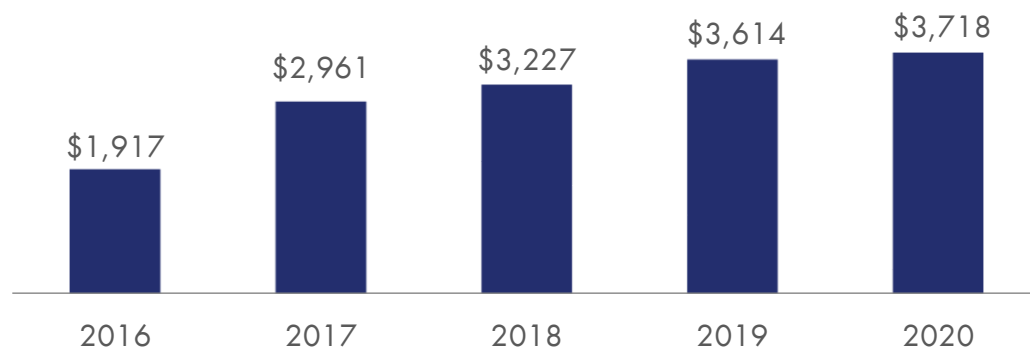
# SELECTED AFS FINANCING ACTIVITIES

Airline	Aircraft	Senior Lender	Select Features
	2 x B747-8F	 	<ul style="list-style-type: none"> <li>• First AFS financing</li> <li>• Airline funded equity</li> </ul>
	2 x B787-9	 	<ul style="list-style-type: none"> <li>• Airline funded equity</li> <li>• Demonstrated liquidity from debt investors</li> </ul>
	1 x A350-1000		<ul style="list-style-type: none"> <li>• First AFS with junior loan component</li> <li>• AE Deal of the Year</li> </ul>
	2 x A321neo		<ul style="list-style-type: none"> <li>• First AFS euro loan</li> <li>• First AFS JOLCO</li> </ul>
	10 x B737-800	 	<ul style="list-style-type: none"> <li>• First use of AFS Warehouse Facility*</li> </ul>
	2 x A321neo		<ul style="list-style-type: none"> <li>• AFS as component to 4 aircraft placement (2 x operating lease)</li> </ul>

\* Facility lenders include Crédit Agricole, Société Générale, BNP Paribas, Commerzbank, Caixabank and Crédit Industriel et Commercial

# FINANCIAL PERFORMANCE

**Adjusted Equity<sup>1</sup>**  
(\$ Millions)



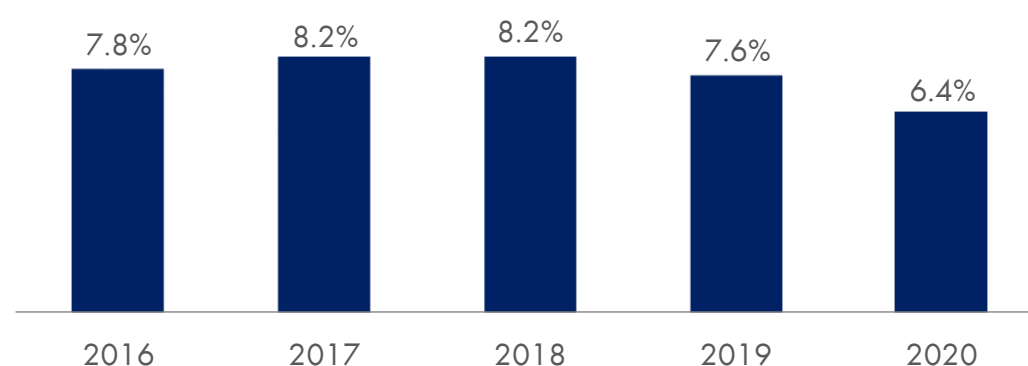
**Consolidated Unencumbered Assets<sup>2</sup>**  
(\$ Millions)



**Operating Lease Revenue**  
(\$ Millions)



**Net Interest Spread Margin<sup>3</sup>**



<sup>1</sup> Adjusted Equity is calculated as total equity less accumulated other comprehensive loss (AOCL). The AOCL adjustment to equity is only applicable through 2018. AOCL was zero for the other periods shown.

<sup>2</sup> 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).

<sup>3</sup> Calculated as net interest spread divided by average leased assets during the period. Net interest spread margin is a non-GAAP financial measure. See Appendix for reconciliation to the most directly comparable GAAP measure.

# HIGHLIGHTS

Scale player	409	Owned, managed and committed aircraft <sup>1</sup>
Optimal portfolio	95%	Narrowbody fleet composition <sup>2</sup>
High asset quality	5.5 years	Weighted-average fleet age <sup>3</sup>
Long-term committed cash flows	6.7 years	Weighted-average remaining lease term <sup>3</sup>
Strong diversification	~40 countries	Airline operating geographies <sup>4</sup>
Conservative leverage	1.9x	Net debt / equity <sup>5</sup>
Significant unencumbered assets	\$10.6 Billion	Unencumbered assets <sup>6</sup>
Robust cash position	\$3.2 Billion	Unrestricted cash and undrawn revolving credit facilities <sup>7</sup>

<sup>1</sup> Includes 270 owned aircraft, 66 managed aircraft and 73 unconditional aircraft purchase commitments.

<sup>2</sup> Based on narrowbody by count, which is the percent of the number of owned aircraft that are narrowbody aircraft.

<sup>3</sup> Weighted average of owned aircraft based on net book value. Remaining lease term figure excludes aircraft off lease.

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<sup>6</sup> Comprised of cash, 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).

<sup>7</sup> Includes \$2.6 billion of revolving lines of credit and approximately \$0.6 billion of unrestricted cash.





Q&A

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