

# Investor Presentation Q4 2021



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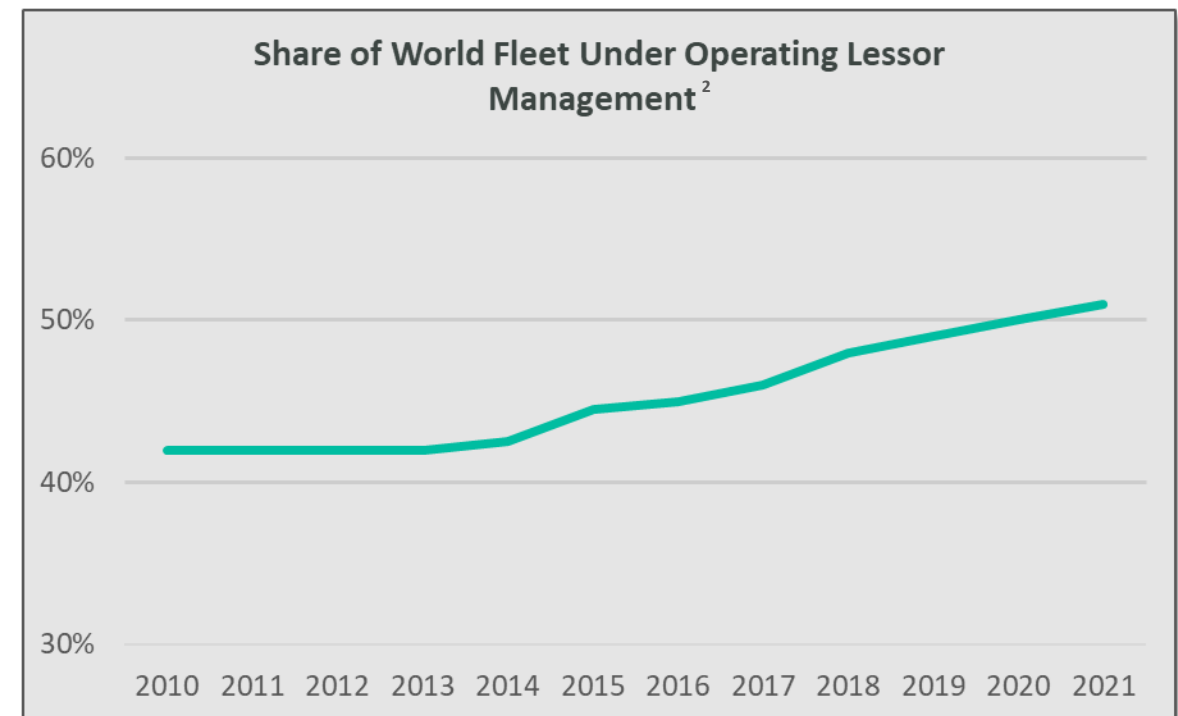
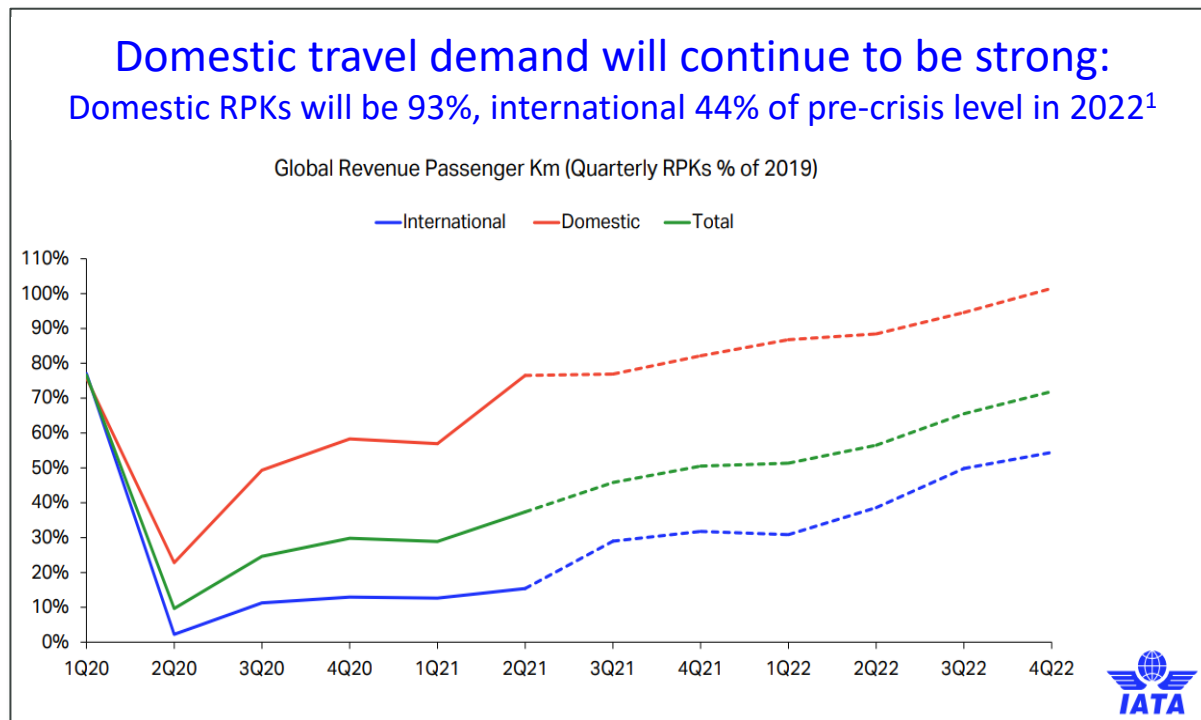
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This presentation includes references to certain non-GAAP financial measures. Management believes that, in addition to using GAAP results to evaluate ACG’s business, these non-GAAP financial measures can be useful to evaluate our financial condition 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.

# Continued Momentum in Recovery in Q4 2021

Industry shifting to growth as vaccinations spur recovery in certain regions of the world

- Revenue passenger kilometers reached 40% of pre-pandemic levels in 2021 and are expected to reach 60% in 2022<sup>1</sup>
- Our fleet, which is 96% narrowbody, is well positioned to benefit from strong domestic traffic recovery
- The number of aircraft deliveries in 2022 is expected to surpass that of 2019, signaling a return to growth<sup>1</sup>



# Our Portfolio is Centered Around High Demand Narrowbody Aircraft

ACG is committed to growth - Executed purchase agreements for 40 A320neo family aircraft and 20 A220 family aircraft in December 2021 and February 2022, respectively

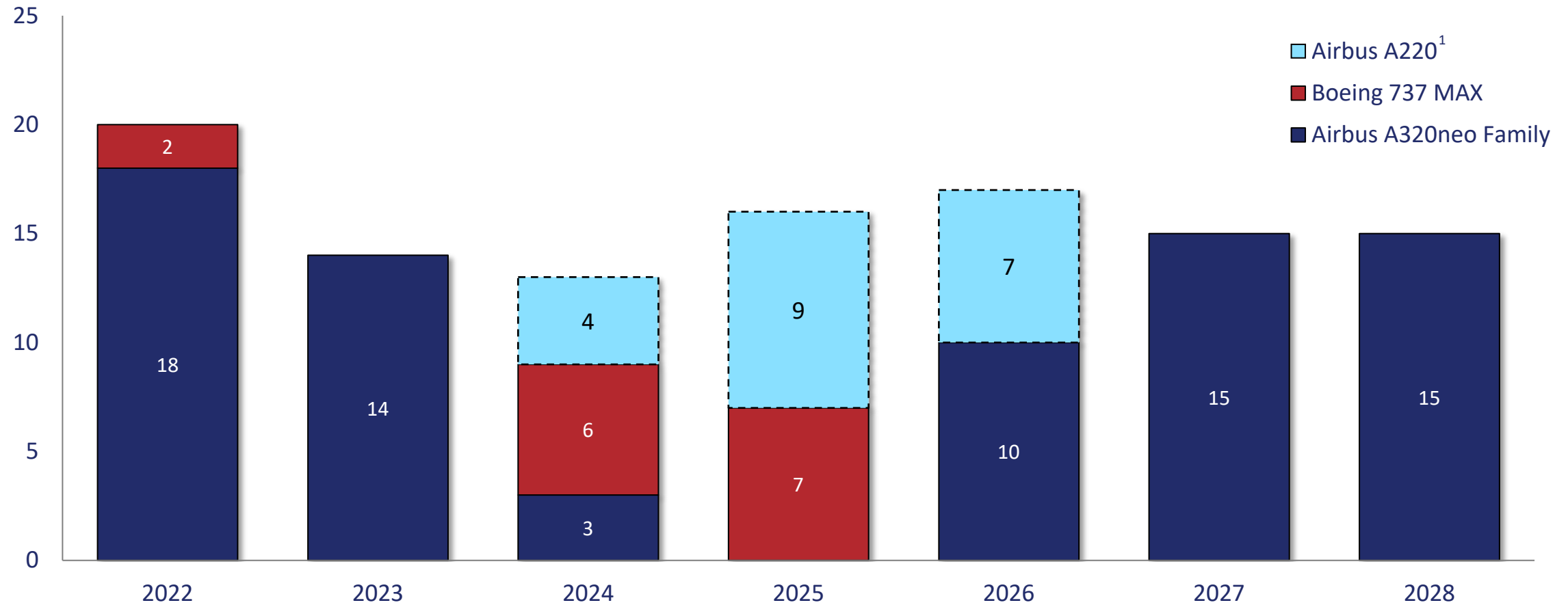
Aircraft Types in Service <sup>1</sup>			
AIRCRAFT	TODAY	START OF 2020	CHANGE
B737NGs	5,950	6,656	-11%
A320ceos	3,198	4,095	-22%
A320neos	1,786	1,163	54%
B777	1,129	1,445	-22%
A330	974	1,275	-24%
B787	885	885	0%
B767	747	799	-7%
B757	556	674	-18%
B737 MAX	392	0*	

Aircraft Type	Owned Aircraft	% NBV <sup>2</sup>	Managed Aircraft	Committed Aircraft	Total Aircraft
Airbus A220	4	1%	-	-	4
Airbus A320ceo Family	86	25%	33	-	119
Airbus A320neo Family	72	35%	4	75	151
Airbus A330	2	1%	3	-	5
Airbus A350	2	3%	-	-	2
Boeing 737NG Family	90	24%	26	-	116
Boeing 737 MAX	9	4%	-	15	24
Boeing 757	11	-	-	-	11
Boeing 777	-	-	1	-	1
Boeing 787	6	7%	2	-	8
<b>Total</b>	<b>282</b>	<b>100%</b>	<b>69</b>	<b>90</b>	<b>441*</b>

\*Including the 20 A220 family aircraft, our total aircraft as of December 31, 2021 would be 461

# Fuel-Efficient, New Technology Order Book with Commitment to Sustainability

## Future Aircraft Deliveries



# Young Narrowbody Fleet with Minimal Near-Term Maturities

Narrowbody by Count<sup>1</sup>



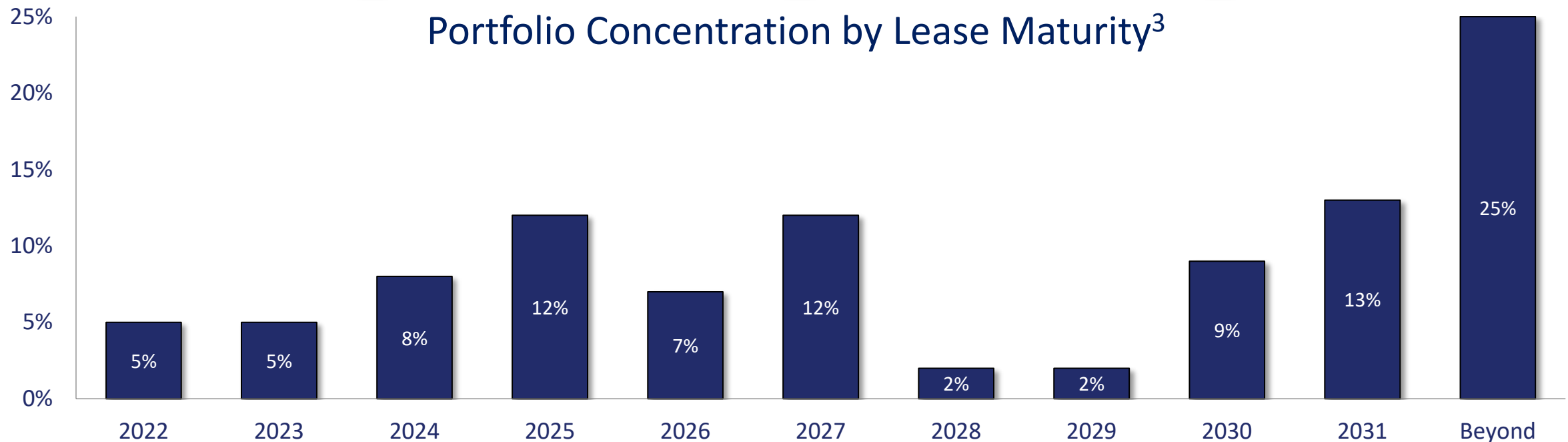
Fleet Age<sup>2</sup>



Remaining Lease Term<sup>2</sup>



Portfolio Concentration by Lease Maturity<sup>3</sup>



# Diversified Aircraft Placements Mitigate Portfolio Risk

## Lessee Diversification<sup>1</sup>

~90  
Lessees

### Top lessees<sup>2</sup>

	American Airlines	4%
	Viva Air	4%
	LOT Polish Airlines	4%
	Asiana Airlines	4%
	VivaAerobus	4%
	S7	3%
	Vietnam Airlines	3%
	El Al	3%
	Hainan Airlines	3%
	Garuda	3%

### Top regions<sup>2</sup>

Asia Pacific	21%
Europe	20%
Central America, South America & Mexico	19%
China	15%
United States & Canada	12%
Middle East and Africa	8%
South Asia	5%

## Country Diversification<sup>1</sup>

~45  
Countries

### Top countries<sup>2</sup>

	China	15%
	United States	9%
	Vietnam	8%
	Colombia	6%
	Mexico	6%
	South Korea	6%
	India	5%
	Israel	4%
	Poland	4%
	Russia	3%

# Strong Liquidity Position

Access to liquid commercial paper market

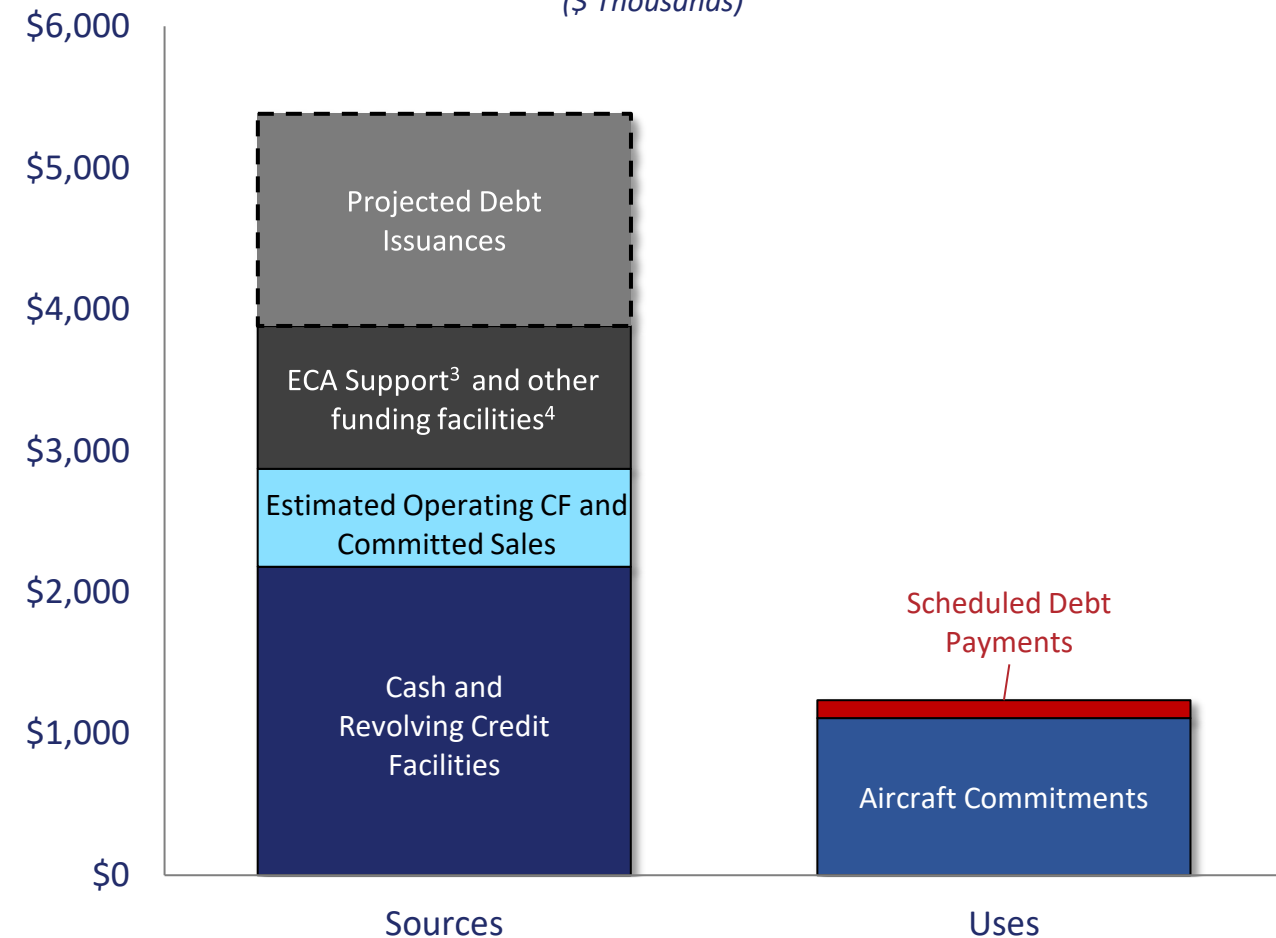
\$2.2 billion of cash and undrawn revolving credit

~\$700 million in committed ECA support through 2023

~\$300 million available in warehouse facility for our AFS<sup>1</sup> business line

## 3.1x Sources to Uses<sup>2</sup>

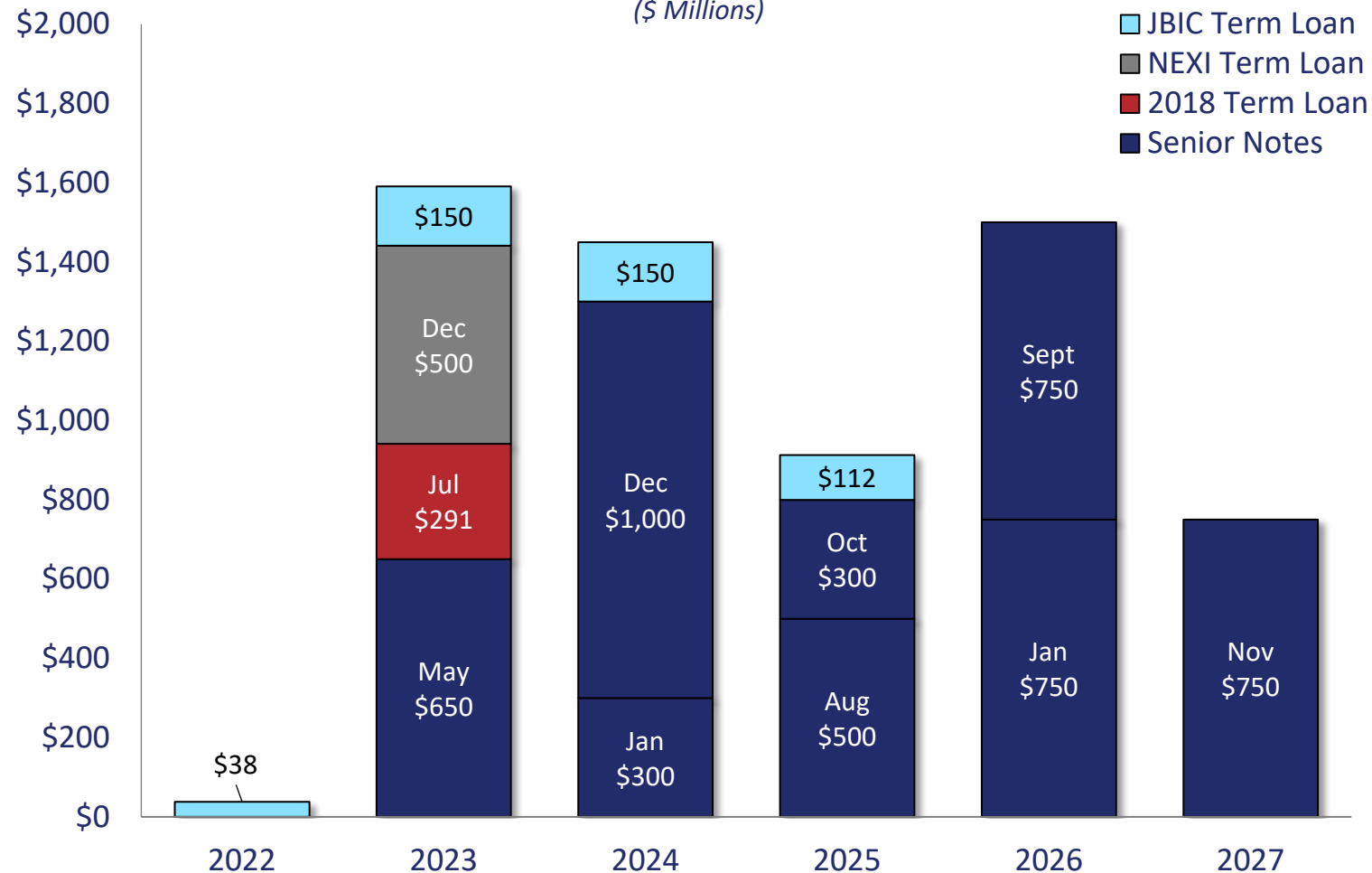
(\$ Thousands)



# Broad Access to Capital

## Unsecured Debt Maturities<sup>1</sup>

(\$ Millions)



Investment grade rated  
A- / Baa2 / BBB- | Kroll / Moody's / S&P

Senior unsecured:  
144A, RCF, term loans, commercial paper

Structured finance:  
ABS and Aircraft Financing Solutions

Export-import financing:  
EXIM, ECA and NEXI

# Low Leverage & Significant Asset Coverage

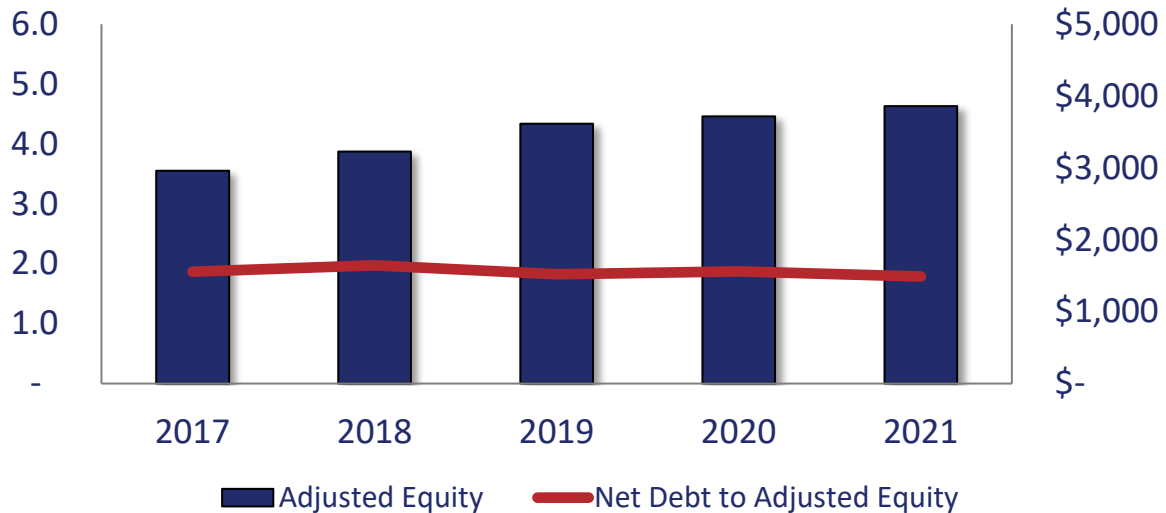
Superior  
leverage of  
1.8x<sup>1</sup>

\$10.6 billion  
unencumbered  
assets<sup>2</sup>

~1.5x  
unencumbered  
asset coverage<sup>3</sup>

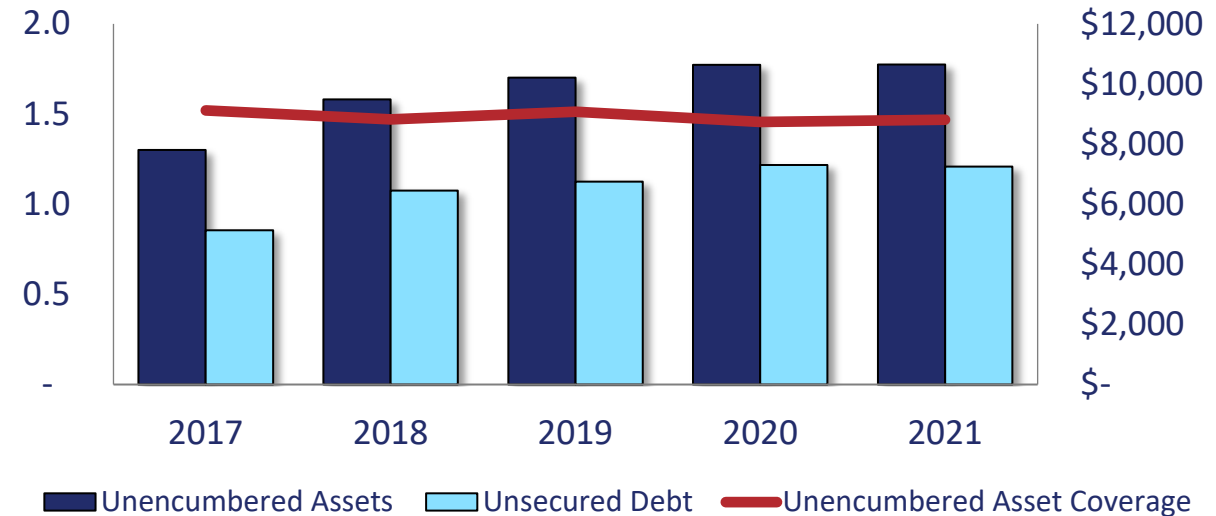
## Net Debt to Adjusted Equity<sup>1,4</sup>

(\$ Millions)



## Unencumbered Asset Coverage<sup>3</sup>

(\$ Millions)



# Environmental, Social and Corporate Governance Initiatives

- ✓ ESG working group formed in May 2021 to develop and implement initiatives that contribute to the long-term sustainability and social responsibility of aviation and aircraft leasing
- ✓ Added 60 new technology, fuel-efficient Airbus aircraft to our order book in December 2021<sup>1</sup>
- ✓ Support of Airbus' ESG fund initiative, which will contribute towards investment into sustainable aviation development projects
- ✓ Announced agreement in principle with Volocopter, a pioneer in the urban air mobility industry, to develop financing solutions to assist with the sale of up to \$1.0 billion of electric vertical take-off and landing (eVTOL) aircraft by Volocopter
- ✓ Volunteer time-off program and charitable matching program
- ✓ Sponsor of Airlink, a rapid-response nonprofit organization that coordinates with airlines and NGOs to provide humanitarian relief in the aftermath of emergencies worldwide
- ✓ Sponsor of AWAR (Advancing Women in Aviation Roundtable)
- ✓ ACG's female-chaired board has a combined 140 years of industry experience and is committed to managing ACG in a competent, ethical and inclusive way



# Highlights

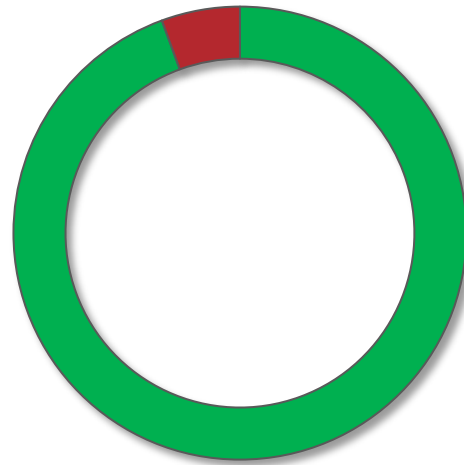
Scale player	441	Owned, managed and committed aircraft <sup>1</sup>
Optimal portfolio	96%	Narrowbody fleet composition <sup>2</sup>
High asset quality	5.7 years	Weighted-average fleet age <sup>3</sup>
Long-term committed cash flows	7.0 years	Weighted-average remaining lease term <sup>3</sup>
Strong diversification	~45 countries	Airline operating geographies <sup>4</sup>
Conservative leverage	1.8x	Net debt / equity <sup>5</sup>
Significant unencumbered assets	\$10.6 Billion	Unencumbered assets <sup>6</sup>
Strong investment grade ratings	A- / Baa2 / BBB-	Kroll / Moody's / S&P

# Appendix:

## COVID-19 Recovery Update

- The COVID-19 global pandemic has led to most of our lessees requesting various forms of rental relief. We have deferred \$146.9 million of lease rental payments that were originally due by December 31, 2021<sup>1</sup>

\$75.0 Million of Deferred Lease Rental Payments was Due by December 31, 2021<sup>1</sup>



- \$70.8 million collected as of 12/31/21
- \$4.2 million uncollected as of 12/31/21

- We hold \$232.0 million of security deposits, maintenance reserves and letters of credit related to outstanding deferral agreements
- Reduction in operating lease revenue due to cash-basis revenue recognition for certain lessees was \$68.9 million during the year ended December 31, 2021

# Appendix:

## Non-GAAP Reconciliations

### Reconciliation of net debt to debt financings, net

(In \$Millions, except multiples)

12/31/2021

Debt financings, net	\$7,467
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Less:

Cash and cash equivalents	458
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Restricted cash	102
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Net debt	\$6,907
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Equity	\$3,858
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<b>Net debt to equity</b>	<b>1.8x</b>
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# Appendix: Footnotes

## Slide 2

1 – Source: IATA

2 – Source: CIRIUM

## Slide 3

1 – Source: CIRIUM ; \*All MAX airplanes were grounded at the start of 2020.

2 – Excludes investments in finance leases.

## Slide 4

1 – Graph includes 20 A220 family aircraft that were subject to a Memorandum of Understanding (MOU) as of December 31, 2021. The purchase agreement related to these commitments was signed in February 2022.

## Slide 5

1 – Narrowbody by count is the percent of the number of owned aircraft that are 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 – Percentages based on net book value of owned aircraft, excluding aircraft off lease.

## Slide 6

1 – Owned and managed aircraft.

2 – All percentage calculations are based on net book value and exclude aircraft off-lease and investments in finance leases. “Asia Pacific” excludes China and South Asia.

## Slide 7

1 – 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.

2 – Sources and Uses are for the next twelve months as of December 31, 2021. 3.1x figure does not include projected debt issuances. Outstanding commercial paper as of December 31, 2021 is subtracted from the amount of undrawn revolving credit available to us, and therefore is not included in the “Uses” column.

3 – 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, 2021.

4 – 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 2022.

## Slide 8

1 – Excludes revolving lines of credit and commercial paper, which had outstanding balances of \$300 million and \$712 million, respectively.

## Slide 9

1 – 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.

2 – 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).

3 – Debt covenant to maintain 1.25x unencumbered assets to unsecured debt.

4 – 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 all subsequent periods.

## Slide 10

1 – Includes firm commitment for 40 A320neo family aircraft and MOU signed for 20 A220 family aircraft, with the related purchase agreement for the A220s signed in February 2022.

## Slide 11

1 – Includes 282 owned aircraft, 69 managed aircraft and 90 unconditional aircraft purchase commitments. Excludes aircraft subject to MOU at December 31, 2021.

2 – Based on narrowbody by count, which is the percent of the number of owned aircraft that are narrowbody aircraft.

3 – Weighted average of owned aircraft based on net book value. Remaining lease term figure excludes aircraft off-lease and investments in finance leases.

4 – Owned and managed aircraft.

5 – 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.

6 – 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 12

1 – As of December 31, 2021, we have executed agreements to defer \$148.3 million in lease rental payments. \$146.9 million represents the portion of that amount which was originally contracted to be paid on or before December 31, 2021. Of the \$70.8 million collected as of December 31, 2021, an insignificant amount relates to prepayments of amounts due subsequent to December 31, 2021. In addition to these deferral agreements, we have entered into lease restructurings with certain lessees that provide rental relief in exchange for lease extensions or other accommodations, which did not have a significant impact on our operating lease revenue for the year ended December 31, 2021.

