

# AERCAP

Global Leader in Aviation

## Deutsche Bank Aircraft Leasing Conference

AerCap Holdings N.V.

September 14, 2021

Dublin | Shannon | Los Angeles | Singapore | Amsterdam | Shanghai | Abu Dhabi | Seattle | Toulouse

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# Key Messages



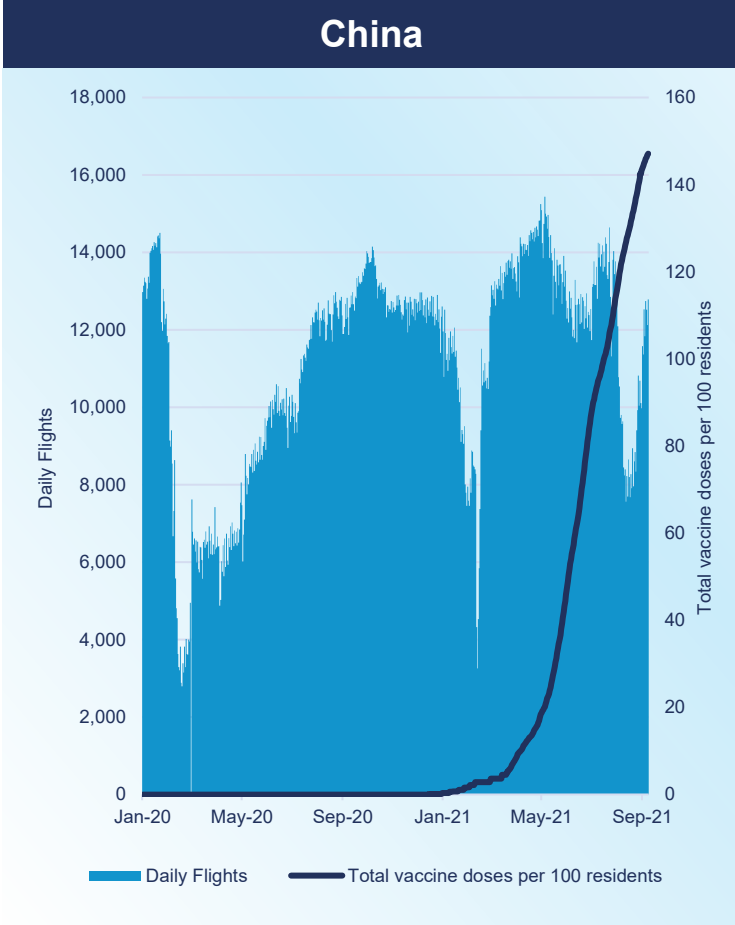
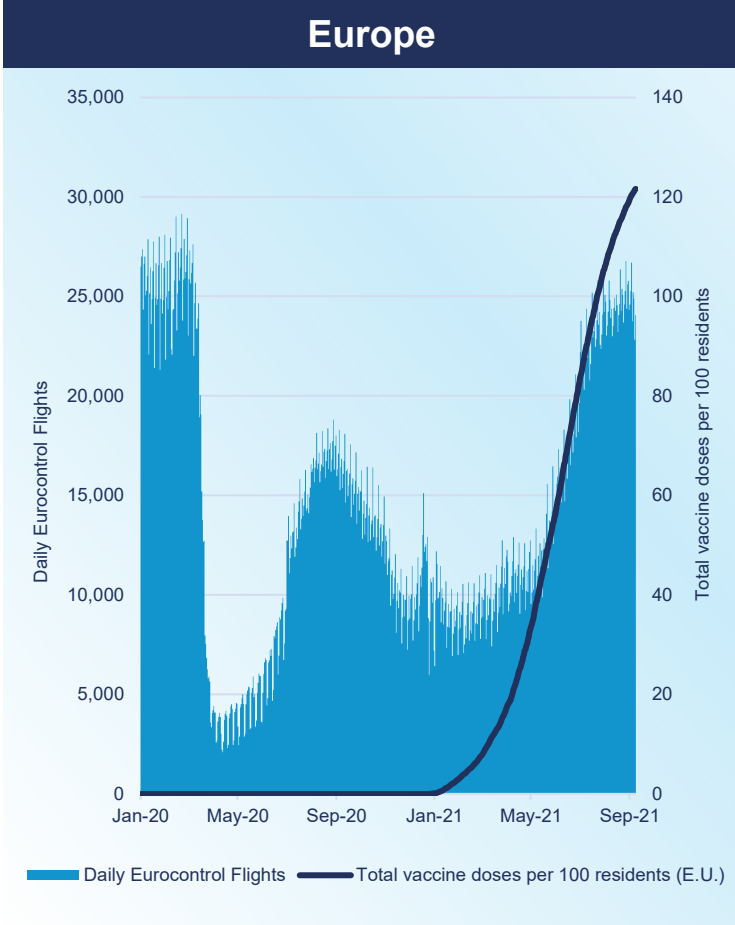
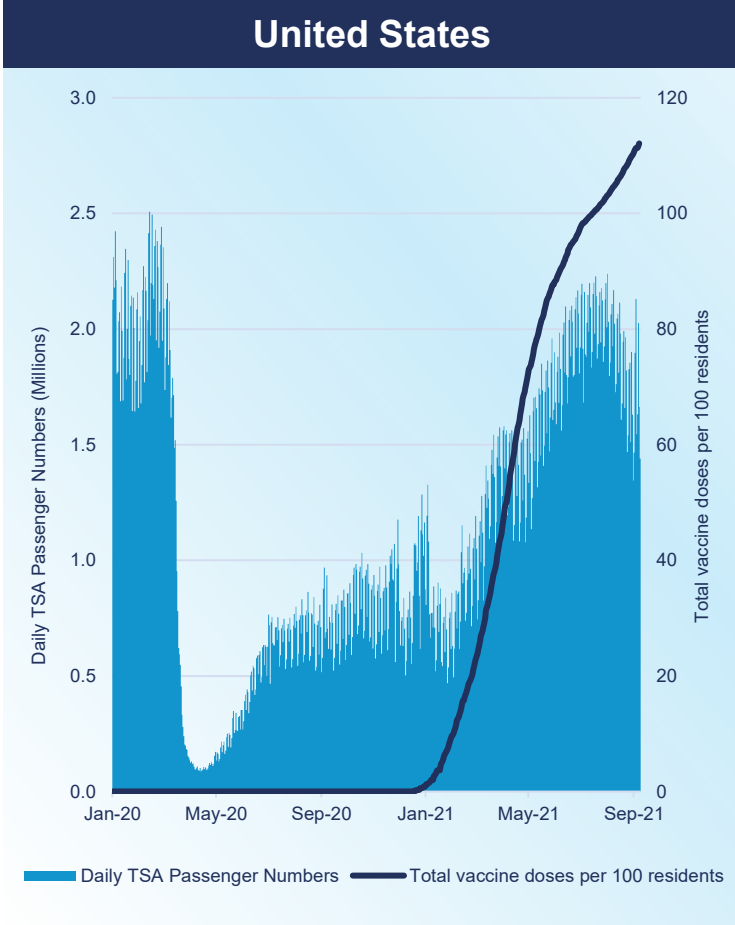
Air travel is **recovering rapidly**, increasing cash collections and demand for leasing

Combination with GECAS will **generate stronger revenues, cash flows and earnings**

These drivers put **AerCap on a higher ratings trajectory**

# Vaccines Drive Greater Travel Demand

Travel in the U.S., Europe and China, which together accounted for 67% of travel in 2019, continues to recover at a rapid rate



See Supplemental Information – Endnotes.

# Demand for Aircraft Leasing will Continue to Grow

Growth in aircraft leasing has been resilient through past disruptions, driven by long-term secular trends



### Key Points

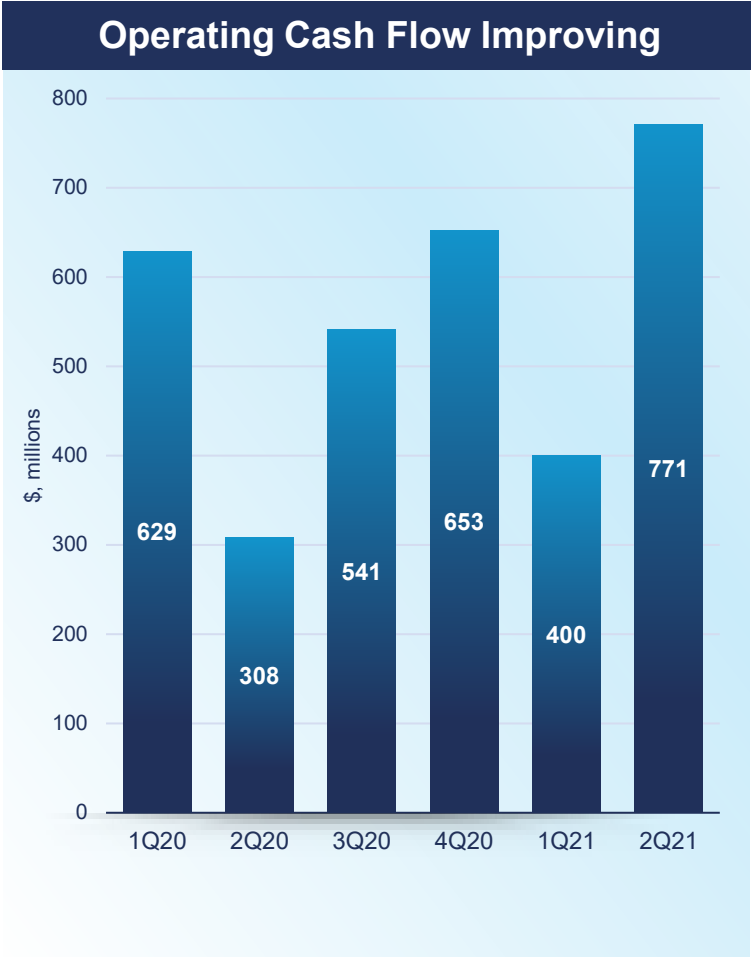
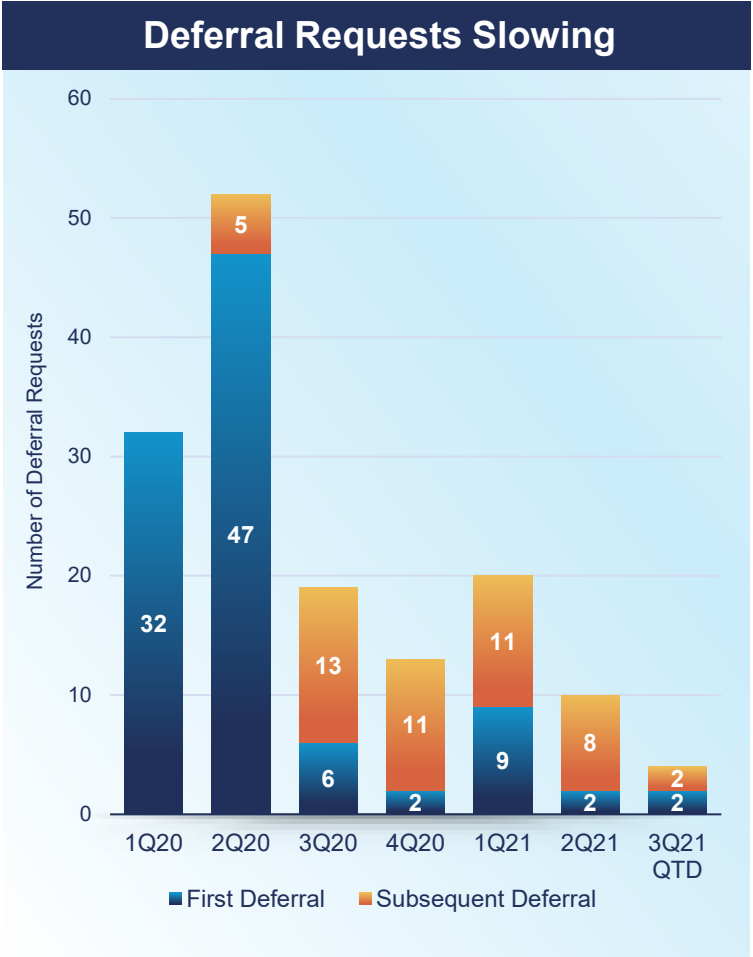
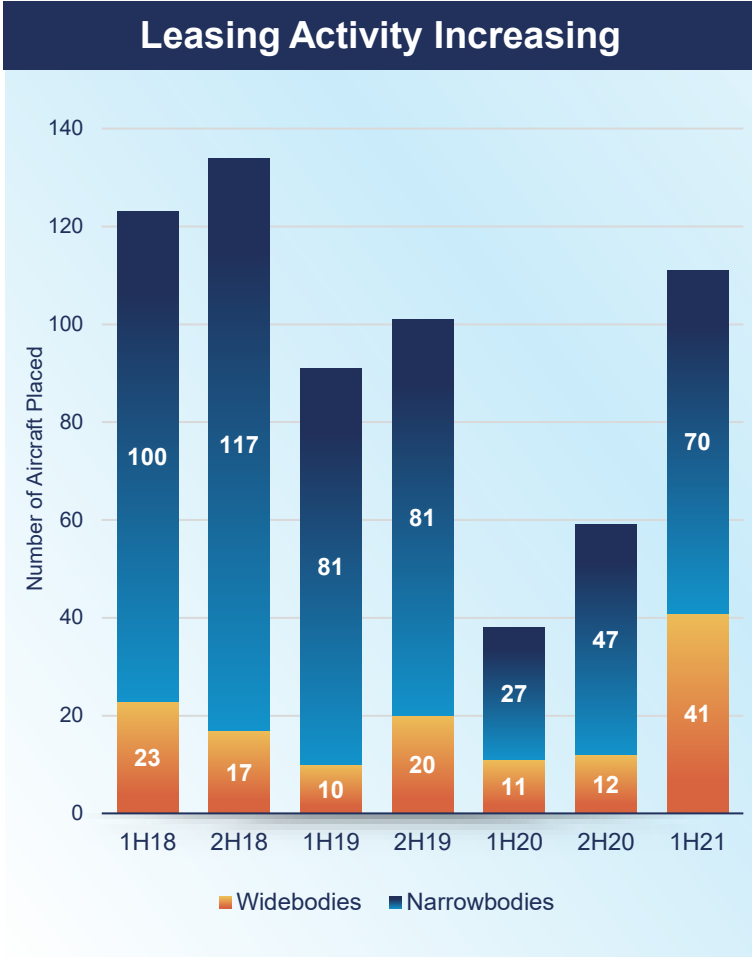
- ▶ Airlines were already increasing their use of leasing prior to Covid-19
- ▶ Aircraft leasing will be essential to airlines as they look to repair their balance sheets from the impact of Covid-19
- ▶ We expect the aircraft leasing market share to surpass 50% by 2024
- ▶ AerCap has the balance sheet and the order book to benefit from this trend

See Supplemental Information – Endnotes.



# AerCap: Clear Signs of Recovery Underway

Growing confidence of airline customers is driving leasing activity and operating cash flows higher



# GECAS: Right Assets, Right Price, Right Time



**Combination of  
AerCap and  
GECAS leads to  
STRONGER  
REVENUES,  
CASH FLOWS  
AND EARNINGS**

## Deal Highlights

### RIGHT ASSETS

GECAS' narrowbody-focused fleet, engine leasing business, freighter business, limited customer overlap and new technology order book complement AerCap's portfolio

### RIGHT PRICE

Discount to book value for an attractive fleet, drives higher lease yields and returns

### RIGHT TIME

Recovery in air travel is underway at a much faster pace than we had anticipated when the deal was announced

Current low interest rate environment is an opportune time to put in place a long-term capital structure

# Creates the Most Important Player in Aviation Leasing



## Key Highlights

World's #1 lessor

~7 year average remaining lease term

Strengthened freighter business

Exclusively new technology order book

~90% of combined assets



## Key Highlights

World's #1 lessor

Synergy opportunities

Increased revenue diversification

Majority CFM56 and LEAP engines

~5% of combined assets



## Key Highlights

World's #1 lessor

>300 helicopters across ~40 customers

Positive supply dynamics

O&G demand increasing

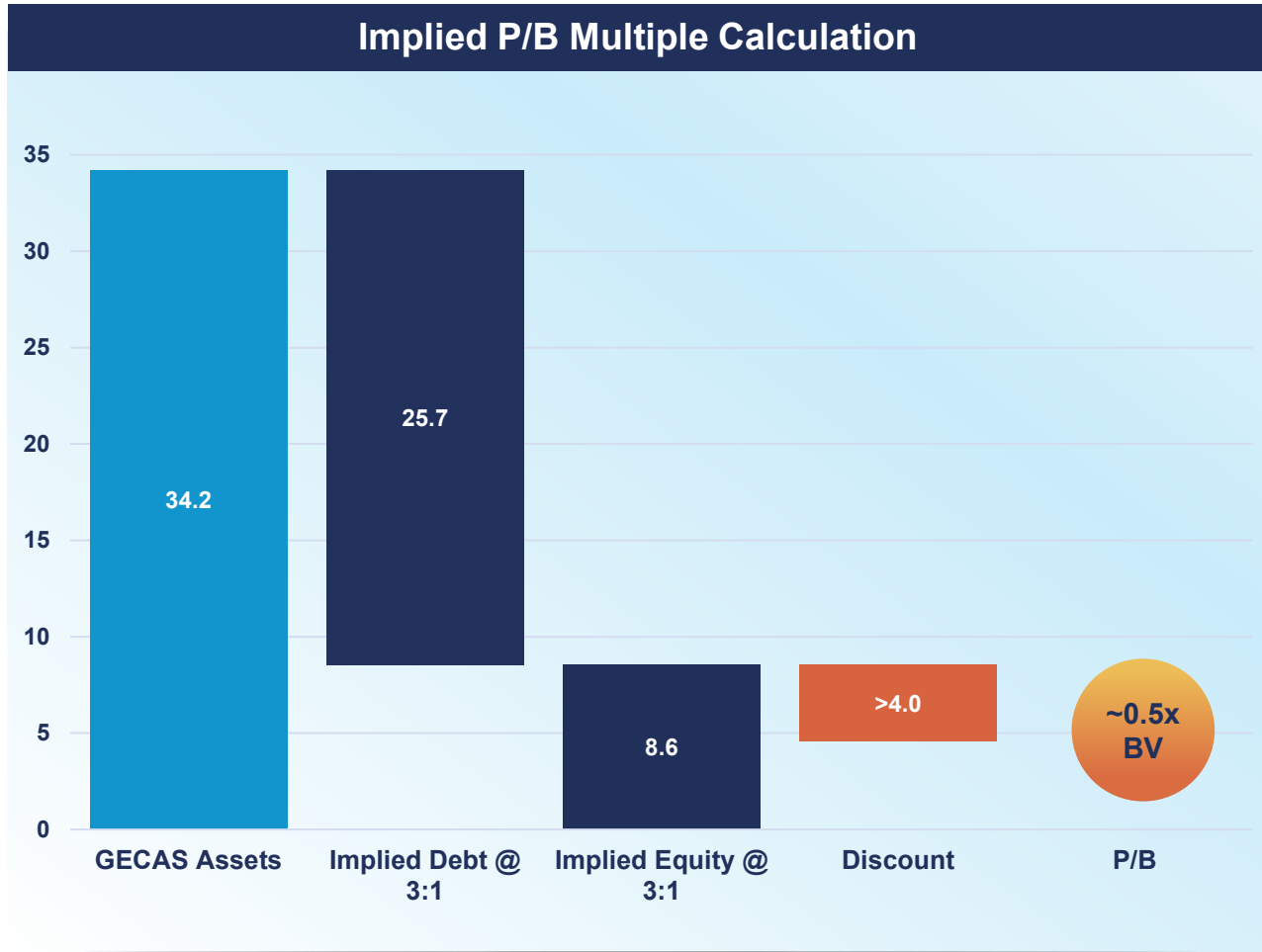
~5% of combined assets

See Supplemental Information – Endnotes.



# Attractive Price Will Drive Future Returns

## Attractive purchase price for a high-quality, diversified fleet



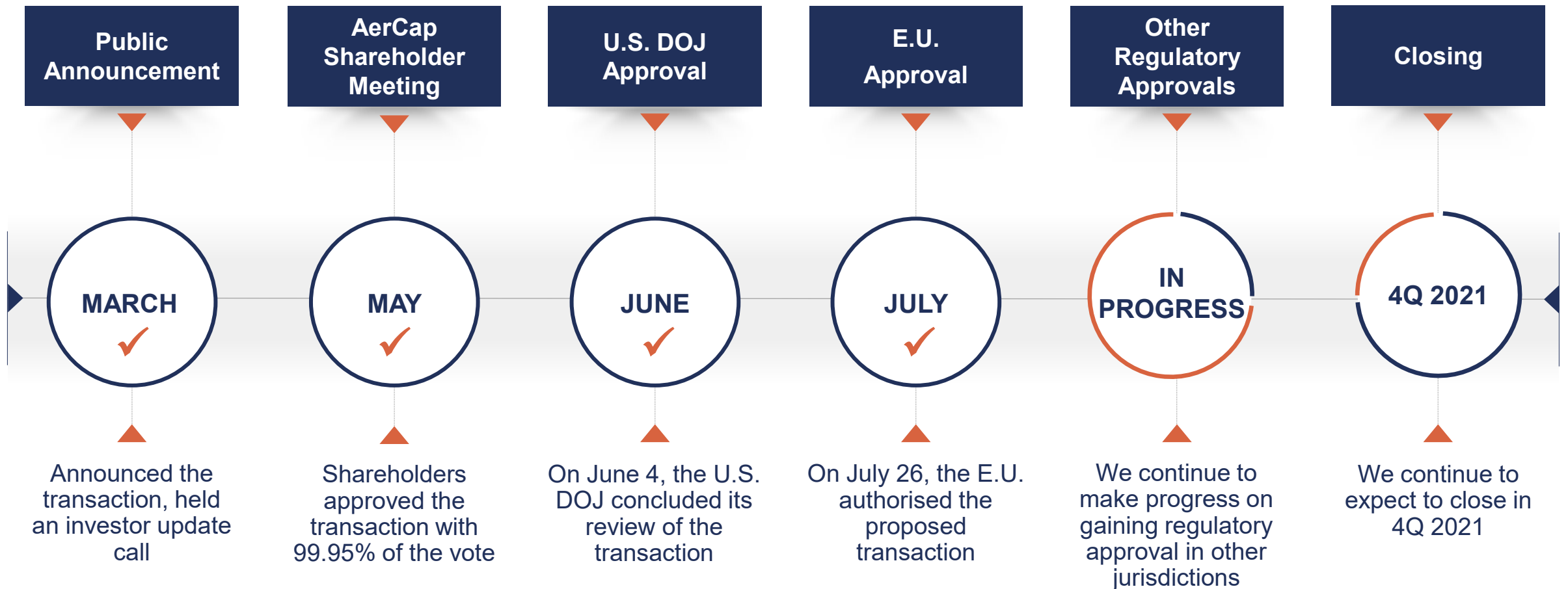
**Highlights**

- ▶ GECAS reported net assets of \$34.2 billion as at December 31, 2020
- ▶ AerCap agreed to pay \$25 billion in cash/Notes and 111.5m shares – equivalent to ~\$31 billion (assuming a \$55 share price)
- ▶ In addition, AerCap will benefit from the cash flows of GECAS from October 1, 2020 to closing as well as the elimination of certain tax liabilities which we expect will bring the total discount to over \$4 billion
- ▶ Assuming a similar leverage to AerCap of 3:1, this implies a purchase price-to-book equity of approximately 0.5x
- ▶ This drives higher returns and earnings for the combined business

See Supplemental Information – Endnotes.

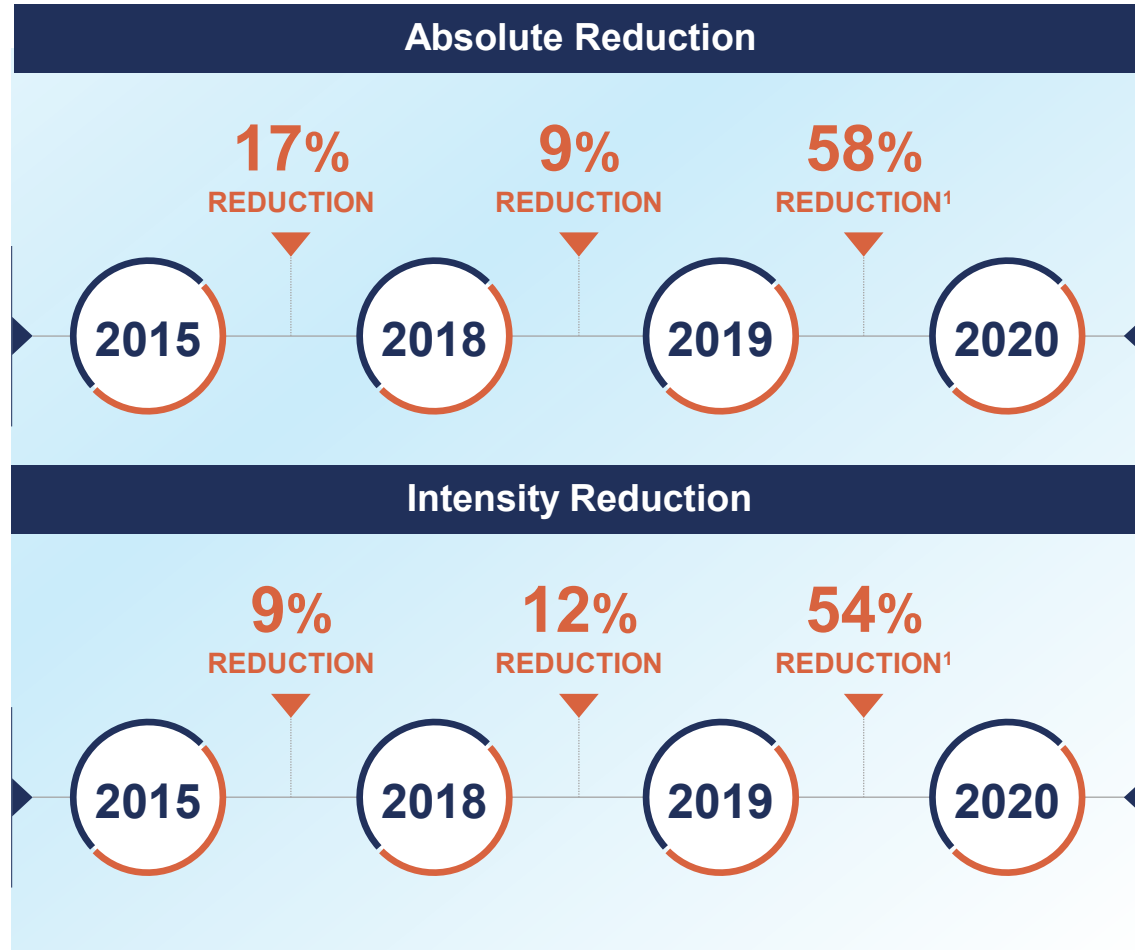
# GECAS Transaction Timeline

Integration workstreams are in place to hit the ground running from day 1



# Fleet Emission Reduction

**AerCap has made significant progress in reducing Scope 3 GHG emissions, with further progress ahead**



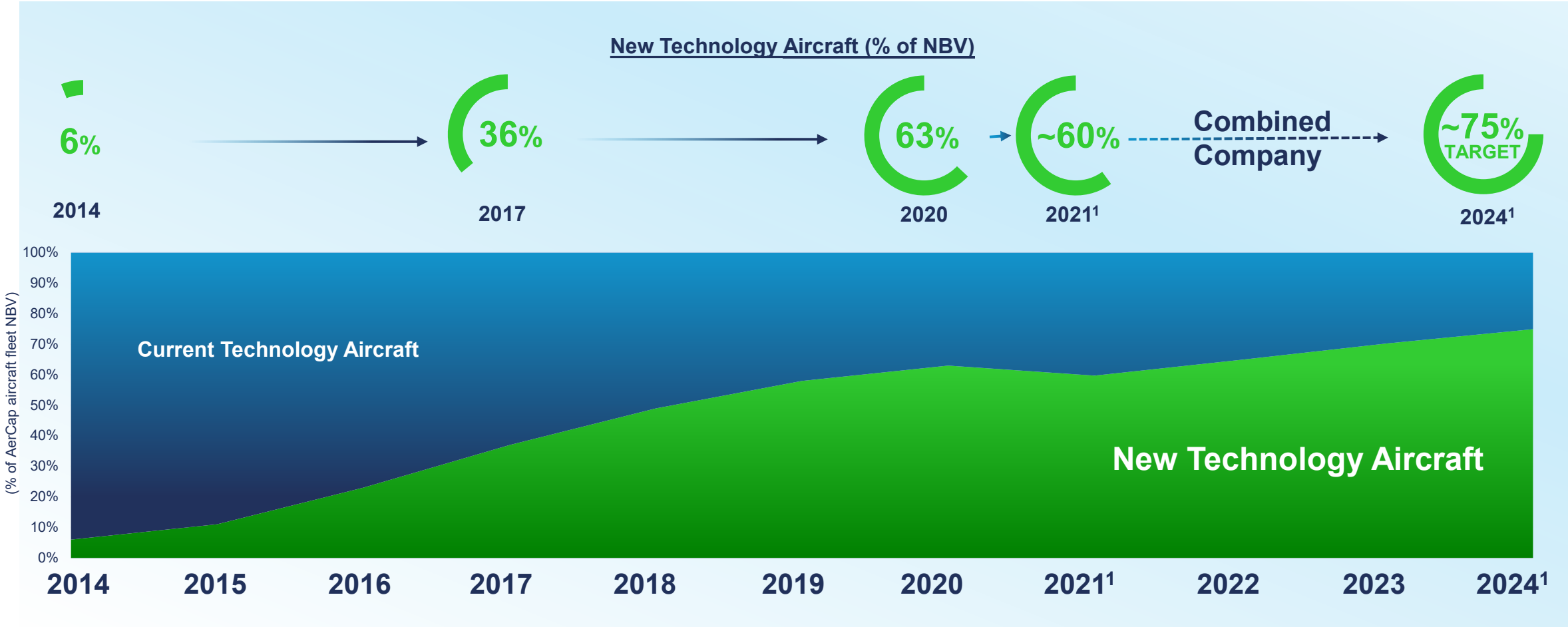
## Strong Partnership with Our Customers

- ▶ As the world's largest lessor, we have a responsibility to lead the industry towards a lower-carbon economy
- ▶ Since 2014, we have invested over \$25 billion in new technology aircraft. As a result, we have achieved a significant reduction in our Scope 3 greenhouse gas (GHG) emissions
- ▶ As we continue our strategic fleet transformation, we expect to make further progress, relative to the 2019 baseline
- ▶ In addition, many of our customers are also embracing the use of sustainable aviation fuels (SAF) which further reduces their environmental impact
  - ▶ Air France-KLM operated the longest 787 delivery flight (10,973km) using SAF in July 2019
  - ▶ Air Transat operated the first A321LR delivery flight (5,769km) using a blend of SAF in July 2020

1. 2020 CO<sub>2</sub>e number is significantly impacted by the Covid-19 pandemic and the travel restrictions that existed for most of the year

# AerCap Leads in New Technology Aircraft

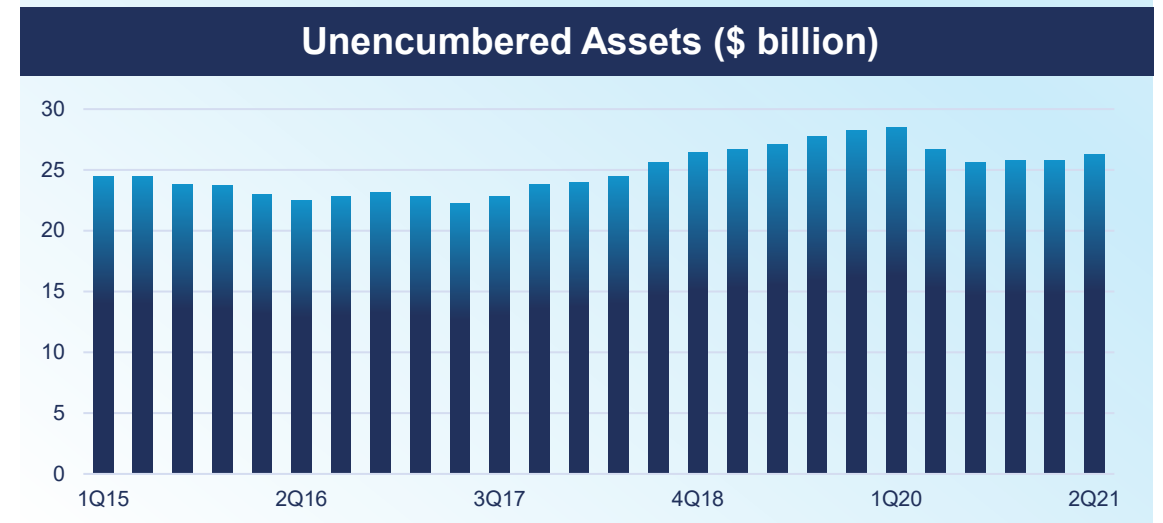
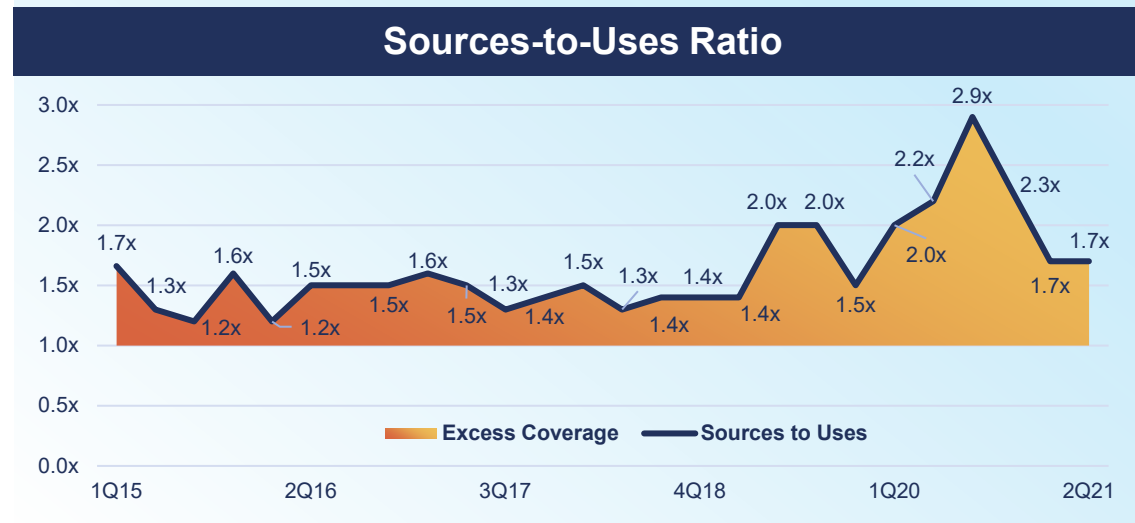
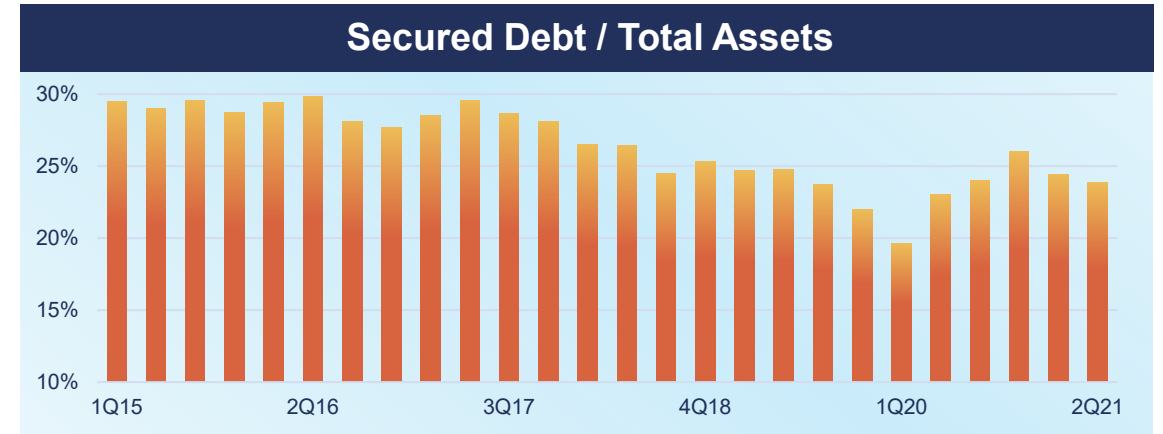
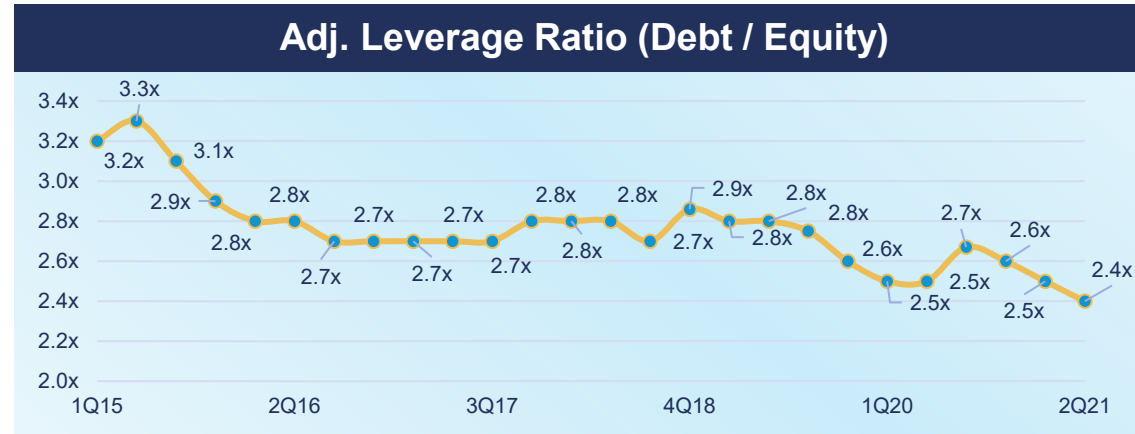
**AerCap is the largest owner of the most fuel-efficient, environmentally friendly commercial aircraft**



See Supplemental Information – Endnotes.

# Strong Credit Profile Maintained Throughout Covid-19

AerCap's balance sheet remained strong throughout Covid-19, demonstrating the company's resilience



See Supplemental Information – Capital Structure.

# Improved Credit Profile for Combined Company

Transaction enhances many of AerCap's key credit metrics and maintains its current investment grade rating, setting the combined company up on a higher ratings trajectory



HIGHER FFO / DEBT  
AND INTEREST  
COVERAGE



SIGNIFICANTLY  
ENHANCED CUSTOMER  
DIVERSIFICATION



HIGH LIQUIDITY AND  
LOW LEVERAGE  
TARGETS UNCHANGED



SECURED DEBT  
<20%  
TOTAL ASSETS

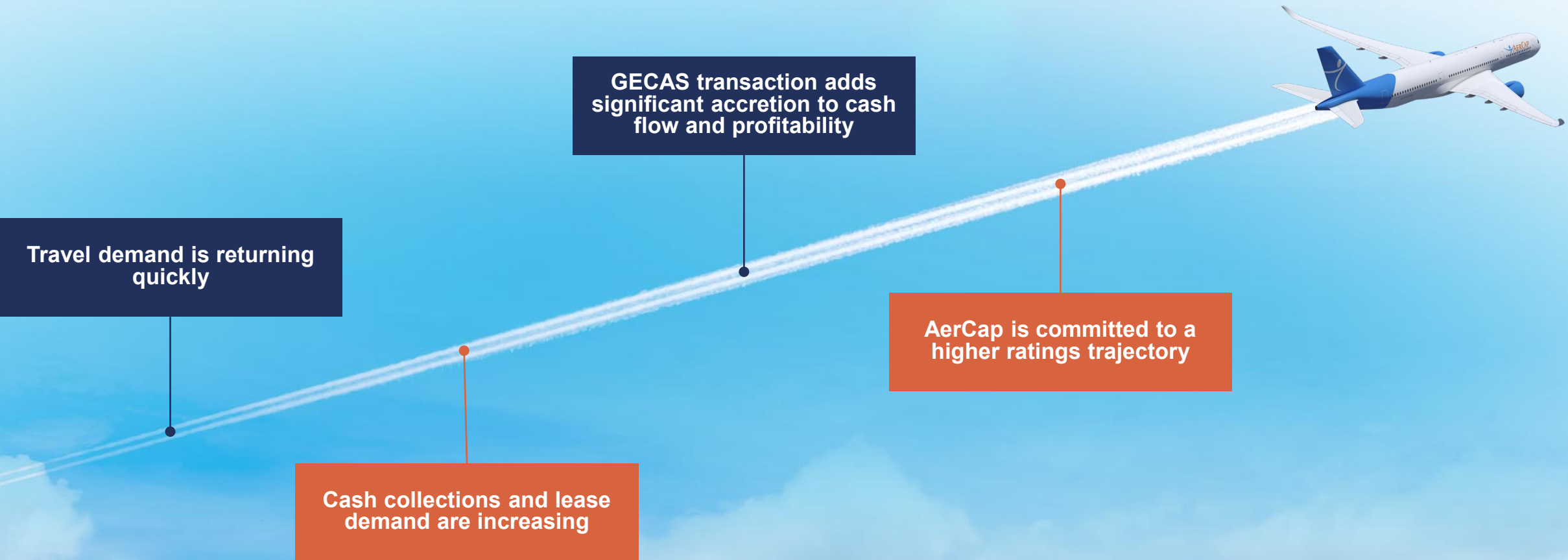


UNENCUMBERED  
ASSETS  
>\$50BN



# AerCap: Ready for Take-off

**AerCap looks forward to higher cash flows, greater customer diversification and stronger credit ratings**



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Global Leader in Aviation

## Supplemental Information

# Capital Structure

Adjusted Debt/Equity Calculation (\$ million)	June 30, 2021	Dec. 31, 2020
<b>Debt</b> (including fair value adjustments)	<b>28,099</b>	<b>28,742</b>
<b>Adjusted for:</b>		
▶ Unrestricted cash & cash equivalents	(1,403)	(1,249)
▶ 50% equity credit for long-term subordinated debt	(1,125)	(1,125)
<b>Adjusted Debt</b>	<b>25,571</b>	<b>26,368</b>
<b>Equity</b>	<b>9,451</b>	<b>8,932</b>
<b>Adjusted for:</b>		
▶ 50% equity credit for long-term subordinated debt	1,125	1,125
<b>Adjusted Equity</b>	<b>10,576</b>	<b>10,057</b>
<b>Adjusted Debt / Equity Ratio</b>	<b>2.4 to 1</b>	<b>2.6 to 1</b>

# Endnotes

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## **SLIDE 4: Vaccines Drive Greater Travel Demand**

The U.S., Europe and China accounted for ~67% of 2019 global commercial flights according to FlightRadar24

Vaccine data: Our World in Data, as of September 8, 2021. Country-by-country sources - <https://ourworldindata.org/covid-vaccinations#source-information-country-by-country>

Flights/Passengers: Transportation Security Administration checkpoint travel numbers, Eurocontrol, Cirium, as of September 8, 2021

## **SLIDE 5: Demand for Aircraft Leasing will Continue to Grow**

Cirium Fleets Analyzer as of December 31 for each respective year and as of August 31, 2021, for the year 2021: Airbus, Boeing, McDonnell-Douglas in-service, storage passenger jets.

## **SLIDE 8: Creates the Most Important Player in Aviation Leasing**

As of December 31, 2020. NBV % based on pro forma estimates.

## **SLIDE 9: Attractive Price Will Drive Future Returns**

GECAS total assets as of December 31, 2020. Consideration and discount assumes an AerCap share price of \$55 upon closing.

## **SLIDE 11: Fleet Emission Reduction**

Intensity calculated as CO<sub>2</sub>e emissions in ton/\$ million Lease revenue; CO<sub>2</sub>e includes CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.

## **SLIDE 12: AerCap Leads in New Technology Aircraft**

1. % of NBV of the estimated combined company as of December 31, 2021, and 2024, respectively.