



**GLOBAL LEADER IN AVIATION**



# ***Third Quarter 2018 Financial Results***

**AerCap Holdings N.V.**

**October 30, 2018**

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*Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.*



*Buy the right aircraft, place them on long-term contracts and generate consistent returns*



**WORLD'S LARGEST  
OWNER OF  
COMMERCIAL  
AIRCRAFT<sup>1</sup>**



**LEASED ON FIXED  
LONG-TERM  
CONTRACTS**



**ACTIVE RISK  
MANAGEMENT AND  
CAPITAL ALLOCATION**



**CONSISTENT AND  
STABLE  
PROFITABILITY**

**1,457 AIRCRAFT  
OWNED, MANAGED  
AND ON ORDER**

**AVERAGE REMAINING  
LEASE TERM OF 7.1  
YEARS PROVIDES  
CERTAINTY**

**CREDIT COSTS OF ~1%  
LEASE REVENUES**

**12 YEARS OF  
PROFITABILITY**

Refer to Appendix for endnotes.

## Financial Results

### Net Income

(\$ million)	3Q 2018	3Q YTD 2018
Net Income	263.4	783.0

### Diluted Earnings Per Share

(\$)	3Q 2018	3Q YTD 2018
Diluted EPS	1.79	5.21

## Highlights

- **87 aircraft transactions**, including **20 widebody transactions**
- Over **90% of new aircraft deliveries** through 2020 **leased**
- **6.6 years average age of owned fleet** and **7.1 years average remaining lease term**
- **99.4% fleet utilization**
- **\$11.0 billion** of available **liquidity** and **2.7 to 1** adjusted **debt/equity** ratio
- **Book value** per share of **\$61.24**, an **increase of 11%** since September 30, 2017
- **Repurchased 1.5 million shares** in 3Q 2018 for **\$87 million**
- New **\$200 million** share repurchase program authorized, which will run through March 31, 2019

	3Q 2018	3Q 2017	3Q YTD 2018	3Q YTD 2017
<b>Net Income (\$ million)</b>	<b>263.4</b>	<b>265.8</b>	<b>783.0</b>	<b>809.9</b>
<b>Diluted Earnings Per Share (\$)</b>	<b>1.79</b>	<b>1.62</b>	<b>5.21</b>	<b>4.77</b>

## Key Highlights

- Diluted earnings per share increased 10%, primarily driven by the repurchase of 20.0 million shares from July 2017 through September 2018



(millions, except per share data)	Sept. 30, 2018	Sept. 30, 2017
<b>Total Shareholders' Equity</b>	<b>\$8,870</b>	<b>\$8,546</b>
Ordinary Shares Outstanding	147.0	158.0
Unvested Restricted Stock	(2.1)	(2.8)
<b>Ordinary Shares Outstanding (excl. Unvested Restricted Stock)</b>	<b>144.8</b>	<b>155.2</b>
<b>Book Value Per Share<sup>1</sup></b>	<b>\$61.24</b>	<b>\$55.06</b>

- Book value per share has increased 11% since September 30, 2017
- Since June 2015, we have repurchased approximately 35% of AerCap's outstanding shares

Refer to Appendix for endnotes.

(\$ million)	3Q 2018	3Q 2017
<b>Basic Lease Rents</b>	<b>1,038.5</b>	<b>1,038.4</b>
<b>Maintenance Rents and Other Receipts</b>	<b>93.9</b>	<b>163.0</b>
<b>Net Gain on Sale of Assets</b>	<b>20.0</b>	<b>63.7</b>
<b>Other Income</b>	<b>14.1</b>	<b>8.8</b>
<b>Total Revenues and Other Income</b>	<b>1,166.5</b>	<b>1,273.9</b>

- Maintenance rents and other receipts decreased primarily as a result of lower end of lease compensation during the quarter
- Net gain on sale of assets decreased primarily due to the volume and composition of asset sales

# Net Interest Margin (Net Spread)



(\$ million)	3Q 2018	3Q 2017
<b>Net Interest Margin (Net Spread)<sup>1</sup></b>	<b>741.5</b>	<b>760.2</b>
<b>Average Lease Assets<sup>2</sup></b>	<b>35,280</b>	<b>34,035</b>
<b>Annualized Net Spread</b>	<b>8.4%</b>	<b>8.9%</b>
<b>Average Cost of Debt<sup>3</sup></b> <i>Including all fees</i>	<b>4.1%</b>	<b>4.0%</b>
<b>Average Age of Owned Fleet (years)</b> <i>As of September 30, 2018 and 2017</i>	<b>6.6</b>	<b>7.1</b>
<b>Average Remaining Lease Term (years)</b> <i>As of September 30, 2018 and 2017</i>	<b>7.1</b>	<b>6.6</b>

- Net spread decreased primarily due to the lower age of our owned fleet, which increased our average remaining lease term to 7.1 years. Younger aircraft tend to have lower yields than older aircraft

Refer to Appendix for endnotes.



(\$ million)	3Q 2018	3Q 2017
<b>Net Gain on Sale of Assets</b>	<b>20.0</b>	<b>63.7</b>

## 3Q 2018 Aircraft Disposal Activity:

- 13 aircraft, with an average age of 17 years, were sold from our owned portfolio:
  - 4 Airbus A320 Family aircraft, 2 Airbus A330s and 1 Airbus A340
  - 1 Boeing 737NG, 1 Boeing 757, 2 Boeing 767-300ERs, 1 Boeing 777-200ER and 1 Boeing 777-300

## 3Q 2018 Aircraft Purchase Activity:

- 12 aircraft were purchased:
  - 6 Airbus A320neo Family aircraft and 2 Airbus A350s
  - 2 Boeing 737 MAX 8s and 2 Boeing 787-9s

(\$ million)	3Q 2018	3Q 2017
<b>Maintenance Rights Expense</b>	<b>33.5</b>	<b>109.1</b>
<b>Other Leasing Costs</b>	<b>51.3</b>	<b>28.7</b>
<b>Selling, General &amp; Administrative Expenses</b>	<b>63.4</b>	<b>83.9</b>
<b>Asset Impairment</b>	<b>12.8</b>	<b>45.6</b>

- Maintenance rights expense decreased primarily as a result of the lower maintenance rights intangible asset balance
- Other leasing costs increased primarily due to expenses recognized as a result of lease terminations
- Selling, general and administrative expenses decreased primarily due to a decrease in share-based compensation and other compensation-related expenses
- Asset impairment in 3Q 2018 related to sales transactions and lease terminations and was more than offset by maintenance revenue

## Sources vs. Uses (Next 12 Months)

(\$ billion as of September 30, 2018)

### Sources (for 12 months to September 30, 2019)

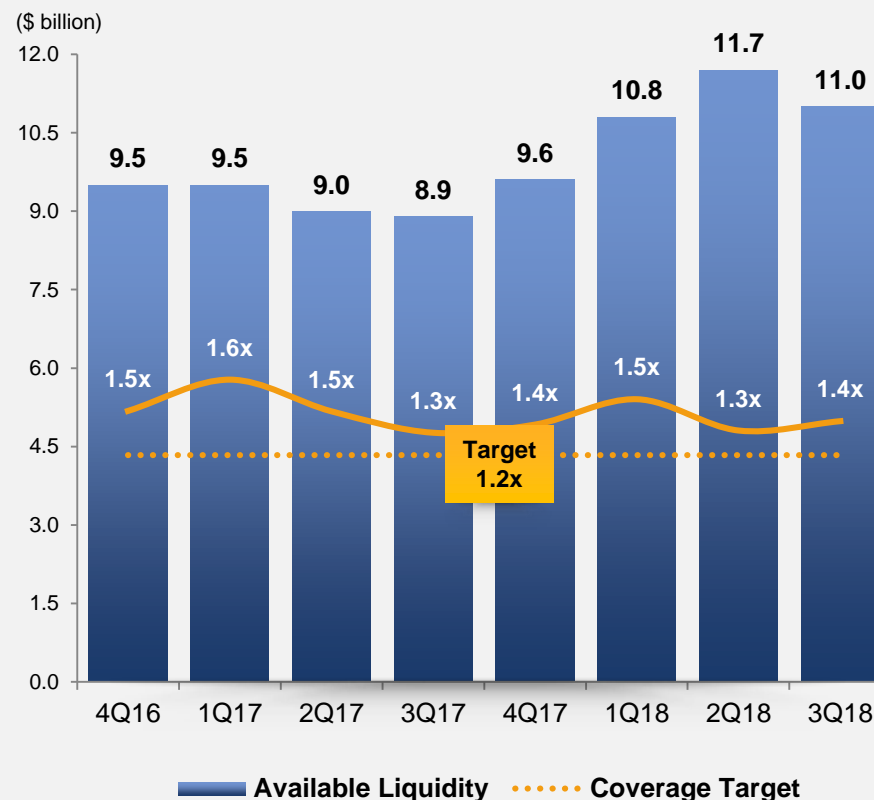
Unsecured Revolver	4.0
Other Facilities and Contracted Sales	5.8
Unrestricted Cash	1.2
<b>Total Available Liquidity</b>	<b>11.0</b>
Estimated Operating Cash Flow	3.1
<b>Total Sources<sup>1</sup></b>	<b>14.1</b>

### Uses (for 12 months to September 30, 2019)

Debt Maturities	(4.1)
Capex (Cash payments for purchases) <sup>2</sup>	(6.0)
<b>Total Uses</b>	<b>(10.1)</b>

<b>Excess Coverage (Sources less Uses)</b>	<b>4.0</b>
<b>Ratio of Sources to Uses</b>	<b>1.4x</b>

## Liquidity Levels Over the Last 8 Quarters



**We continue to maintain strong liquidity with \$11.0 billion as of September 30, 2018**



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**Q&A**



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# *Supplemental Information*

Summary	Sept. 30, 2018	Dec. 31, 2017
<b>Adjusted Debt / Equity Ratio</b>	<b>2.7 to 1</b>	<b>2.8 to 1</b>
<hr/>		
Adjusted Debt/Equity Calculation (\$ million)	Sept. 30, 2018	Dec. 31, 2017
<b>Debt</b> (including fair value adjustments)	<b>28,388</b>	<b>28,421</b>
<b>Adjusted for:</b>		
• Unrestricted cash & cash equivalents	<b>(1,176)</b>	<b>(1,660)</b>
• 50% equity credit for long-term subordinated debt	<b>(750)</b>	<b>(750)</b>
<b>Adjusted Debt</b>	<b>26,462</b>	<b>26,011</b>
<b>Equity</b>	<b>8,924</b>	<b>8,639</b>
<b>Adjusted for:</b>		
• 50% equity credit for long-term subordinated debt	<b>750</b>	<b>750</b>
<b>Adjusted Equity</b>	<b>9,674</b>	<b>9,389</b>



Aircraft Type	Number of Owned Aircraft	% Net Book Value	Number of Managed Aircraft	Number of on Order Aircraft	Total Aircraft
Airbus A320 Family	332	18	50	–	382
Airbus A320neo Family	71	10	–	199	270
Airbus A330	75	10	11	–	86
Airbus A350	22	9	–	4	26
Boeing 737NG	267	20	36	–	303
Boeing 737 MAX	2	–	–	102	104
Boeing 767	31	1	–	–	31
Boeing 777-200ER	20	2	4	–	24
Boeing 777-300 / 300ER	27	5	2	–	29
Boeing 787	71	24	1	45	117
Embraer E190 / 195-E2	–	–	–	50	50
Other	34	1	1	–	35
<b>Total</b>	<b>952</b>	<b>100</b>	<b>105</b>	<b>400</b>	<b>1,457</b>

- Average age of owned aircraft fleet is **6.6 years**
- Average remaining lease term is **7.1 years**

Aircraft Type	2018	2019	2020	2021	2022	Thereafter	Total
Airbus A320neo Family	22	48	47	32	25	25	199
Airbus A350	2	2	–	–	–	–	4
Boeing 737MAX	3	17	26	28	27	1	102
Boeing 787	5	15	4	6	6	9	45
Embraer E190 / 195-E2	1	10	15	14	10	–	50
<b>Total Aircraft</b>	<b>33</b>	<b>92</b>	<b>92</b>	<b>80</b>	<b>68</b>	<b>35</b>	<b>400</b>

## **SLIDE 3: AerCap's Business Model**

1. By aircraft value, based on FlightGlobal data, airline company filings and AerCap estimates.

## **SLIDE 6: Book Value Per Share**

1. Based on ordinary shares outstanding excluding unvested restricted stock. Unvested restricted stock represents ordinary share units issued under our share incentive schemes that vest only upon the satisfaction of certain conditions.

## **SLIDE 8: Net Interest Margin (Net Spread)**

1. Net interest margin is calculated as basic lease rents less interest expense, excluding the non-cash charges related to the mark-to-market of interest rate caps.
2. Includes flight equipment held for operating leases, flight equipment held for sale, net investment in finance and sales-type leases and maintenance rights intangible asset.
3. Interest expense, excluding mark-to-market on interest rate caps, divided by average debt balance.

## **SLIDE 11: Liquidity Position**

1. Sources assume no additional financing for deliveries of new aircraft.
2. Includes cash payments for next 12 months' aircraft deliveries and pre-delivery payments.



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