

# AERCAP

Global Leader in Aviation

## Second Quarter 2022 Financial Results

AerCap Holdings N.V.

August 11, 2022

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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.

# Key Highlights

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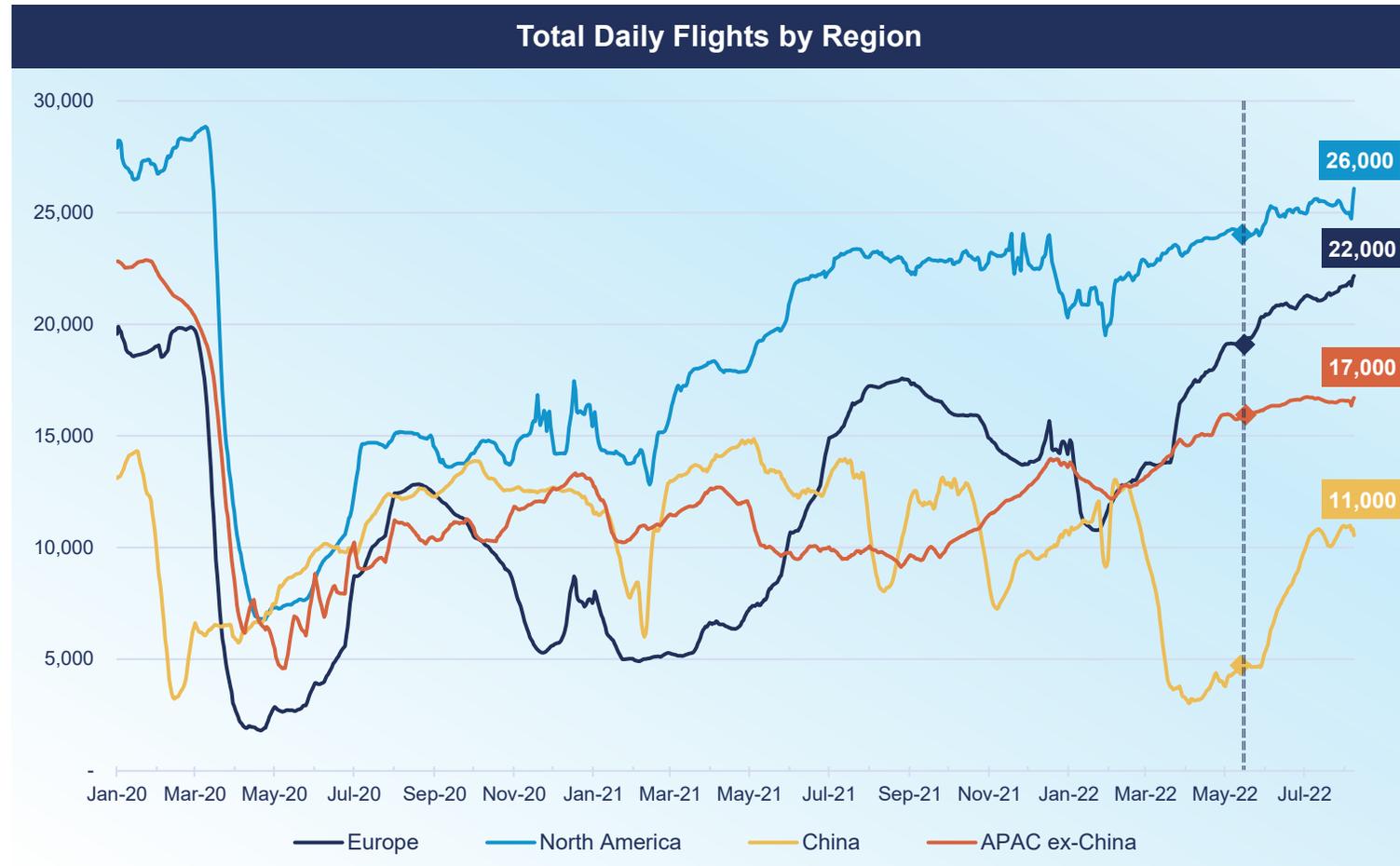
**Travel recovery broadening globally, supporting demand for aircraft across all regions**

**Supply constraints likely to persist for foreseeable future, supporting leasing demand**

**Earnings, cash flow and balance sheet remain strong, underpinning our guidance for the year**

# Demand Increasing in All Regions

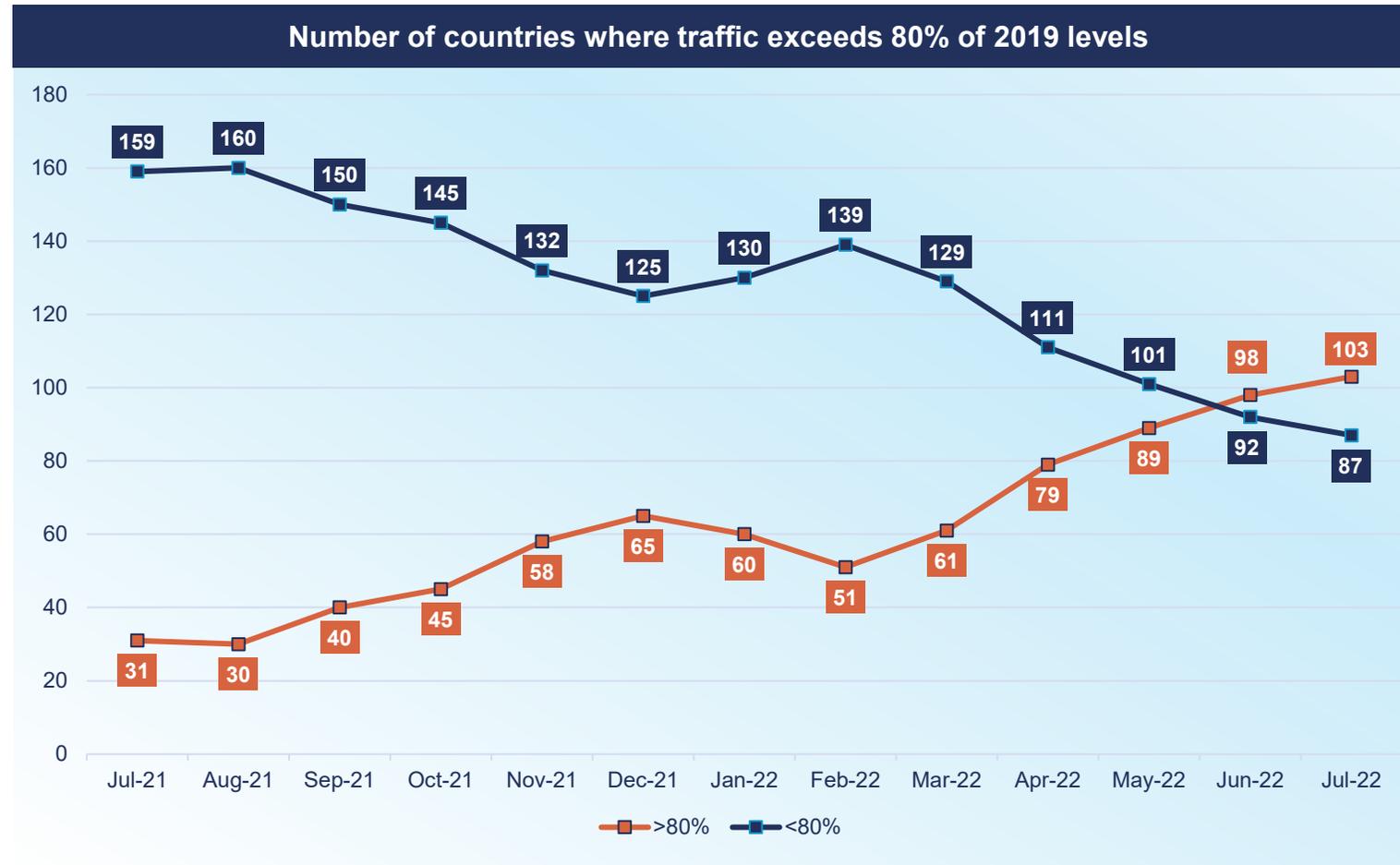
Global passenger numbers increased in all major markets in the last three months



- ▶ Global passenger traffic continues to increase with ~75,000 daily flights from these four regions alone, up 11,000 flights a day in the last three months
- ▶ The sharpest recovery was in China, but progress continues to be made in all major markets despite ongoing staffing issues
- ▶ Relative to 2019, travel is back to ~82% in North America, ~82% in Europe, ~73% in Asia Pacific ex-China, and ~74% in China

# Growing Number of Countries Reopening

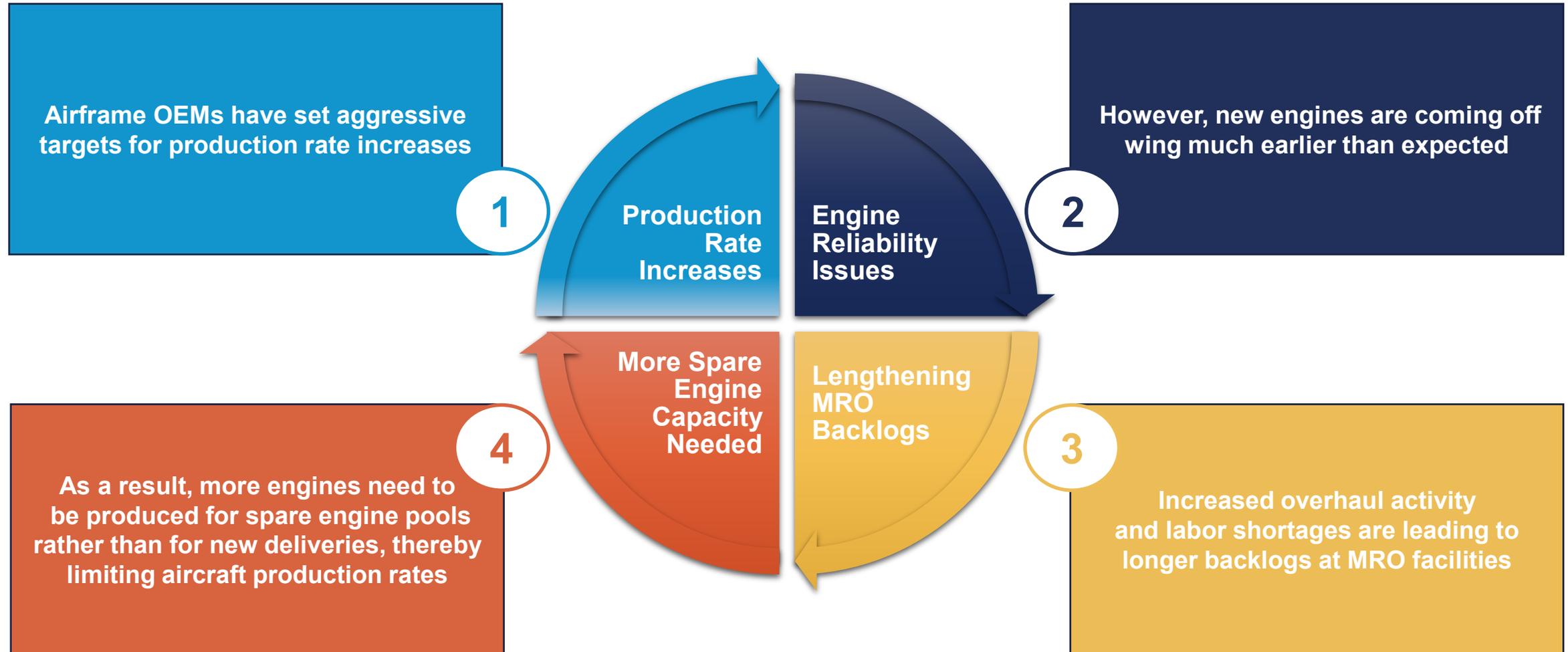
Relaxation of restrictions is allowing traffic growth to normalize around the world



- ▶ There has been significant progress in the reopening of borders in recent months
- ▶ Of the 190 countries where we track travel patterns, over half surpassed 80% of 2019 traffic levels in June 2022
- ▶ 25 countries are >100% of 2019 levels
- ▶ The re-opening of international markets will also boost transit and domestic connection activity

# Aircraft Supply Issues Likely to Persist

A number of supply chain issues will continue to constrain aircraft production over the next few years



# New Business Lines Performing Well

**Engines, Cargo and Helicopter businesses are contributing strongly**

**AERCAP**  
Engines

*World's largest engine leasing company, with over 900 owned and managed engines*

- Spare engine leasing business is well-positioned to support our customers through the disruption caused by new technology maturation, supply chain constraints and post-Covid cash management at airlines
- We have the largest leased spare engine portfolio in the industry

**AERCAP**  
Cargo

*Global leader with a fleet of >100 aircraft owned, serviced or committed for conversion*

- Since the pandemic-induced capacity shortage, cargo airlines, especially widebody freight operators, continue to achieve unprecedented high returns
- We are 95% placed on our original firm order of 20 777-300ERF freighter conversions
- Also seeing strong demand for narrowbody 737-800 freighters



**MILESTONE AVIATION**  
AN AERCAP COMPANY

*World's largest helicopter leasing company with more than 300 helicopters*

- Positive momentum continues with leasing activity increasing quarter-over-quarter across all sectors
- Supply continues to tighten, driven by strengthening O&G demand
- Opportunity to increase our lease rates and lengthen our lease terms

# 2Q 2022 Net Income Walk

## 2Q 2022 Adjusted Net Income



- ▶ Net income of \$340 million, or \$1.40 per share
- ▶ Adjusted net income of \$464 million, or \$1.91 per share
- ▶ Purchase accounting adjustments include:
  - \$52 million related to lease premium amortization affecting basic lease rents
  - \$53 million related to maintenance revenues
  - \$27 million of amortization affecting leasing expenses

\*These items are presented pre-tax.

See Supplemental Information – 2Q 2022 Adjusted Net Income and EPS.

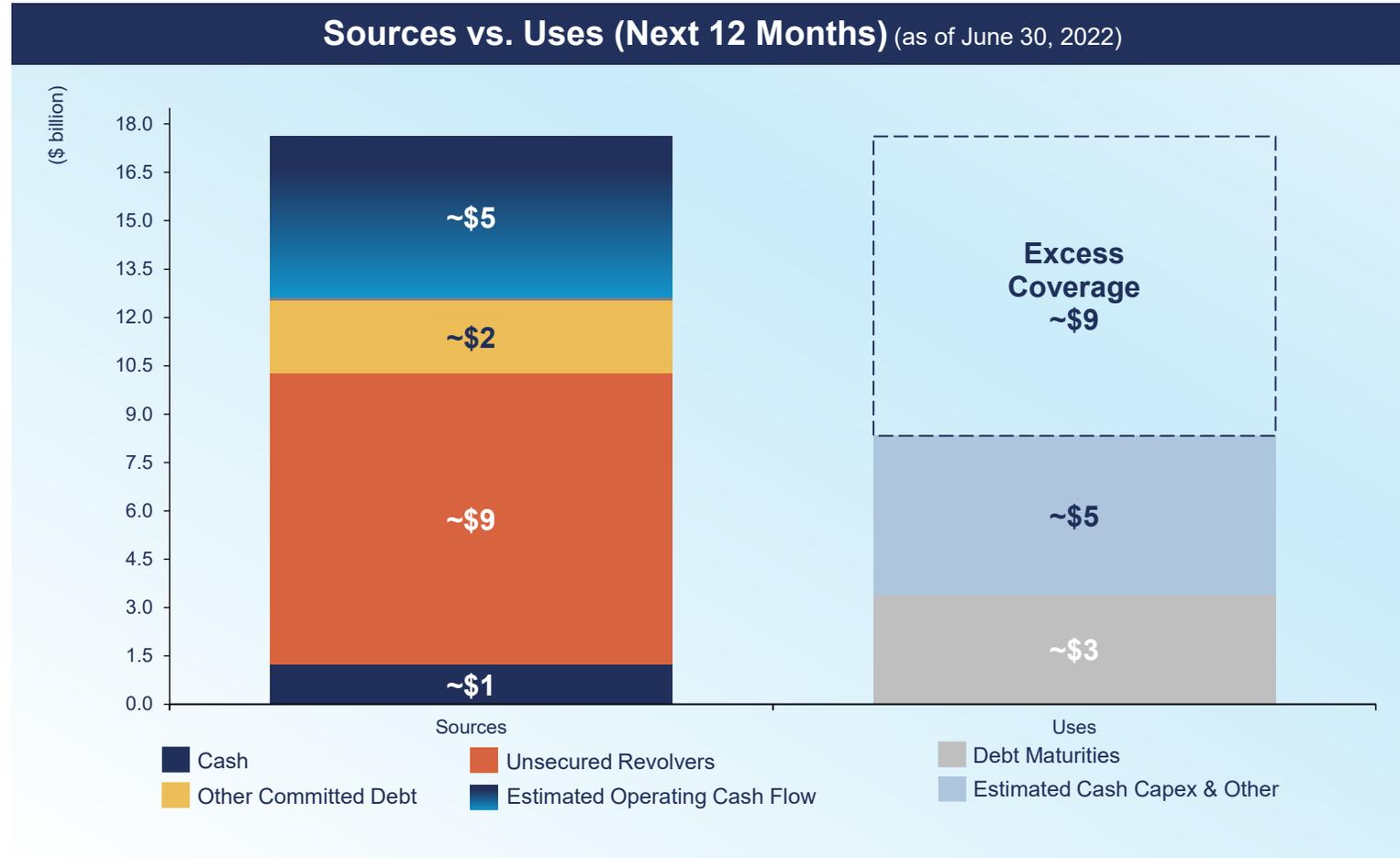
# 2Q 2022 Financial Drivers

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- ▶ **Basic lease rents** were \$1,462 million, and were favorably impacted by strong cash collections, but negatively impacted by the loss of revenues from Russian aircraft and \$52 million of lease premium amortization
- ▶ **Maintenance revenues** were \$103 million, and were negatively impacted by \$53 million of maintenance rights assets amortized to revenue
- ▶ **Net gain on sale of assets** was \$35 million, representing a 10% gain-on-sale margin
- ▶ **Other income** was \$71 million, including \$39 million of proceeds from unsecured claims
- ▶ **Leasing expenses** were \$193 million, including \$27 million of purchase accounting amortization expenses
- ▶ **Equity in net earnings of investments accounted for under the equity method** was \$33 million, primarily driven by strong earnings from our Shannon Engine Support joint venture

# Strong Liquidity Position

Next 12 months' sources-to-uses coverage of 2.1x, with ~\$17 billion sources of liquidity

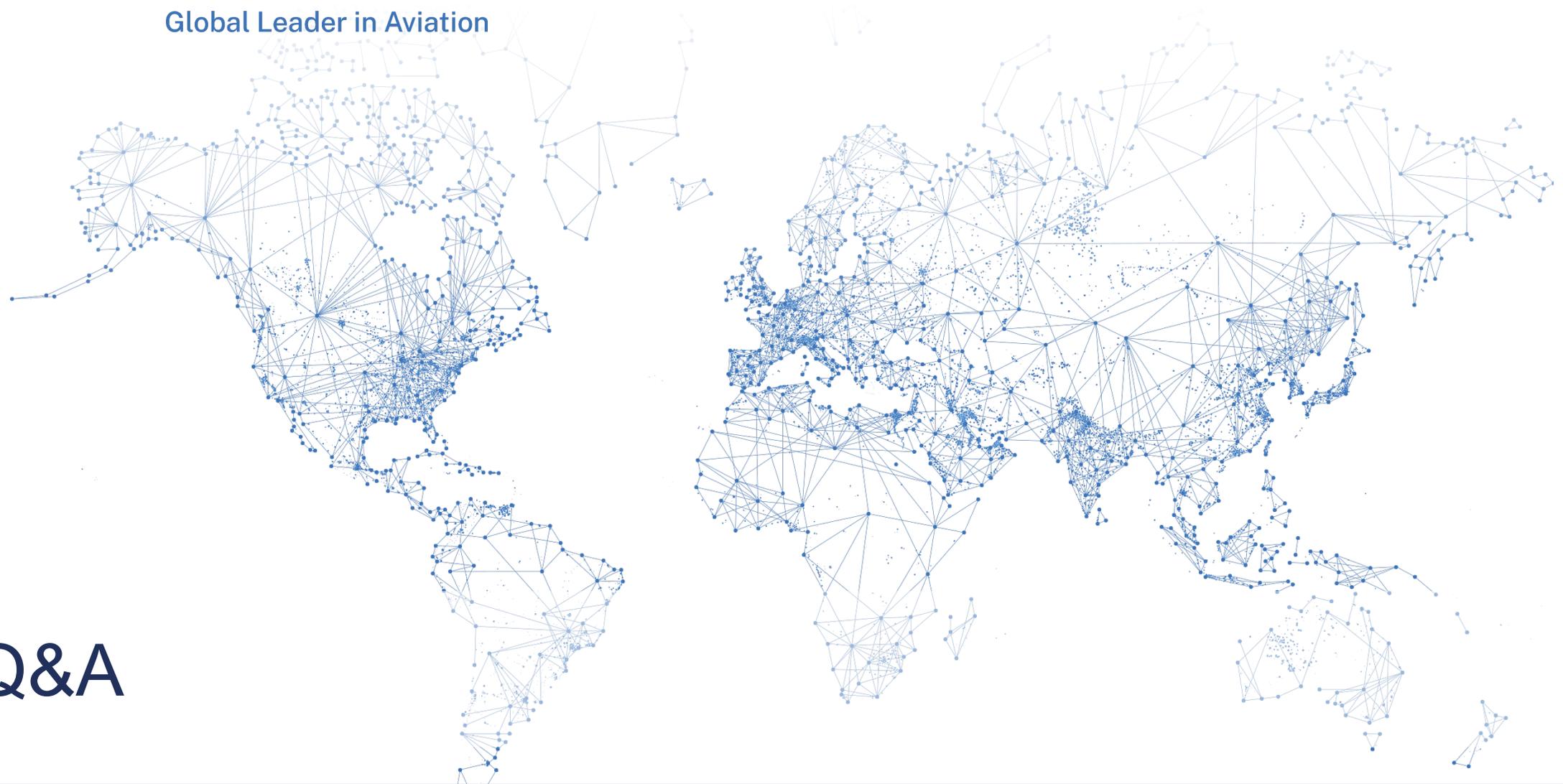


- ▶ Leverage ratio of 2.8x as of June 30, 2022
- ▶ 2Q 2022 operating cash flow of \$1.2 billion
- ▶ Secured debt-to-total-assets ratio of ~15%
- ▶ Average cost of debt of 3.0% in 2Q 2022
- ▶ Rating outlook revised to positive by Fitch

See Appendix – Capital Structure and Endnotes.

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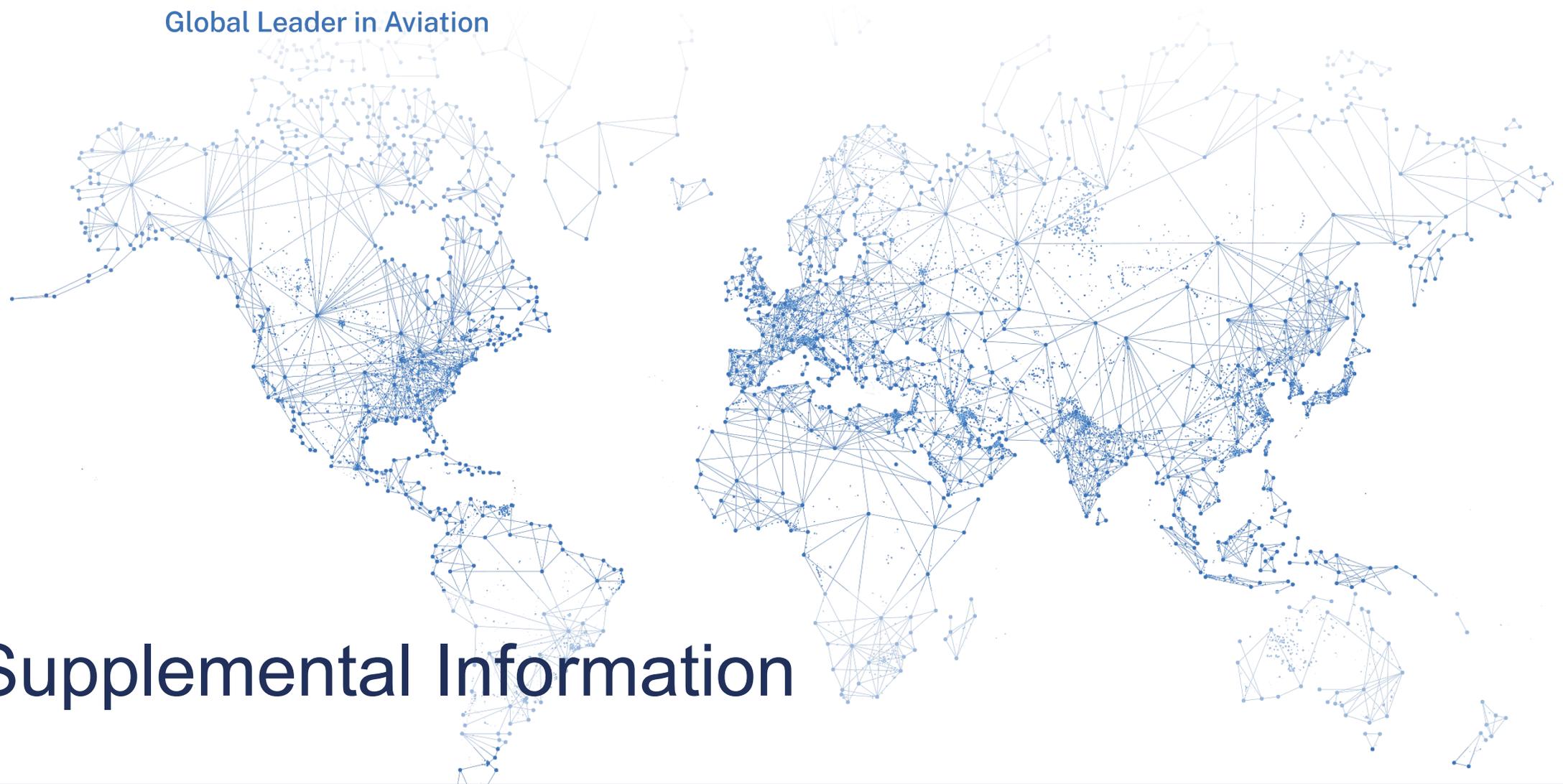
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Q&A

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Supplemental Information

# 2Q 2022 Adjusted Net Income and EPS

(\$ million, except per share amounts)	Net Income	Earnings Per Share (\$)
<b>Net Earnings Per Share</b>	<b>340</b>	<b>1.40</b>
▶ Amortization of Maintenance Rights and Lease Premium Assets Recognized under Purchase Accounting <sup>1</sup>	132	0.55
▶ Transaction and Integration-related Expenses	9	0.04
▶ Income Tax Benefit	(18)	(0.07)
<b>Adjusted Net Income / Earnings Per Share</b>	<b>464</b>	<b>1.91</b>

1. Includes \$105 million adjustment to Revenues and \$27 million adjustment to Leasing expenses

# Book Value Per Share

**Book value per share of \$62.43 as of June 30, 2022**

(millions, except per share data)	June 30, 2022
<b>Total Shareholders' Equity</b>	<b>\$15,034</b>
Ordinary Shares Outstanding	245.8
Unvested Restricted Stock	(5.0)
<b>Ordinary Shares Outstanding (excl. Unvested Restricted Stock)</b>	<b>240.8</b>
<b>Book Value Per Share</b>	<b>\$62.43</b>

See Supplemental Information – Endnotes.

# Capital Structure

Adjusted Debt/Equity Calculation (\$ million)	June 30, 2022	Dec. 31, 2021
<b>Debt</b> (including fair value adjustments)	<b>47,928</b>	<b>50,205</b>
<b>Adjusted for:</b>		
▶ Unrestricted cash & cash equivalents	(1,229)	(1,729)
▶ 50% equity credit for long-term subordinated debt	(1,125)	(1,125)
<b>Adjusted Debt</b>	<b>45,574</b>	<b>47,351</b>
<b>Equity</b>	<b>15,111</b>	<b>16,647</b>
<b>Adjusted for:</b>		
▶ 50% equity credit for long-term subordinated debt	1,125	1,125
<b>Adjusted Equity</b>	<b>16,236</b>	<b>17,772</b>
<b>Adjusted Debt / Equity Ratio</b>	<b>2.8 to 1</b>	<b>2.7 to 1</b>

# High-Quality and Well-Diversified Portfolio

**New technology aircraft comprise ~64% of aircraft fleet**

Aircraft Type	Number of Assets Owned	% Net Book Value	Number of Assets Managed	Number of Assets On Order	Total Assets
Airbus A220 Family	3	0%	2	8	13
Airbus A320 Family	476	11%	71	–	547
Airbus A320neo Family	314	25%	19	246	579
Airbus A330	64	2%	9	–	73
Airbus A330neo Family	–	–	–	12	12
Airbus A350	41	9%	6	–	47
Boeing 737 MAX	46	3%	5	131	182
Boeing 737NG	338	12%	68	–	406
Boeing 777-200ER	18	0%	–	–	18
Boeing 777-300ER	45	4%	1	–	46
Boeing 787	99	18%	1	26	126
Embraer E190 / 195 / E2	67	1%	–	33	100
Other	46	1%	–	5	51
<b>Total Passenger Aircraft</b>	<b>1,557</b>	<b>86%</b>	<b>182</b>	<b>461</b>	<b>2,200</b>
Boeing 737	38	1%	7	–	45
Boeing 747 / 767 / 777	23	1%	–	–	23
<b>Total Freighter Aircraft</b>	<b>61</b>	<b>2%</b>	<b>7</b>	<b>–</b>	<b>68</b>
<b>Total Engines</b>	<b>457</b>	<b>6%</b>	<b>493</b>	<b>31</b>	<b>981</b>
<b>Total Helicopters</b>	<b>333</b>	<b>6%</b>	<b>–</b>	<b>17</b>	<b>350</b>
<b>Grand Total</b>	<b>2,408</b>	<b>100%</b>	<b>682</b>	<b>509</b>	<b>3,599</b>

Number of managed engines includes SES owned and managed engines

# Forward Orders and Purchase/Leasebacks

Aircraft Type	2022	2023	2024	2025	2026	Thereafter	Total
Airbus A220 Family	5	3	-	-	-	-	8
Airbus A320neo Family	29	64	53	55	28	17	246
Airbus A330neo Family	1	5	6	-	-	-	12
Boeing 737 MAX	2	14	34	40	41	-	131
Boeing 787	1	5	11	4	5	-	26
Embraer E190 / 195-E2	5	-	11	17	-	-	33
Other	-	-	-	-	5	-	5
<b>Total Aircraft</b>	<b>43</b>	<b>91</b>	<b>115</b>	<b>116</b>	<b>79</b>	<b>17</b>	<b>461</b>

As of June 30, 2022. See Appendix – Endnotes.

# Endnotes

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## **SLIDE 4: Demand Increasing In All Regions**

Flight Data: Cirium, as of August 8, 2022.

## **SLIDE 5: Growing Number of Countries Re-Opening**

Cirium Flight Schedules as of July 31, 2022.

## **SLIDE 8 : 2Q 2022 Net Income Walk**

Purchase accounting adjustments consist of the amortization of maintenance rights and lease premium assets recognized under purchase accounting.

## **SLIDE 10: Strong Liquidity Position**

Estimated cash capex includes expected cash payments for aircraft deliveries and pre-delivery payments during the next 12 months.

In July 2022, AerCap signed an agreement for an order of 5 Boeing 787-9 aircraft, which are included in NTM estimated cash capex and other.

## **SLIDE 14: Book Value Per Share**

Book value per share is 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.

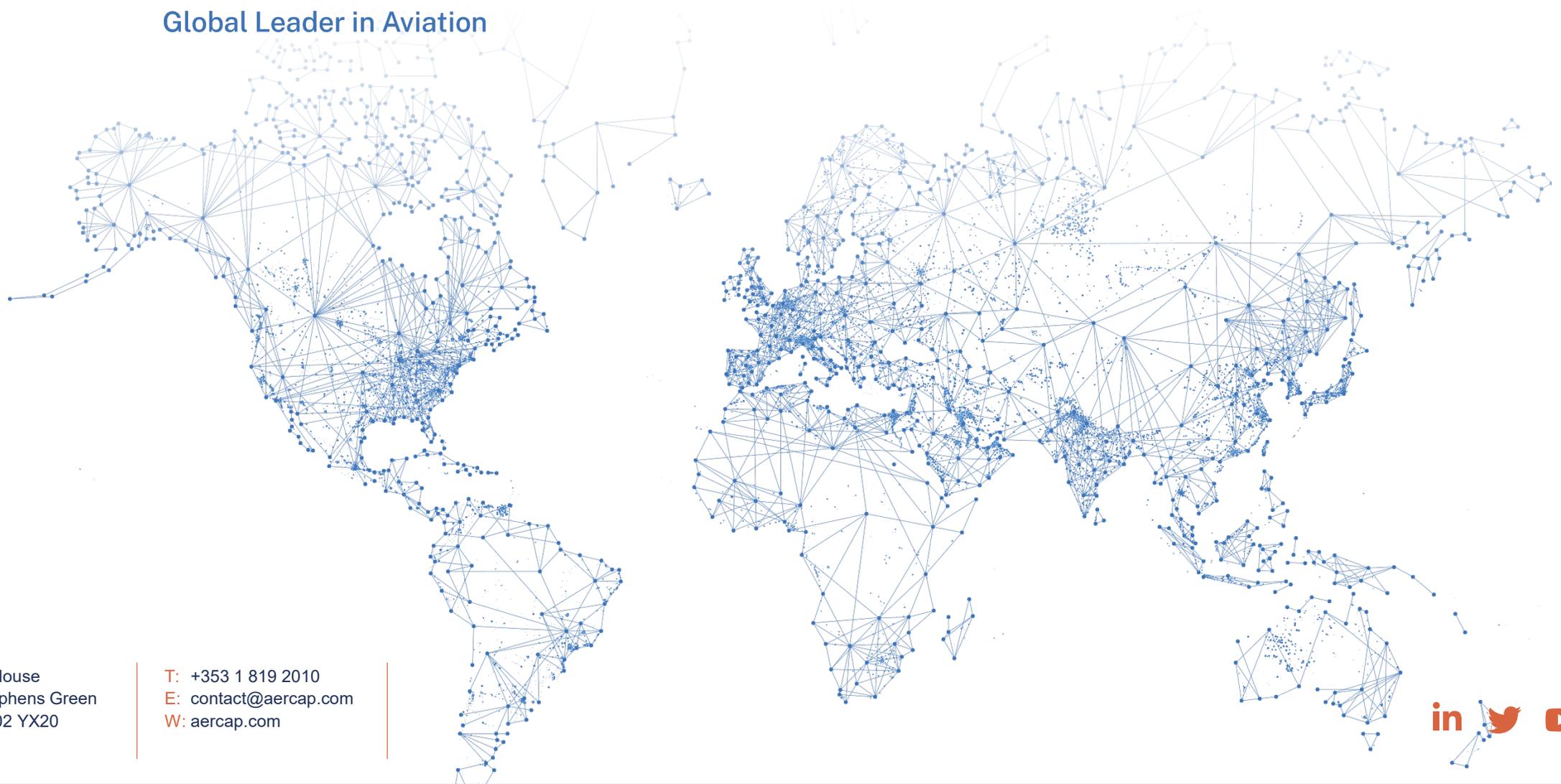
## **SLIDE 16 / 17: High-Quality and Well-Diversified Portfolio / Forward Orders and Purchase/Leasebacks**

Aircraft on order excludes aircraft for which we have cancellation rights and aircraft with contracted sales at delivery.

In July 2022, AerCap signed an agreement for an order of 5 Boeing 787-9 aircraft, which are included in the aircraft on order schedule.

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