



GLOBAL LEADER IN AVIATION



Fourth Quarter 2017 Financial Results

AerCap Holdings N.V.

February 14, 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.



AerCap is the global leader in aircraft leasing

-  **Resilient** industry fundamentals
-  **Global** platform with **unmatched breadth and reach**
-  **Strong earnings** and **cash flow generation**
-  **Attractive order book** and **disciplined** portfolio management
-  **Strong liquidity** and **access to capital**
-  **Prudent hedging strategies** to mitigate risk
-  **Highly experienced management team** with deep industry expertise

Financial Results

Net Income

(\$ million)	4Q 2017	FY 2017
Net Income	266.3	1,076.2

Diluted Earnings Per Share

(\$)	4Q 2017	FY 2017
Diluted EPS	1.67	6.43

Highlights

- **402 aircraft transactions** in 2017, including **119 widebody** transactions
- **99.1% fleet utilization** rate for the full year 2017
- **6.8 years** average **age of owned fleet**
- **6.9 years** average **remaining lease term**
- **\$5.3 billion** of aircraft **purchased** and **\$2.4 billion** of aircraft **sold** in 2017
- Ordered **30 Boeing 787** aircraft and **50 Airbus A320neo** Family aircraft in 2017
- **\$9.6 billion** of available **liquidity** and **2.8 to 1** adjusted **debt/equity** ratio
- **16% increase** in **book value per share** since December 31, 2016
- **Repurchased 23.7 million shares** in 2017 for **\$1.1 billion**
- **New \$200 million** share repurchase program authorized, which will run through June 30, 2018

	4Q 2017	4Q 2016	FY 2017	FY 2016
Net Income (\$ million)	266.3	364.7	1,076.2	1,046.6
Diluted Earnings Per Share (\$)	1.67	2.01	6.43	5.52

Key Highlights

Full Year Results:

- For FY 2017, diluted earnings per share increased 16% year over year, primarily driven by the repurchase of 48.7 million shares during 2016 and 2017

4Q Results:

- The decrease in net income was primarily due to the fact that during 4Q 2016, we recognized income from lease terminations and a gain related to the repayment of a note receivable earlier than expected
- For 4Q 2017, the decrease in diluted earnings per share year over year was driven by the same factors as net income, partially offset by the repurchase of 29.4 million shares from October 2016 through December 2017

(millions except per share data)	Dec. 31, 2017	Dec. 31, 2016
Total Shareholders' Equity	\$8,580	\$8,524
Ordinary Shares Outstanding	153.0	176.2
Unvested Restricted Stock	(3.0)	(3.4)
Ordinary Shares Outstanding (excl. Unvested Restricted Stock)	150.0	172.8
Book Value Per Share¹	\$57.20	\$49.33

- Book value per share has increased 16% since December 31, 2016
- Since June 2015, we have repurchased over 30% of AerCap's outstanding shares for ~\$2.8 billion

(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.

(\$ million)	4Q 2017	4Q 2016	FY 2017	FY 2016
Basic Lease Rents	1,035.3	1,061.8	4,194.2	4,395.3
Maintenance Rents and Other Receipts	162.6	159.1	519.6	472.3
Net Gain on Sale of Assets	48.5	58.7	229.1	138.5
Other Income	16.6	89.0	94.6	146.0
Total Revenues and Other Income	1,263.0	1,368.6	5,037.5	5,152.1

- Basic lease rents decreased primarily due to the sale of mid-life and older aircraft during 2016 and 2017
- Net gain on sale of assets increased in 2017 primarily due to the composition of asset sales
- Other income in 2016 included income from lease terminations and a gain related to the repayment of a note receivable earlier than expected

Net Interest Margin (Net Spread)



(\$ million)	4Q 2017	4Q 2016	FY 2017	FY 2016
Net Interest Margin (Net Spread)¹	760.4	790.5	3,096.0	3,305.0
Average Lease Assets²	34,748	34,192	34,228	34,857
Annualized Net Spread	8.8%	9.3%	9.0%	9.5%
Average Cost of Debt³ <i>Including all fees</i>	3.9%	3.9%	3.9%	3.7%

Average Age of Owned Fleet (years) *As of December 31, 2017 and 2016* **6.8** **7.4**

Average Remaining Lease Term (years) *As of December 31, 2017 and 2016* **6.9** **6.4**

- The decrease in net spread was primarily due to the lower age of owned fleet and higher average cost of debt
- FY 2017 average cost of debt increased primarily due to the issuance of new longer-term bonds to replace shorter-term ILFC notes, which had lower reported interest expense as a result of ILFC acquisition purchase accounting

(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 and swaps.

(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 and swaps, divided by average debt balance.

(\$ million)	4Q 2017	4Q 2016	FY 2017	FY 2016
Net Gain on Sale of Assets	48.5	58.7	229.1	138.5

4Q 2017 Aircraft Disposal Activity:

- 27 aircraft, with an average age of 14 years, were sold from our owned portfolio:
 - 12 Airbus A320 Family aircraft, 1 Airbus A330 and 1 Airbus A340
 - 8 Boeing 737NGs, 2 Boeing 757s, 2 Boeing 777-200ERs and 1 Boeing 777-300ER
- 2 Boeing 737NGs were placed on long-term leases and reclassified from flight equipment held for operating leases to net investment in finance and sales-type leases

4Q 2017 Aircraft Purchase Activity:

- 25 aircraft were purchased:
 - 15 Airbus A320neo Family aircraft and 4 Airbus A350s
 - 6 Boeing 787s

(\$ million)	4Q 2017	4Q 2016	FY 2017	FY 2016
Maintenance Rights Expense	75.5	94.5	347.8	381.6
Other Leasing Costs	65.7	48.8	190.0	200.9
Selling, General & Administrative Expenses	96.3	96.8	348.3	351.0
Asset Impairment	10.4	11.4	61.3	81.6
Restructuring Related Expenses	–	8.3	14.6	53.4

- Maintenance rights expense decreased in 2017 as a result of the amount of maintenance activity during the period and the lower maintenance rights intangible asset
- Other leasing costs were higher in 4Q 2017 primarily due to expenses recognized as a result of lease terminations
- Asset impairment in 2017 primarily related to lease terminations and was more than offset by maintenance revenue recognized as a result of these lease terminations

Sources vs. Uses (Next 12 Months)

(\$ billion as of December 31, 2017)

Sources (for 12 months to December 31, 2018)

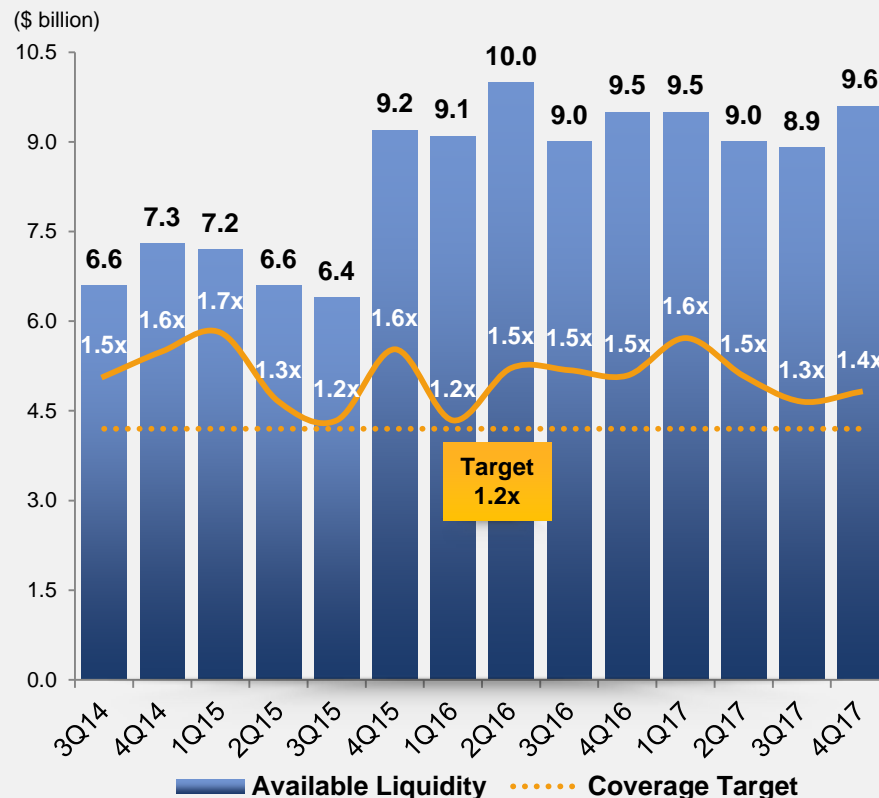
Unsecured Revolver	3.9
Other Facilities and Contracted Sales	4.0
Unrestricted Cash	1.7
Total Available Liquidity	9.6
Estimated Operating Cash Flow	3.2
Total Sources¹	12.8

Uses (for 12 months to December 31, 2018)

Debt Maturities	(3.2)
Capex (Cash payments for purchases) ²	(6.1)
Total Uses	(9.3)

Excess Coverage (Sources less Uses)	3.5
Ratio of Sources to Uses	1.4x

Liquidity Levels Since July 2014



We continue to maintain strong liquidity with \$9.6 billion as of December 31, 2017

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



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Q&A



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Supplemental Information

Summary	Dec. 31, 2017	Dec. 31, 2016
Adjusted Debt / Equity Ratio	2.8 to 1	2.7 to 1
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Adjusted Debt/Equity Calculation (\$ million)	Dec. 31, 2017	Dec. 31, 2016
Debt (including fair value adjustments)	28,421	27,717
Adjusted for:		
• Unrestricted cash & cash equivalents	(1,660)	(2,035)
• 50% equity credit for long-term subordinated debt	(750)	(750)
Adjusted Debt	26,011	24,932
Equity	8,639	8,582
Adjusted for:		
• 50% equity credit for long-term subordinated debt	750	750
Adjusted Equity	9,389	9,332

Aircraft Type	Number of Owned Aircraft	% Net Book Value	Number of Managed Aircraft	Number of on Order Aircraft	Total Aircraft
Airbus A320 Family	370	21	52	–	422
Airbus A320neo Family	48	7	–	222	270
Airbus A330	83	11	10	–	93
Airbus A350	17	7	–	9	26
Boeing 737NG	274	22	43	–	317
Boeing 737MAX	–	–	–	104	104
Boeing 767	34	1	–	–	34
Boeing 777-200ER	23	2	2	–	25
Boeing 777-300 / 300ER	29	6	2	–	31
Boeing 787	63	22	–	53	116
Embraer E190 / 195-E2	–	–	–	50	50
Other	39	1	4	–	43
Total	980	100	113	438	1,531

- Average age of owned aircraft fleet is **6.8 years**
- Average remaining lease term is **6.9 years**

Forward Order and Purchase/Leasebacks as of December 31, 2017



Aircraft Type	2018	2019	2020	2021	2022	Thereafter	Total
Airbus A320neo Family	53	42	47	30	25	25	222
Airbus A350	7	2	-	-	-	-	9
Boeing 737MAX	5	17	27	28	27	-	104
Boeing 787	13	14	5	6	6	9	53
Embraer E190 / 195-E2	1	14	14	14	7	-	50
Total Aircraft	79	89	93	78	65	34	438



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