

AERCAP

Global Leader in Aviation

Fourth Quarter 2019 Financial Results

AerCap Holdings N.V.

February 13, 2020

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

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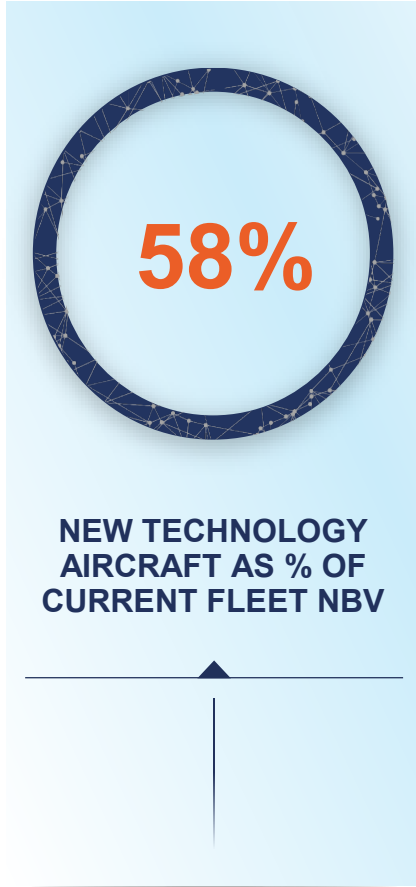
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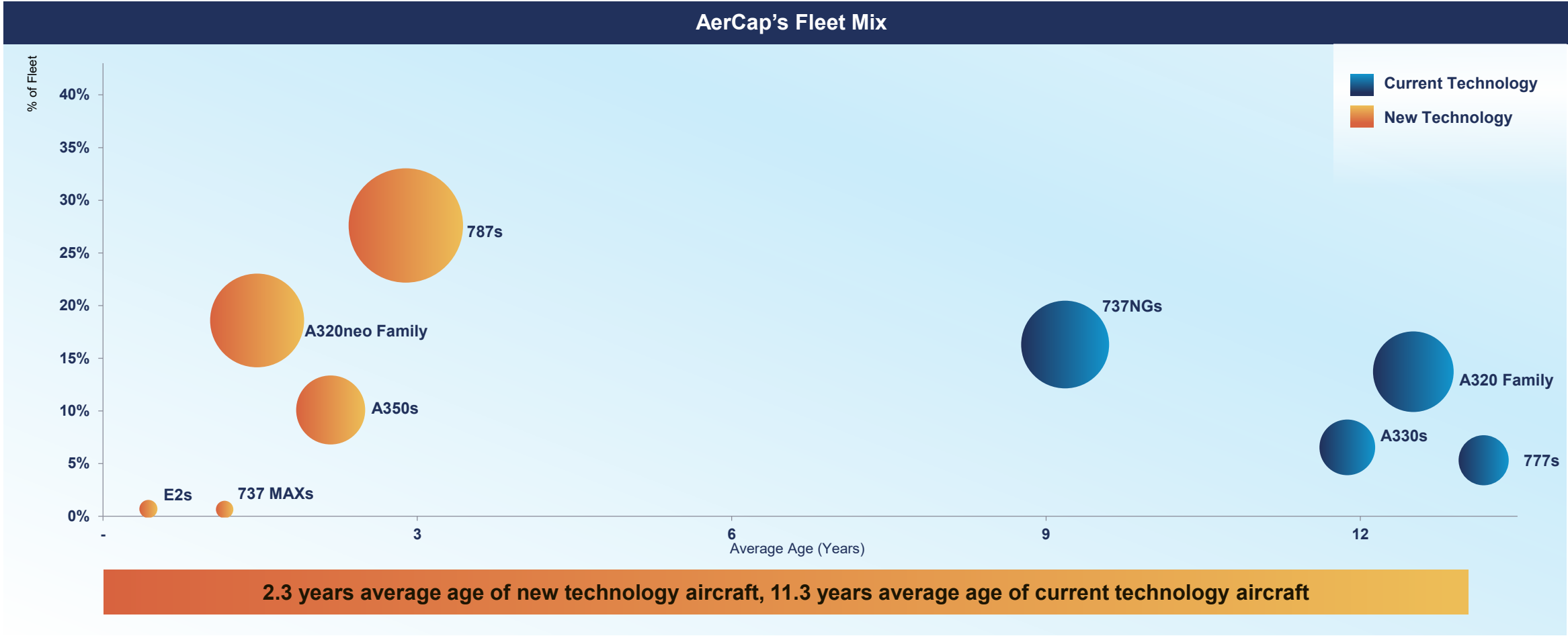
Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Well-Positioned for the Future



Attractive Aircraft Portfolio

58% of AerCap's fleet consists of in-demand new technology aircraft



Based on % of actual owned fleet NBV as of December 31, 2019.

4Q 2019 Financial Results and Highlights

Financial Results

NET INCOME

(\$ million)	4Q 2019	FY 2019
Net Income	309.8	1,145.7

DILUTED EARNINGS PER SHARE

(\$)	4Q 2019	FY 2019
Diluted EPS	2.34	8.43

Highlights

- **44% increase** in diluted EPS 4Q 2019 over 4Q 2018
- **99.8%** fleet utilization in 4Q 2019 (**99.6%** for FY 2019)
- **2.6 to 1** adjusted debt/equity ratio
- **22%** secured debt to total assets
- **6.1 years** average age of owned fleet and **7.5 years** average remaining lease term
- **\$1.4 billion** increase in average lease assets over 4Q 2018
- **15% increase** in book value per share since December 31, 2018
- Upgraded to **BBB rating** by S&P Global Ratings
- Repurchased **3.4 million shares** in 4Q 2019 for **\$197 million**
- New **\$250 million** share repurchase program authorized, which will run through June 30, 2020

See Supplemental Information – Capital Structure.

Net Income and Earnings Per Share

	4Q 2019	4Q 2018	FY 2019	FY 2018
Net Income (\$ million)	309.8	232.6	1,145.7	1,015.6
Diluted Earnings Per Share (\$)	2.34	1.62	8.43	6.83

Key Highlights

4Q Results

- **Net income increased 33%**, primarily driven by higher maintenance revenue as well as lower leasing expenses
- **Diluted earnings per share increased 44%**, driven by the repurchase of 16.6 million shares from October 2018 through December 2019 and the same factors as net income

Full Year Results

- **Net income increased 13%**, primarily driven by higher lease rents resulting from an increase in average lease assets due to the delivery of new technology aircraft in 2018 and 2019
- **Diluted earnings per share increased 23%**, driven by the repurchase of 25.9 million shares during 2018 and 2019 and the same factors as net income

Revenues and Other Income

(\$ million)	4Q 2019	4Q 2018	FY 2019	FY 2018
Basic Lease Rents	1,062.3	1,051.0	4,281.3	4,145.6
Maintenance Rents and Other Receipts	132.5	102.3	401.0	391.5
Net Gain on Sale of Assets	48.6	40.8	188.8	201.3
Other Income	13.5	25.5	66.2	61.6
Total Revenues and Other Income	1,257.0	1,219.7	4,937.3	4,800.0

- Basic lease rents increased in 4Q 2019 primarily due to the delivery of new aircraft from October 2018 through December 2019
- Maintenance rents and other receipts increased in 4Q 2019 primarily as a result of higher end of lease compensation during the quarter
- Net gain on sale of assets increased in 4Q 2019 primarily due to the volume and composition of asset sales
- Other income was higher in 4Q 2018 primarily due to higher inventory sales

Net Interest Margin and Net Spread

	4Q 2019	4Q 2018	FY 2019	FY 2018
Net Interest Margin (\$ million)	746.8	749.1	3,016.0	2,966.3
Average Lease Assets (\$ million)	37,789	36,364	37,590	35,369
Average Cost of Debt Includes debt issuance costs, upfront fees and other impacts of ~0.4%	4.2%	4.1%	4.2%	4.1%
Annualized Net Spread	7.9%	8.2%	8.0%	8.4%
Annualized Net Spread Less Depreciation and Amortization	3.2%	3.2%	3.4%	3.2%
Average Age of Owned Fleet (years) As of December 31, 2019 and 2018			6.1	6.3
Average Remaining Lease Term (years) As of December 31, 2019 and 2018			7.5	7.4

- Annualized net spread less depreciation and amortization remained stable in 4Q 2019 year over year

See Supplemental Information – Endnotes.

Aircraft Disposals and Purchases

Net Gain on Sale of Assets

(\$ million)	4Q 2019	4Q 2018
Net Gain on Sale of Assets	48.6	40.8

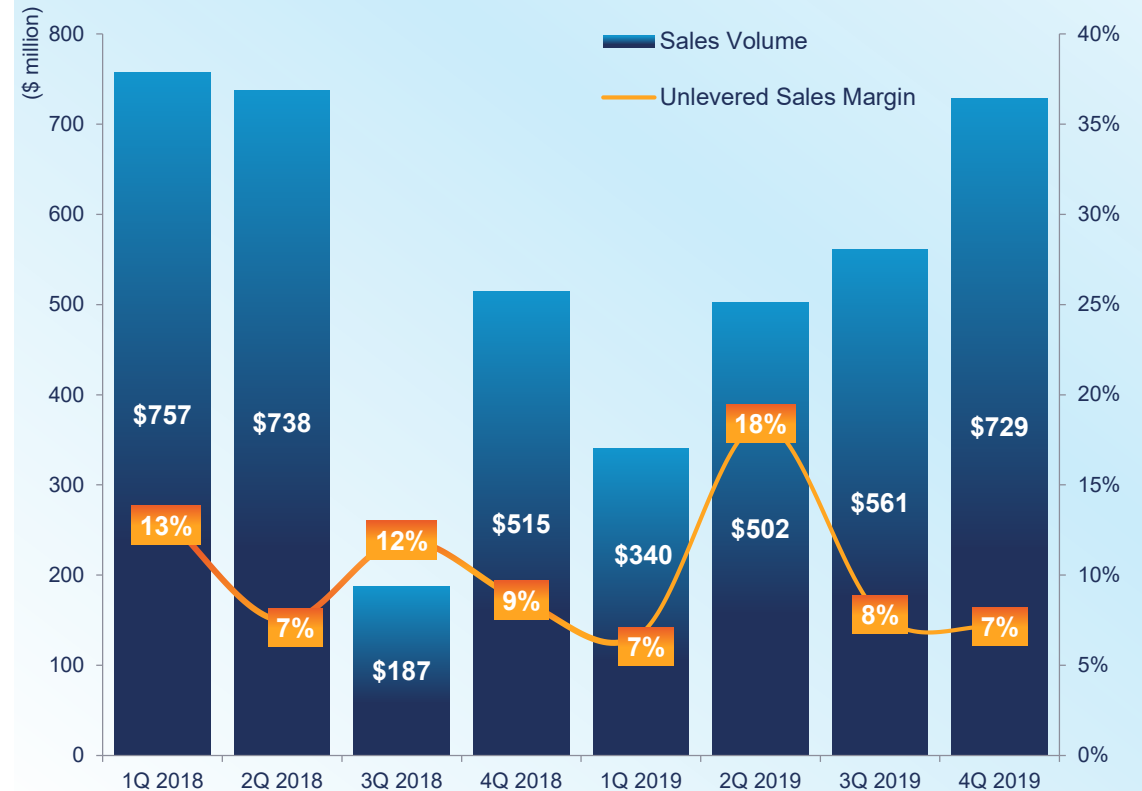
4Q 2019 Aircraft Disposal Activity of \$729 million

- 28 aircraft, with an average age of 15 years were sold from our owned portfolio:
 - 8 Airbus A320 Family aircraft, 5 Airbus A330s and 2 Airbus A340s
 - 7 Boeing 737NGs, 1 Boeing 737 Classic, 1 Boeing 757, 2 Boeing 767-300ERs, 1 Boeing 777-300 and 1 Boeing 787-8

4Q 2019 Aircraft Purchase Activity of \$1.3 billion

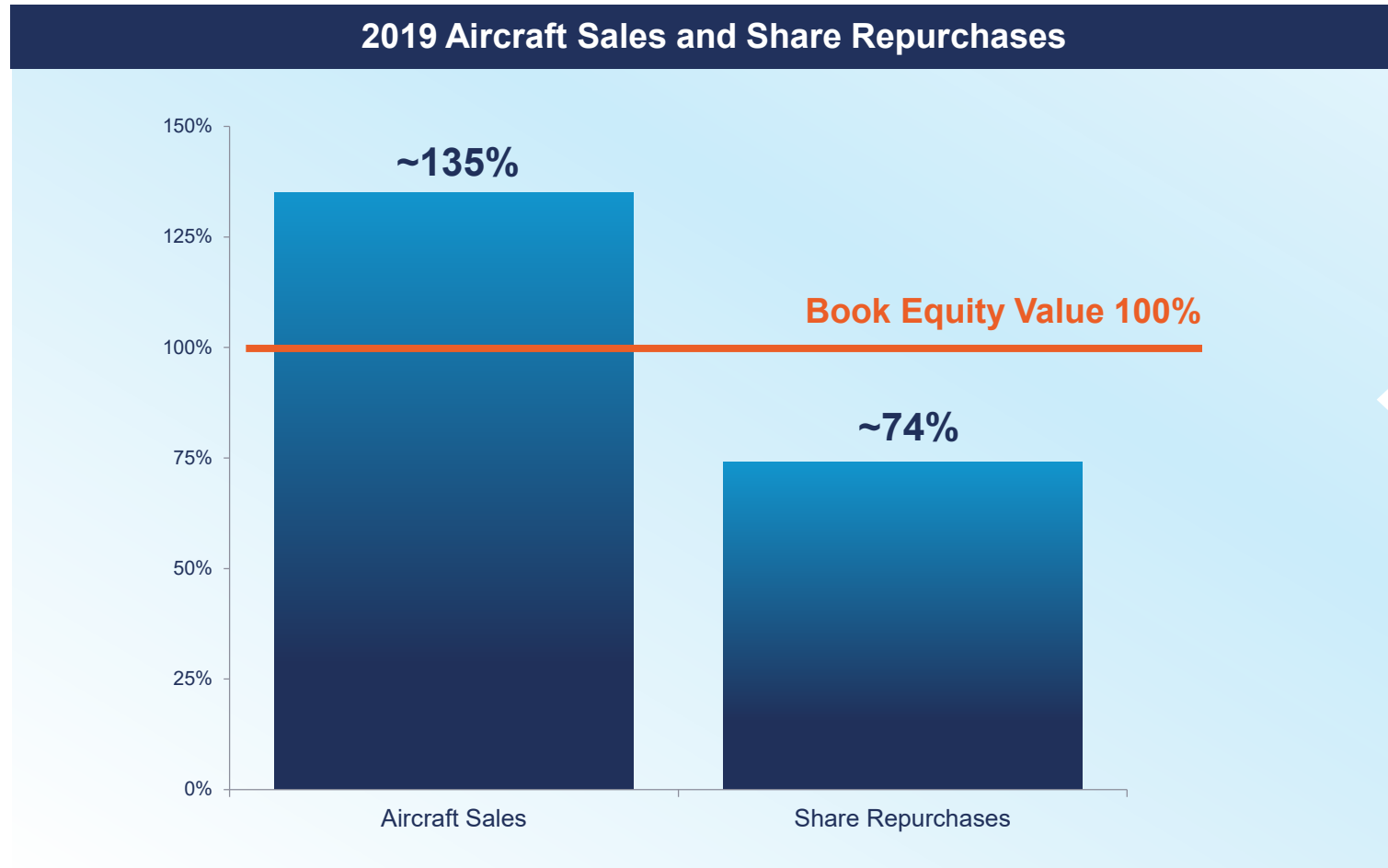
- 21 aircraft were purchased:
 - 14 Airbus A320neo Family aircraft and 1 Airbus A350
 - 2 Boeing 787-9s
 - 3 Embraer E195-E2s and 1 Embraer E190-E2

Sales Volume and Margin Over the Last 8 Quarters



Effective Redeployment of Capital

Taking advantage of the differential between public and private markets for aircraft to create value



- During 2019, we sold 88 aircraft at an average gain on sale of ~10%, which represents a ~35% premium to book equity value
- The aircraft that were sold had an average age of 15 years
- We redeployed the proceeds of these sales to repurchase shares at an average ~26% discount to book value

Other Expenses

(\$ million)	4Q 2019	4Q 2018	FY 2019	FY 2018
Selling, General & Administrative Expenses	71.3	70.8	267.5	305.2
Maintenance Rights Expense	25.2	35.6	76.6	157.7
Other Leasing Costs	61.7	90.3	211.4	288.8
Asset Impairment	16.1	15.3	70.1	44.2

- Selling, general and administrative expenses for full year 2019 decreased ~12% and were ~5.4% of total revenues
- Maintenance rights expense decreased as a result of lower maintenance activity during the period and the lower maintenance rights asset balance
- Other leasing costs decreased primarily due to lower expenses incurred as a result of lease terminations
- Asset impairment charges in 4Q 2019 related to lease terminations and sales transactions and were more than offset by related maintenance revenue

Liquidity Position

We continue to maintain strong liquidity, with \$8.2 billion available as of December 31, 2019

Sources vs. Uses (Next 12 Months) (\$ billion as of Dec 31, 2019)

Sources (for 12 months to December 31, 2020)

Unsecured Revolver	4.0
Other Facilities and Contracted Sales	3.1
Unrestricted Cash	1.1
Total Available Liquidity	8.2
Estimated Operating Cash Flow	3.1

Total Sources 11.3

Uses (for 12 months to December 31, 2020)

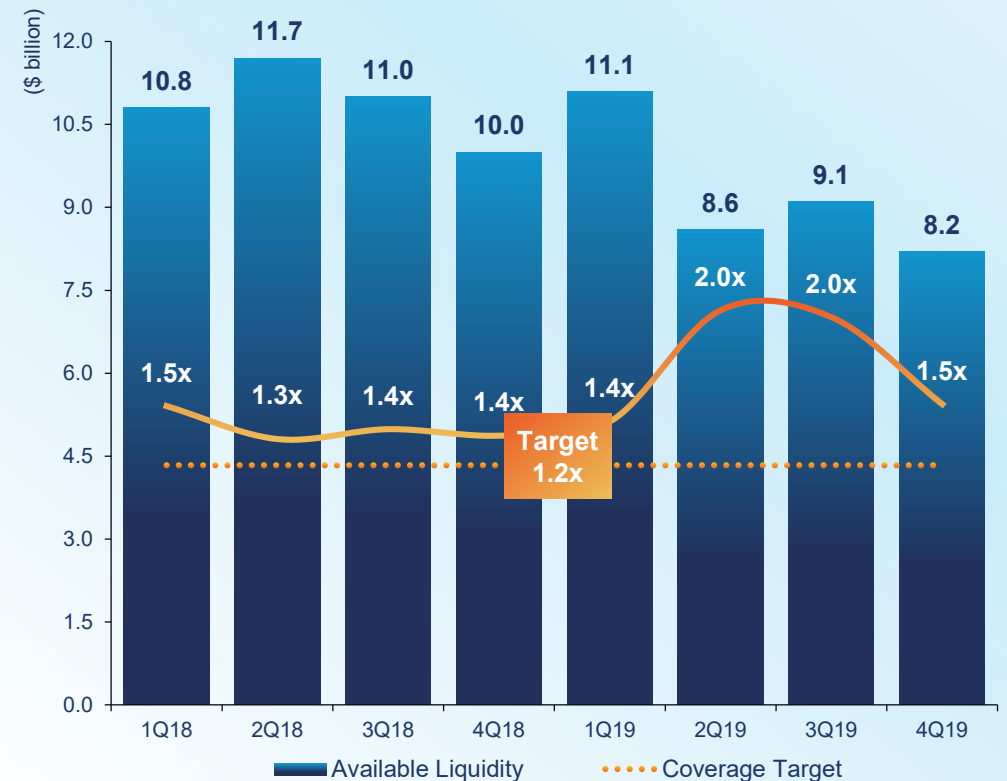
Debt Maturities	(3.5)
Capex (Cash payments for purchases)	(3.9)

Total Uses (7.4)

Excess Coverage (Sources less Uses) 3.9

Ratio of Sources to Uses 1.5x

Liquidity Levels Over the Last 8 Quarters



See Supplemental Information – Endnotes.

Book Value Per Share

AerCap has grown book value per share by 15% year over year and by ~14% per year over the last 5 years

Book Value Per Share

(millions, except per share data)	Dec. 31, 2019	Dec. 31, 2018
Total Shareholders' Equity	\$9,315	\$8,828
Ordinary Shares Outstanding	131.6	142.7
Unvested Restricted Stock	(2.4)	(2.4)
Ordinary Shares Outstanding (excl. Unvested Restricted Stock)	129.2	140.2
Book Value Per Share	\$72.08	\$62.95

Book Value Per Share Growth



See Supplemental Information – Endnotes.

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Supplemental Information

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Capital Structure

Adjusted Debt/Equity Calculation (\$ million)	Dec. 31, 2019	Dec. 31, 2018
Debt (including fair value adjustments)	29,486	29,508
Adjusted for:		
• Unrestricted cash & cash equivalents	(1,121)	(1,204)
• 50% equity credit for long-term subordinated debt	(1,125)	(750)
Adjusted Debt	27,240	27,554
Equity	9,382	8,881
Adjusted for:		
• 50% equity credit for long-term subordinated debt	1,125	750
Adjusted Equity	10,507	9,631
Adjusted Debt / Equity Ratio	2.6 to 1	2.9 to 1

High-Quality and Well-Diversified Portfolio

New technology aircraft comprise 58% of our owned fleet

Aircraft Type	Number of Owned Aircraft	% Net Book Value	Number of Managed Aircraft	Number of on Order Aircraft	Total Aircraft
Airbus A320 Family	286	14	39	–	325
Airbus A320neo Family	138	18	–	137	275
Airbus A330	60	7	11	–	71
Airbus A350	27	10	–	–	27
Boeing 737NG	238	16	39	–	277
Boeing 737 MAX	5	1	–	95	100
Boeing 767	27	–	–	–	27
Boeing 777-200ER	17	1	4	–	21
Boeing 777-300 / 300ER	22	4	2	–	24
Boeing 787	88	28	1	26	115
Embraer E190 / 195-E2	9	1	–	41	50
Other	22	–	–	–	22
Total	939	100	96	299	1,334

- Average age of owned aircraft fleet is **6.1 years**
(**2.3 years** for new technology aircraft, **11.3 years** for current technology aircraft)

- Average remaining lease term is **7.5 years**

As of December 31, 2019

Forward Order and Purchase/Leasebacks

Aircraft Type	2020	2021	2022	2023	2024	Total
Airbus A320neo Family	37	43	32	25	–	137
Boeing 737 MAX	4	37	30	24	–	95
Boeing 787	3	7	4	9	3	26
Embraer E190 / 195-E2	21	16	4	–	–	41
Total Aircraft	65	103	70	58	3	299

As of December 31, 2019

Endnotes

SLIDE 8: Net Interest Margin and Net Spread

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.

Average lease assets includes flight equipment held for operating leases, flight equipment held for sale, net investment in finance and sales-type leases and maintenance rights asset.

Average cost of debt is calculated as interest expense, excluding mark-to-market on interest rate caps, divided by average debt balance.

Annualized net spread is net interest margin expressed as a percentage of average lease assets.

Annualized net spread less depreciation and amortization is net interest margin less depreciation and amortization, including maintenance rights expense, expressed as a percentage of average lease assets.

SLIDE 12: Liquidity Position

Total sources assume no additional financing for deliveries of new aircraft.

Capex includes cash payments for the next 12 months' aircraft deliveries and pre-delivery payments.

SLIDE 13: 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.

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