



GLOBAL LEADER IN AVIATION



First Quarter 2018 Financial Results

AerCap Holdings N.V.

May 3, 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)	1Q 2018
Net Income	265.4

Diluted Earnings Per Share

(\$)	1Q 2018
Diluted EPS	1.72

Highlights

- **114 aircraft transactions**, including **28 widebody** transactions
- **~95% of new aircraft deliveries** through 2019 and **~80%** through 2020 **leased**
- **6.9 years** average **remaining lease term**
- **98.3% fleet utilization**
- Closed on **\$2.9 billion** of **debt financing**, including **\$1.15 billion** senior unsecured notes offering
- **\$10.8 billion** of available **liquidity** and **2.8 to 1** adjusted **debt/equity** ratio
- **Book value** per share of **\$59.60**, an **increase of 16%** since March 31, 2017
- **Repurchased 5.9 million shares** in 1Q 2018 for **\$305 million**
- New **\$200 million** share repurchase program authorized, which will run through September 30, 2018

	1Q 2018	1Q 2017
Net Income (\$ million)	265.4	261.2
Diluted Earnings Per Share (\$)	1.72	1.48

Key Highlights

- Net income increased 2% and diluted earnings per share increased 16%
- Increase in net income was primarily due to higher gain on sale of assets, partially offset by the impact of the Air Berlin and Monarch Airlines lease terminations in the second half of 2017, as well as by lower other income
- Increase in diluted earnings per share was primarily driven by the repurchase of 29.6 million shares from January 2017 through March 2018

(millions, except per share data)	Mar. 31, 2018	Dec. 31, 2017	Mar. 31, 2017
Total Shareholders' Equity	\$8,593	\$8,580	\$8,520
Ordinary Shares Outstanding	147.2	153.0	169.9
Unvested Restricted Stock	(3.0)	(3.0)	(3.5)
Ordinary Shares Outstanding (excl. Unvested Restricted Stock)	144.2	150.0	166.4
Book Value Per Share¹	\$59.60	\$57.20	\$51.20

- Book value per share has increased 16% since March 31, 2017
- Since June 2015, we have repurchased over 33% of AerCap's outstanding shares

(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)	1Q 2018	1Q 2017
Basic Lease Rents	1,032.9	1,067.1
Maintenance Rents and Other Receipts	87.4	89.9
Net Gain on Sale of Assets	89.3	47.3
Other Income	9.5	32.5
Total Revenues and Other Income	1,219.1	1,236.8

- Basic lease rents decreased primarily due to the sale of mid-life and older aircraft during 2017 and the first quarter of 2018 and lower utilization as a result of the Air Berlin and Monarch Airlines lease terminations
- Net gain on sale of assets increased primarily due to the composition of asset sales
- In 1Q 2017, other income included contractual payments related to a lease termination agreement with a lessee

Net Interest Margin (\$ million)

1Q 2018	1Q 2017
742.0	787.9

Net Interest Margin is calculated as basic lease rents less interest expense, excluding non-cash charges related to the mark-to-market of interest rate caps and swaps

Average Lease Assets (\$ million)

1Q 2018	1Q 2017
34,934	34,083

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

	1Q 2018	1Q 2017
Annualized Net Spread	8.5%	9.2%
Average Cost of Debt¹ <i>Including all fees</i>	4.0%	4.0%
Average Age of Owned Fleet (years) <i>As of March 31, 2018 and 2017</i>	6.8	7.3
Average Remaining Lease Term (years) <i>As of March 31, 2018 and 2017</i>	6.9	6.5

- Net spread decreased primarily due to the lower age of our owned fleet, which increased our average remaining lease term to 6.9 years, as well as lower utilization as a result of the Air Berlin and Monarch Airlines lease terminations
- Younger aircraft tend to have lower yields than older aircraft

(1) Interest expense, excluding mark-to-market on interest rate caps and swaps, divided by average debt balance.

(\$ million)	1Q 2018	1Q 2017
Net Gain on Sale of Assets	89.3	47.3

1Q 2018 Aircraft Disposal Activity:

- 21 aircraft, with an average age of 12 years, were sold from our owned portfolio:
 - 11 Airbus A320 Family aircraft, 4 Airbus A330s and 1 Airbus A340
 - 1 Boeing 737 Classic, 1 Boeing 737NG, 2 Boeing 777-200ERs and 1 Boeing 787-8
- 2 aircraft were placed on long-term leases and reclassified from flight equipment held for operating leases to net investment in finance and sales-type leases
 - 1 Boeing 737NG and 1 Boeing 777-200ER

1Q 2018 Aircraft Purchase Activity:

- 7 aircraft were purchased:
 - 2 Airbus A320neo Family aircraft and 2 Airbus A350s
 - 3 Boeing 787-9s

(\$ million)	1Q 2018	1Q 2017
Maintenance Rights Expense	53.7	73.0
Other Leasing Costs	78.8	49.4
Selling, General & Administrative Expenses	85.8	83.5
Asset Impairment	2.1	–
Restructuring Related Expenses	–	9.9

- Maintenance rights expense decreased as a result of the amount of maintenance activity during the period and the lower maintenance rights intangible asset
- Other leasing costs were higher primarily due to expenses recognized as a result of the Air Berlin and Monarch Airlines lease terminations

Sources vs. Uses (Next 12 Months)

(\$ billion as of March 31, 2018)

Sources (for 12 months to March 31, 2019)

Unsecured Revolver	4.0
Other Facilities and Contracted Sales	4.6
Unrestricted Cash	2.2
Total Available Liquidity	10.8
Estimated Operating Cash Flow	3.2
Total Sources¹	14.0

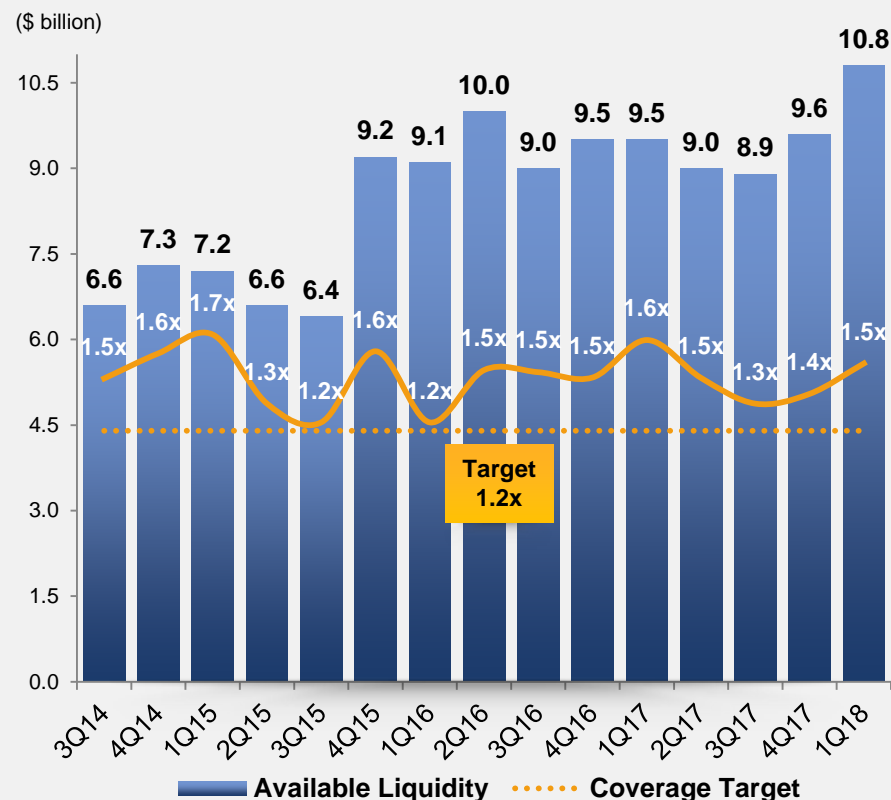
Uses (for 12 months to March 31, 2019)

Debt Maturities	(3.0)
Capex (Cash payments for purchases) ²	(6.2)
Total Uses	(9.2)

Excess Coverage (Sources less Uses) 4.8

Ratio of Sources to Uses 1.5x

Liquidity Levels Since July 2014



We continue to maintain strong liquidity with \$10.8 billion as of March 31, 2018

- (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	Mar. 31, 2018	Dec. 31, 2017
Adjusted Debt / Equity Ratio	2.8 to 1	2.8 to 1
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Adjusted Debt/Equity Calculation (\$ million)	Mar. 31, 2018	Dec. 31, 2017
Debt (including fair value adjustments)	28,890	28,421
Adjusted for:		
• Unrestricted cash & cash equivalents	(2,152)	(1,660)
• 50% equity credit for long-term subordinated debt	(750)	(750)
Adjusted Debt	25,988	26,011
Equity	8,648	8,639
Adjusted for:		
• 50% equity credit for long-term subordinated debt	750	750
Adjusted Equity	9,398	9,389

Aircraft Type	Number of Owned Aircraft	% Net Book Value	Number of Managed Aircraft	Number of on Order Aircraft	Total Aircraft
Airbus A320 Family	359	20	56	–	415
Airbus A320neo Family	50	7	–	220	270
Airbus A330	79	10	12	–	91
Airbus A350	19	8	–	7	26
Boeing 737NG	273	22	44	–	317
Boeing 737MAX	–	–	–	104	104
Boeing 767	34	1	–	–	34
Boeing 777-200ER	21	2	4	–	25
Boeing 777-300 / 300ER	29	6	2	–	31
Boeing 787	65	23	1	50	116
Embraer E190 / 195-E2	–	–	–	50	50
Other	37	1	3	–	40
Total	966	100	122	431	1,519

- 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 March 31, 2018



Aircraft Type	2018	2019	2020	2021	2022	Thereafter	Total
Airbus A320neo Family	51	42	47	30	25	25	220
Airbus A350	5	2	–	–	–	–	7
Boeing 737MAX	5	17	27	28	27	–	104
Boeing 787	10	14	5	6	6	9	50
Embraer E190 / 195-E2	1	14	14	14	7	–	50
Total Aircraft	72	89	93	78	65	34	431



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AerCap Holdings N.V.
AerCap House
65 St. Stephen's Green
Dublin 2, Ireland
+353 1 819 2010
contact@aecap.com

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