

April 25, 2024

FOR IMMEDIATE RELEASE

Contact:

Aircastle Advisor LLC

Jim Connelly, SVP ESG & Corporate Communications

Tel: +1-203-504-1871

jconnelly@aircastle.com

Aircastle Announces Fourth Quarter and Full Year 2023 Results

Three Months Ended February 29, 2024

- Net income of \$29 million compared to \$14 million of net income in fourth quarter 2022⁽¹⁾;
- Total revenues of \$230 million and Adjusted EBITDA⁽²⁾ of \$203 million;
- Acquired 16 aircraft for \$587 million; and
- Sold 10 aircraft for proceeds of \$163 million and a gain on sale or disposition of \$54 million; includes \$43 million in settlement proceeds relating to aircraft formerly on lease to 2 Russian airlines.

Full Year Ended February 29, 2024

- Net income of \$83 million compared to \$63 million of net income in fiscal 2022⁽¹⁾
- Acquired 30 aircraft during fiscal year 2023 for \$1.2 billion; new technology composed 73% of NBV acquired;
- Sold 28 aircraft and other flight equipment with an average age of 18 years for proceeds of \$362 million and a gain on sale or disposition of \$122 million; includes \$43 million in settlement proceeds relating to aircraft formerly on lease to 2 Russian airlines; and
- Executed 161 transactions for fiscal year 2023, comprised of lease agreements, amendments, extensions, purchases and sales.

(1) Refer to the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for additional information.

(2) Refer to the selected financial information accompanying this press release for a reconciliation of GAAP to Non-GAAP numbers.

Liquidity

- Raised \$1.7 billion in new financings from \$1.3 billion in unsecured senior notes and \$395 million from extended and upsized revolving credit facilities;
- Received \$200 million of shareholder equity, the first tranche of a \$500 million commitment; the remaining \$300 million is expected in the first quarter of fiscal year 2024;
- As of April 1, 2024, total liquidity of \$3.0 billion includes \$2.1 billion of undrawn credit facilities, \$0.5 billion of projected adjusted operating cash flows through April 1, 2025, \$0.3 billion of committed capital and \$0.1 billion of unrestricted cash; and
- We have 205 unencumbered aircraft and other flight equipment with a net book value of \$5.8 billion.

Mike Inglese, Aircastle's Chief Executive Officer, commented, "We're seeing passenger travel demand transition from recovery to growth in many major markets. Airlines want to build upon 2023's profitability with additional aircraft. In fiscal 2023, our team successfully completed \$1.2 billion in new acquisitions, returning us to pre-pandemic trading levels. Our new technology fleet continues to grow while our current technology aircraft are meeting the high demand for placements and extensions. Looking ahead, the years-long forecasted shortage of narrow-body passenger aircraft supports our unique business model."

Mr. Inglese concluded, "On the funding side of our business, this fiscal year we sourced \$1.7 billion in new financing and received a new \$500 million shareholder commitment from Marubeni Corporation and Mizuho Leasing. This outstanding shareholder support along with our ability to raise capital and execute quickly on transactions has us optimistic about disciplined future growth."

Aviation Assets

As of February 29, 2024, Aircastle owned 243 aircraft and other flight equipment having a net book value of \$7.2 billion. We also manage 9 aircraft with a net book value of \$272 million on behalf of our joint venture with Mizuho Leasing.

	As of February 29, 2024	As of February 28, 2023
<u>Owned Aircraft</u>		
Net Book Value of Flight Equipment (\$ mils.)	\$ 7,223	\$ 6,635
Net Book Value of Unencumbered Flight Equipment (\$ mils.)	\$ 5,839	\$ 5,469
Number of Aircraft	243	239
Number of Unencumbered Aircraft	205	209
Number of Lessees	75	73
Number of Countries	43	44
Weighted Average Fleet Age (years) ⁽¹⁾	9.3	9.7
Weighted Average Remaining Lease Term (years) ⁽¹⁾	5.4	5.3
Weighted Average Fleet Utilization for the fourth quarter ⁽²⁾	99.2 %	94.6 %
Weighted Average Fleet Utilization for the year ended ⁽²⁾	98.3 %	94.8 %
<u>Managed Aircraft on behalf of Joint Venture</u>		
Net Book Value of Flight Equipment (\$ mils.)	\$ 272	\$ 285
Number of Aircraft	9	9

(1) Weighted by Net Book Value.

(2) Aircraft on lease as a percentage of total days in period weighted by net book value.

Conference Call

In connection with this press release, management will host a conference call on Thursday, April 25, 2024, at 9:00 A.M. Eastern Time. All interested parties are welcome to participate on the live call. The conference call can be accessed by dialing +1 (877) 870-4263 (from within the U.S. and Canada) or +1 (412) 317-0790 (outside the U.S. and Canada) ten minutes prior to the scheduled start. Please reference our company name "Aircastle" when prompted by the operator.

A simultaneous webcast of the conference call will be available to the public on a listen-only basis at www.aircastle.com. Please allow extra time prior to the call to visit the site and download the necessary software required to listen to the internet broadcast.

For those who are not available to listen to the live call, a replay will be available on Aircastle's website shortly after the live call.

About Aircastle Limited

Aircastle Limited acquires, leases, and sells commercial jet aircraft to airlines throughout the world. As of February 29, 2024, Aircastle owned and managed on behalf of its joint ventures 252 aircraft leased to 75 customers located in 43 countries.

Safe Harbor

All statements in this press release, other than characterizations of historical fact, are forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include, but are not necessarily limited to, statements relating to our proposed public offering of notes and our ability to acquire, sell, lease or finance aircraft, raise capital, pay dividends, and increase revenues, earnings, EBITDA and Adjusted EBITDA and the global aviation industry and aircraft leasing sector. Words such as "anticipates," "expects," "intends," "plans," "projects," "believes," "may," "will," "would," "could," "should," "seeks," "estimates" and variations on these words and similar expressions are intended to identify such forward-looking statements. These statements are based on our historical performance and that of our subsidiaries and on our current plans, estimates and expectations and are subject to a number of factors that could lead to actual results materially different from those described in the forward-looking statements; Aircastle can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any such forward-looking statements which are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated as of the date of this press release. These risks or uncertainties include, but are not limited to, those described from time to time in Aircastle's filings with the SEC and previously disclosed under "Risk Factors" in Item 1A of Aircastle's most recent Form 10-K and any subsequent filings with the SEC. In addition, new risks and uncertainties emerge from time to time, and it is not possible for Aircastle to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. Aircastle expressly disclaims any obligation to revise or update publicly any forward-looking statement to reflect future events or circumstances.

(1) Refer to the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for additional information.

Aircastle Limited and Subsidiaries
Consolidated Balance Sheets
(Dollars in thousands, except share data)

	February 29, 2024	February 28, 2023
ASSETS		
Cash and cash equivalents	\$ 129,977	\$ 231,861
Accounts receivable	12,518	12,855
Flight equipment held for lease, net	6,940,502	6,567,606
Net investment in leases, net	282,439	67,694
Unconsolidated equity method investment	42,710	40,505
Other assets	271,807	346,330
Total assets	<u>\$ 7,679,953</u>	<u>\$ 7,266,851</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Borrowings from secured financings, net	\$ 875,397	\$ 752,298
Borrowings from unsecured financings, net	3,823,099	3,842,454
Accounts payable, accrued expenses and other liabilities	219,588	206,473
Lease rentals received in advance	52,654	66,816
Security deposits	69,544	61,734
Maintenance payments	505,897	465,618
Total liabilities	<u>5,546,179</u>	<u>5,395,393</u>
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Preference shares, \$0.01 par value, 50,000,000 shares authorized, 400 (aggregate liquidation preference of \$400,000) shares issued and outstanding at February 29, 2024 and February 28, 2023	—	—
Common shares, \$0.01 par value, 250,000,000 shares authorized, 15,564 and 15,564 shares issued and outstanding at February 29, 2024 and February 28, 2023, respectively	—	—
Additional paid-in capital	2,078,774	1,878,774
Retained earnings (accumulated deficit)	55,000	(7,316)
Total shareholders' equity	<u>2,133,774</u>	<u>1,871,458</u>
Total liabilities and shareholders' equity	<u>\$ 7,679,953</u>	<u>\$ 7,266,851</u>

Aircastle Limited and Subsidiaries
Consolidated Statements of Income and Comprehensive Income
(Dollars in thousands)

	Three Months Ended		Year Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
	(Unaudited)			
Revenues:				
Lease rental revenue	\$ 149,665	\$ 153,520	\$ 603,571	\$ 586,508
Direct financing and sales-type lease revenue	5,510	2,080	16,503	9,030
Amortization of lease premiums, discounts and incentives	(3,448)	(5,905)	(20,420)	(20,574)
Maintenance revenue	23,956	34,312	132,179	138,099
Total lease revenue	175,683	184,007	731,833	713,063
Gain on sale or disposition of flight equipment	54,406	3,651	121,646	70,860
Other revenue	134	1,716	1,937	12,110
Total revenues	230,223	189,374	855,416	796,033
Operating expenses:				
Depreciation	86,465	86,367	348,229	332,663
Interest, net	58,087	52,968	229,050	204,606
Selling, general and administrative	23,910	21,499	82,127	76,857
Provision for credit losses	676	(36)	12,081	1,507
Impairment of flight equipment	18,084	17,644	55,240	85,623
Maintenance and other costs	5,390	5,186	29,884	22,196
Total operating expenses	192,612	183,628	756,611	723,452
Other income (expense):				
Loss on extinguishment of debt	—	(173)	—	(636)
Other	(667)	10,819	5,571	14,092
Total other income (expense)	(667)	10,646	5,571	13,456
Income from continuing operations before income taxes and earnings of unconsolidated equity method investments	36,944	16,392	104,376	86,037
Income tax provision	7,979	3,134	23,265	25,466
Earnings of unconsolidated equity method investment, net of tax	418	408	2,205	2,188
Net income	\$ 29,383	\$ 13,666	\$ 83,316	\$ 62,759
Preference share dividends	(10,500)	(10,500)	(21,000)	(21,000)
Net income available to common shareholders	\$ 18,883	\$ 3,166	\$ 62,316	\$ 41,759
Total comprehensive income available to common shareholders	\$ 18,883	\$ 3,166	\$ 62,316	\$ 41,759

Aircastle Limited and Subsidiaries
Consolidated Statements of Cash Flows
(Dollars in thousands)

	Year Ended	
	February 29, 2024	February 28, 2023
Cash flows from operating activities:		
Net income	\$ 83,316	\$ 62,759
Adjustments to reconcile net loss to net cash and restricted cash provided by operating activities:		
Depreciation	348,229	332,663
Amortization of deferred financing costs	17,090	14,338
Amortization of lease premiums, discounts and incentives	20,420	20,574
Deferred income taxes	20,053	13,690
Collections on net investments in leases	3,557	6,505
Security deposits and maintenance payments included in earnings	(54,373)	(66,194)
Gain on sale or disposition of flight equipment	(121,646)	(70,860)
Loss on extinguishment of debt	—	636
Impairment of flight equipment	55,240	85,623
Provision for credit losses	12,081	1,507
Other	(2,512)	(2,211)
Changes on certain assets and liabilities:		
Accounts receivable	(443)	17,338
Other assets	(9,317)	(12,510)
Accounts payable, accrued expenses and other liabilities	(15,907)	4,278
Lease rentals received in advance	14,466	29,601
Net cash and cash equivalents provided by operating activities	370,254	437,737
Cash flows from investing activities:		
Acquisition and improvement of flight equipment	(1,240,183)	(994,040)
Proceeds from sale or disposition of flight equipment	361,826	426,454
Aircraft purchase deposits and progress payments, net of returned deposits and aircraft sales deposits	5,650	28,393
Other	(6,408)	1,319
Net cash and cash equivalents used in investing activities	(879,115)	(537,874)
Cash flows from financing activities:		
Proceeds from issuance of common shares	200,000	—
Proceeds from secured and unsecured debt financings	2,029,750	493,848
Repayments of secured and unsecured debt financings	(1,917,744)	(420,372)
Deferred financing costs	(25,035)	(13,242)
Debt extinguishment costs	—	(310)
Security deposits and maintenance payments received	159,792	142,699
Security deposits and maintenance payments returned	(18,786)	(20,307)
Dividends paid	(21,000)	(21,000)
Net cash and cash equivalents provided by financing activities	406,977	161,316
Net (decrease) increase in cash and cash equivalents:	(101,884)	61,179
Cash and cash equivalents at beginning of year	231,861	170,682
Cash and cash equivalents at end of year	\$ 129,977	\$ 231,861

Aircastle Limited and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
EBITDA and Adjusted EBITDA Reconciliation
(Dollars in thousands)

	Three Months Ended		Year Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
	(Unaudited)			
Net income	\$ 29,383	\$ 13,666	\$ 83,316	\$ 62,759
Depreciation	86,465	86,367	348,229	332,663
Amortization of lease premiums, discounts and incentives	3,448	5,905	20,420	20,574
Interest, net	58,087	52,968	229,050	204,606
Income tax provision	7,979	3,134	23,265	25,466
EBITDA	185,362	162,040	704,280	646,068
Adjustments:				
Impairment of flight equipment	18,084	17,644	55,240	85,623
Loss on extinguishment of debt	—	173	—	636
Adjusted EBITDA	<u>\$ 203,446</u>	<u>\$ 179,857</u>	<u>\$ 759,520</u>	<u>\$ 732,327</u>

We define EBITDA as income (loss) from continuing operations before income taxes, interest expense, and depreciation and amortization. We use EBITDA to assess our consolidated financial and operating performance, and we believe this non-U.S. GAAP measure is helpful in identifying trends in our performance.

This measure provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current financial goals, as well as achieving optimal financial performance. It provides an indicator for management to determine if adjustments to current spending decisions are needed.

EBITDA provides us with a measure of operating performance because it assists us in comparing our operating performance on a consistent basis as it removes the impact of our capital structure (primarily interest charges on our outstanding debt) and asset base (primarily depreciation and amortization) from our operating results. Accordingly, this metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure, or expenses, of the organization. EBITDA is one of the metrics used by senior management and the Board of Directors to review the consolidated financial performance of our business.

We define Adjusted EBITDA as EBITDA (as defined above) further adjusted to give effect to adjustments required in calculating covenant ratios and compliance as that term is defined in the indenture governing our senior unsecured notes. Adjusted EBITDA is a material component of these covenants.