

AIRCASTLE



A MARUBENI & MIZUHO LEASING COMPANY



Aircastle Financial Update *Second Quarter 2024*

Forward-Looking Statements / Property of Aircastle

All statements included or incorporated by reference in this presentation, 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 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 presentation. 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 presentation. Aircastle expressly disclaims any obligation to revise or update publicly any forward-looking statement to reflect future events or circumstances.

The information contained herein is the property of Aircastle and shall not be disclosed, copied, distributed or transmitted, or used for any purpose, without the express written consent of Aircastle.



Overview of Aircastle

As of August 31, 2024



253 Aircraft

(Owned & Managed)

\$3.1B Available Liquidity¹

78 Lessees²

1.9x Net Debt to Equity³

46 Countries

86% Unsecured Debt

\$7.3B NBV

S&P Global

BBB-⁴

FitchRatings

BBB+

MOODY'S

Baa3

1. Includes undrawn facilities of \$2.1 billion, \$0.5 billion of projected adjusted operating cash flows and contracted sales through October 1, 2025, and \$0.5 billion of unrestricted cash. Adjusted contractual commitments includes debt maturities of \$0.8 billion, committed investments and PDPs of \$200 million and Preference Share Dividends of \$21 million.

2. Includes both owned and managed aircraft, flight equipment held for lease, and net investment in direct financing and sales-type leases.

3. As of August 31, 2024. Includes 50% of \$400 million (or \$200 million) of hybrid capital preference shares. The ratio excludes debt issuance costs or discounts which are reflected in the net debt totals that are displayed on the consolidated balance sheet.

4. On May 24, 2024, S&P revised Outlook to Positive on improving operating performance.



Second Quarter Results & Highlights

Operating Results¹

<i>\$ in millions</i>	Three Months Ended August 31,		Six Months Ended August 31,	
	2024	2023	2024	2023
Total revenue	\$217	\$168	\$422	\$386
Total operating expenses	\$180	\$171	\$366	\$354
Income before taxes	\$37	\$0	\$56	\$37
Net income	\$29	\$6	\$45	\$28
EBITDA	\$194	\$151	\$374	\$341
Adjusted EBITDA	\$199	\$152	\$385	\$343

Q2 2024 Highlights

- Lease rental revenue and direct financing and sales-type lease revenue increased 8% compared to Q2 2023
- Q2 proceeds from sales of flight equipment of \$304 million with gains of \$35 million
- Acquired 4 aircraft for \$120 million
- Fleet utilization over 99%

1. Above summary of operating results does not feature income tax provision, earnings of unconsolidated equity method investments, or loss on extinguishment of debt.



Current Aviation Market Themes

Positioned to Capture Current Market Opportunities

Positive macro drivers continue

Global passenger demand at an all time high; load factors at the workable maximum

Ongoing supply shortages OEM & new tech teething issues

Airbus and Boeing forecast production well short of demand; GTF issues resulting in lower on-wing time and higher frequency of maintenance events fueling demand for mid-life aircraft

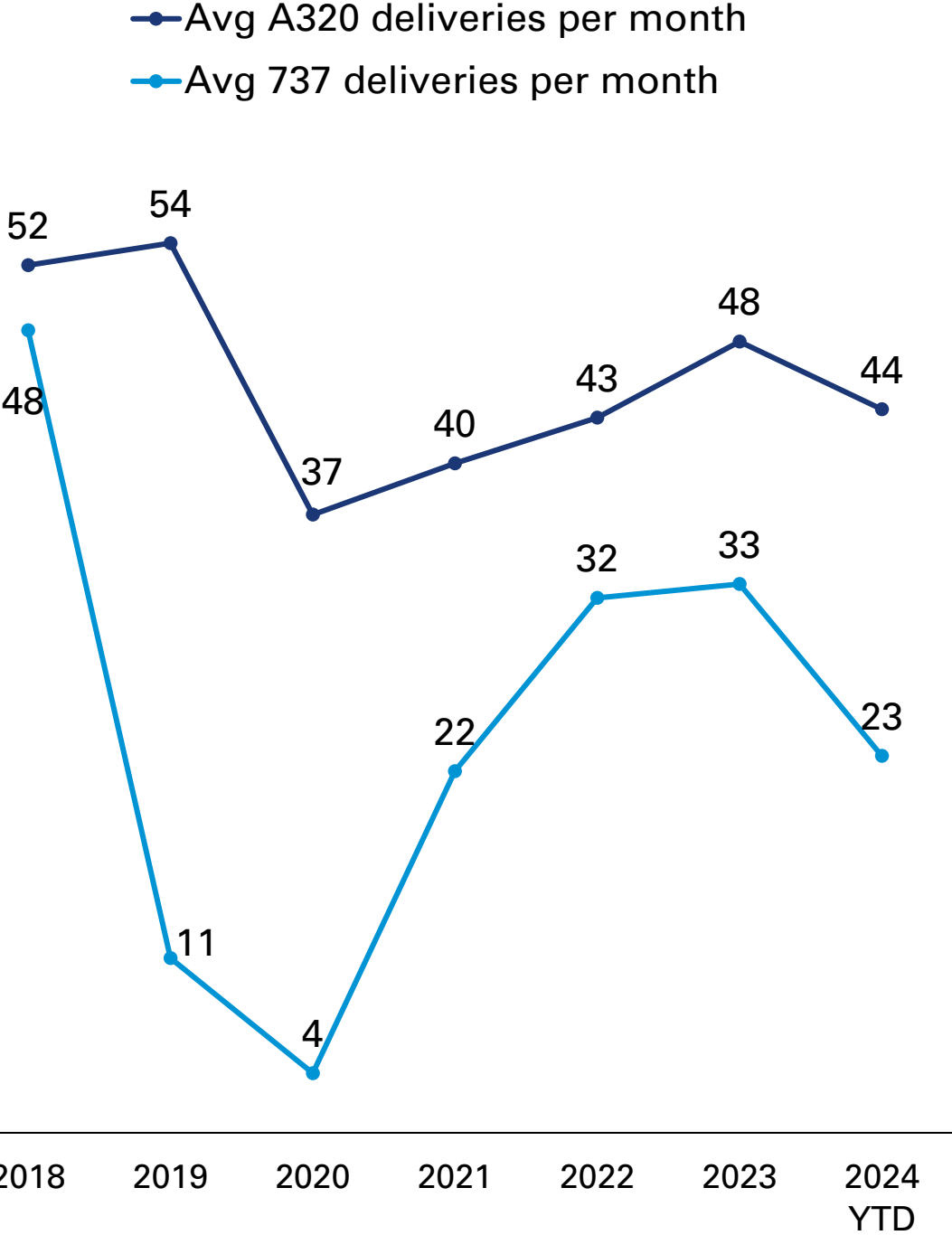
Current technology utilization extended

OEM constraints push viability of current technology utility / robust medium-term demand for placements and extensions with strong lease rates; No new clean sheet narrow-body – improves lifespan for MAX and Neos

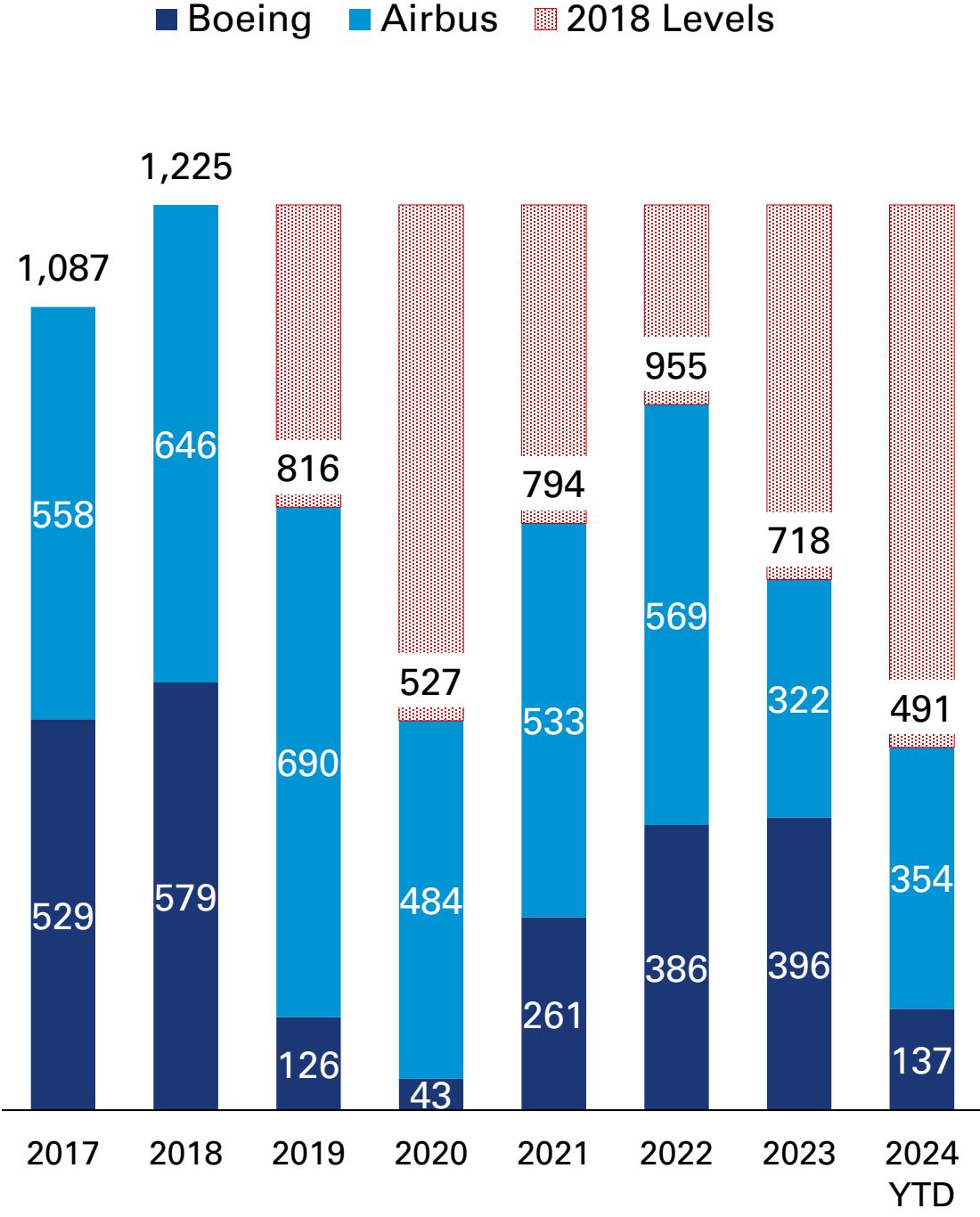


Lack of New Narrow-body Supply Driving Demand

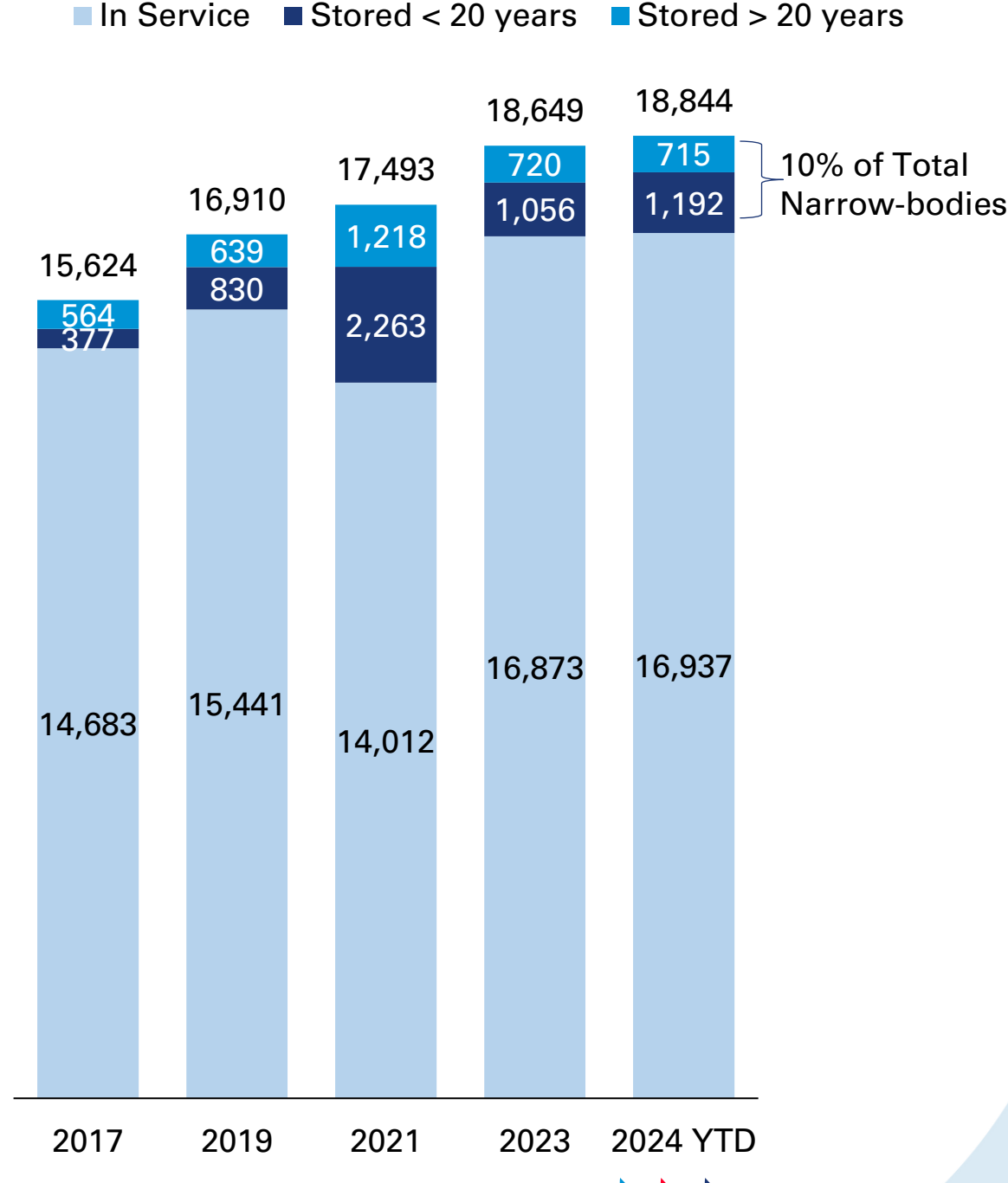
OEM Deliveries Affected by Supply Chain / Ongoing Engine Issues



~2,300 Fewer Cumulative New NBs Delivered From 2019 - 2023 vs 2018 Levels



Stored Fleet Remains Elevated Despite Demand Rebound

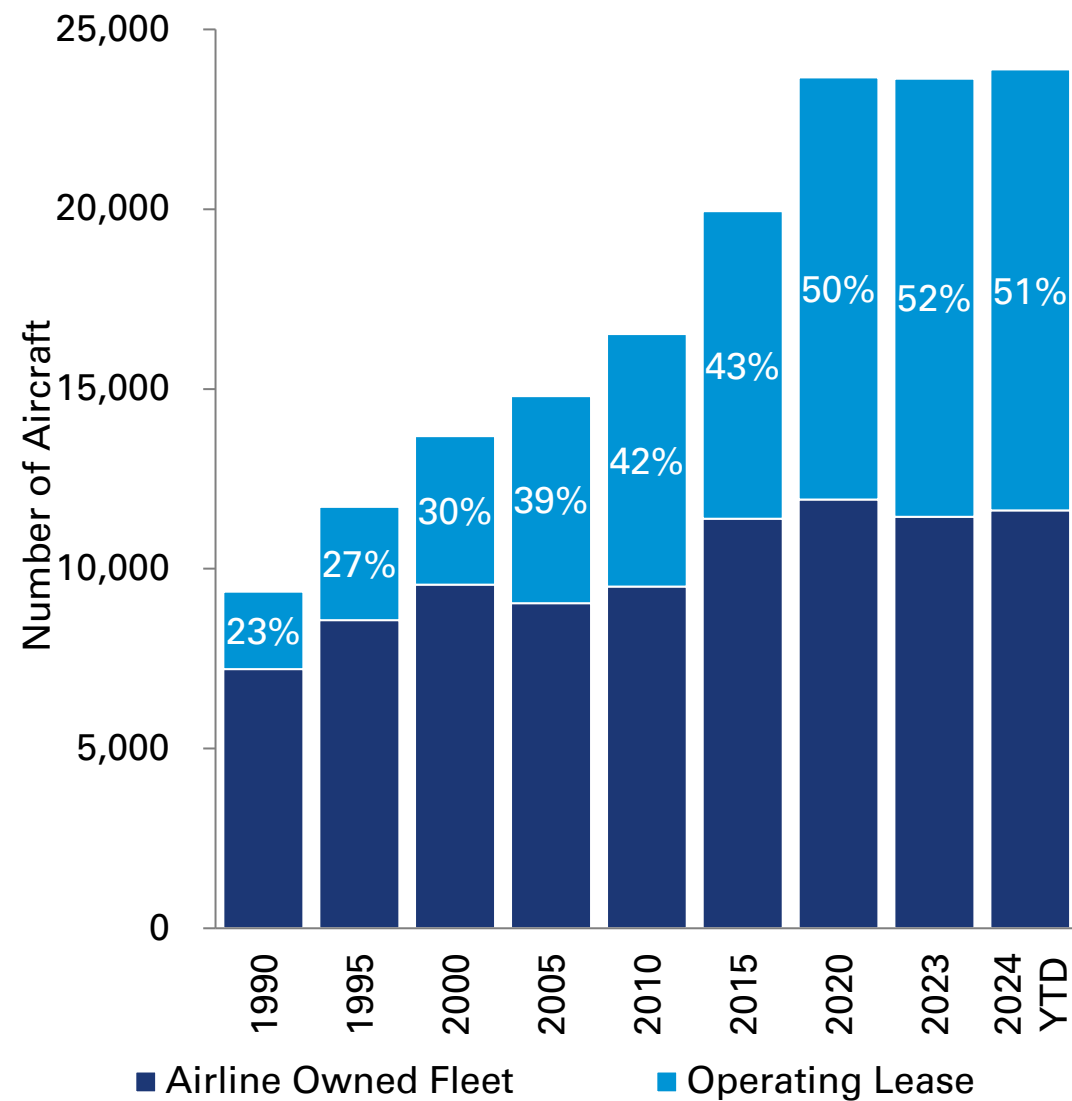


Source: Airbus, Boeing; Cirium, June 2024

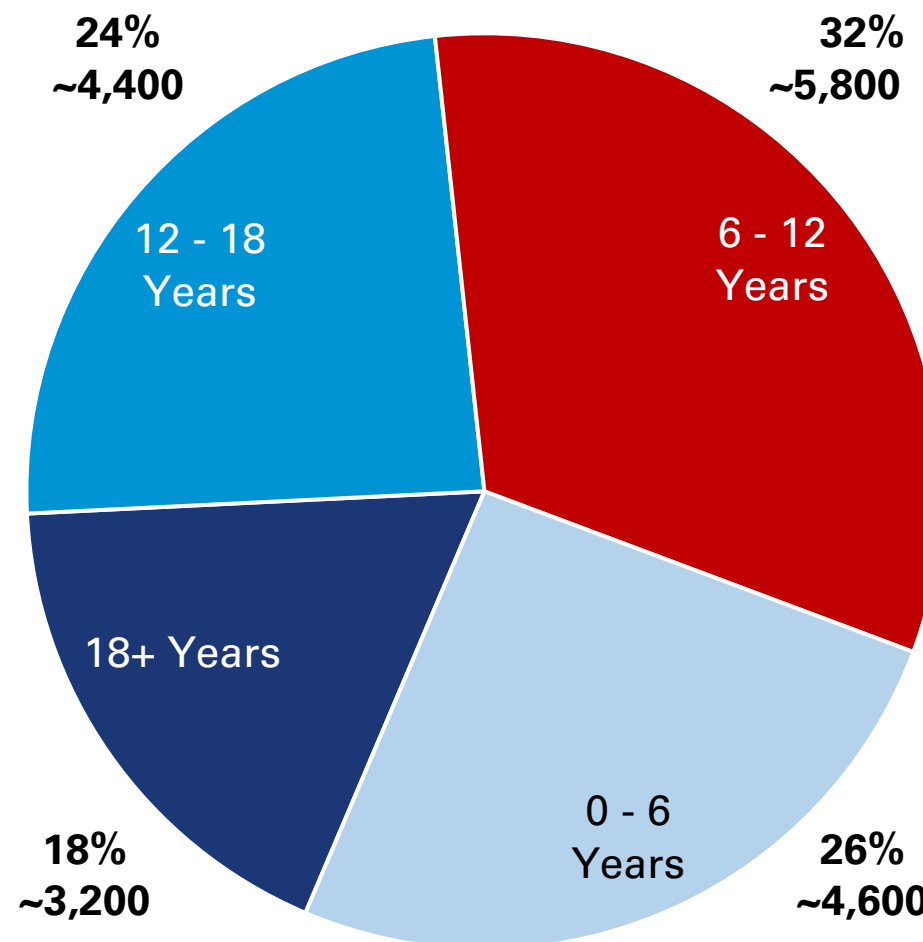
Aircastle Investment Target

Substantial Narrow-body Opportunity Set

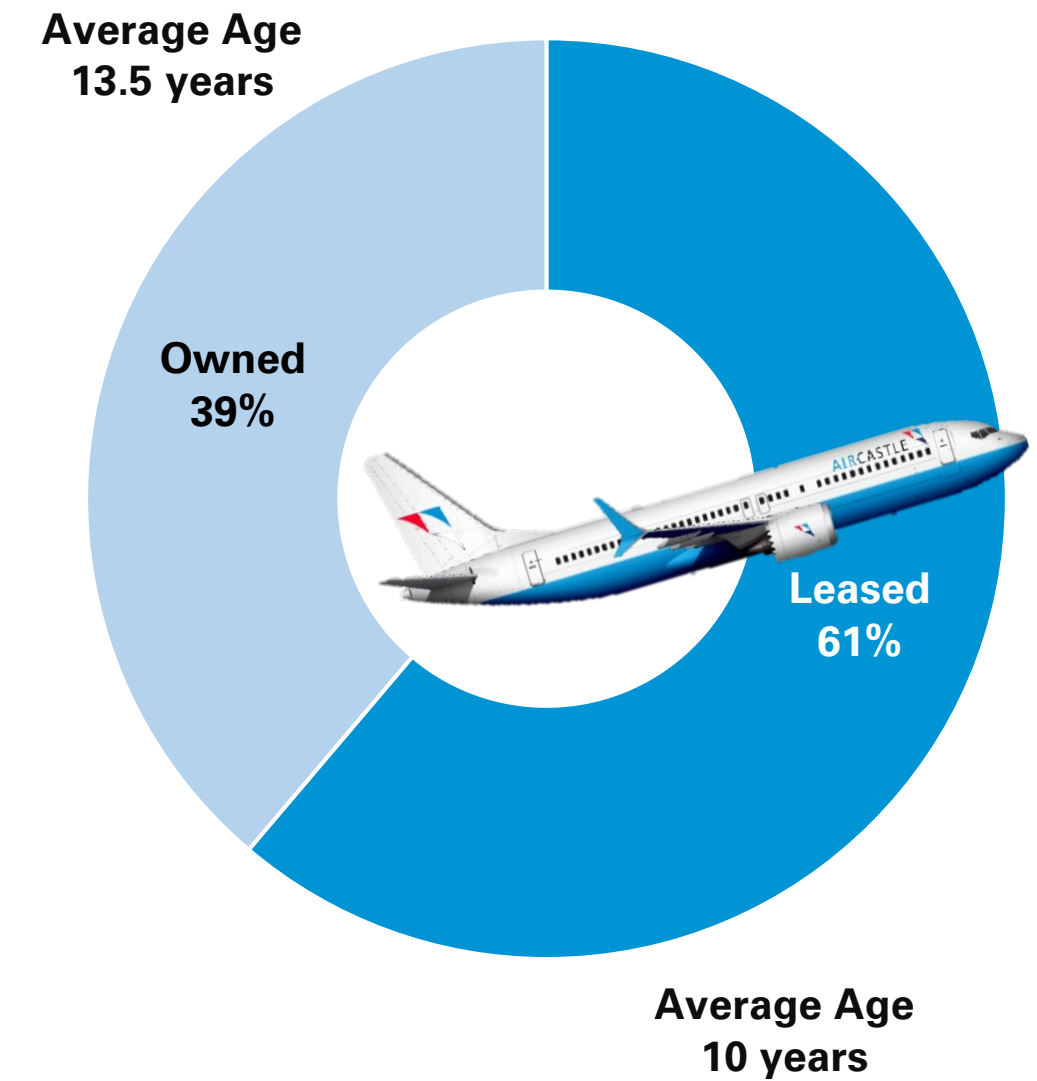
Lessors Own Over Half of All Passenger Aircraft



Largest Segment of the Global Narrow-body Fleet is 6-12 Years Old



Narrow-body Fleet is Mostly Leased and Between 6-12 Years Old



Note: Narrow-body in-service types include A220, A320ceo family, A320neo family, 737 Classics, 737 NG, 737 MAX, 757, E190/195, E190/195 E-2.

Diversified Customer Base Across Geographies

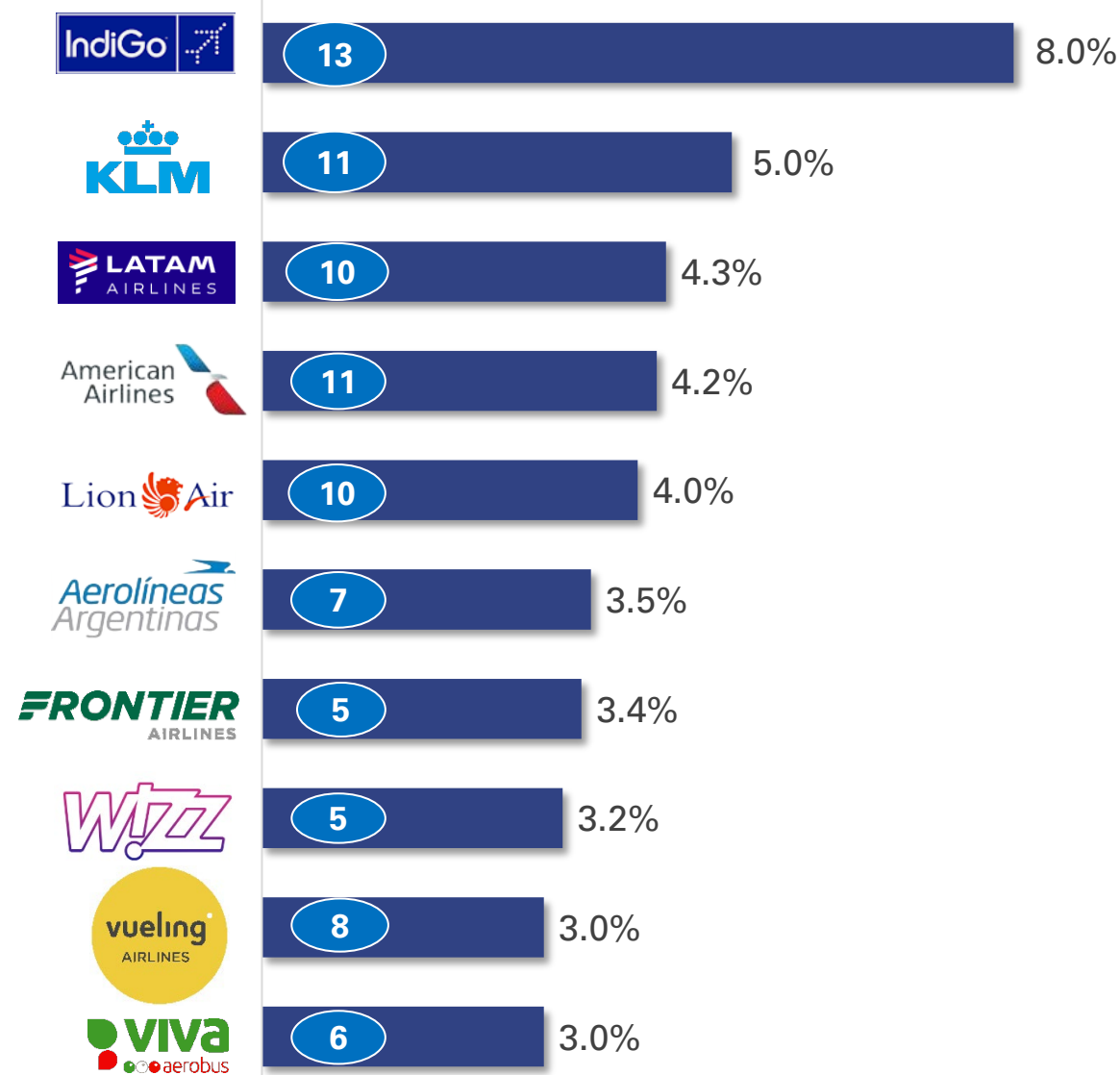
77 Lessees in
46 Countries

All top ten customers
either flag carriers or
leading LCCs

Balanced fleet distribution
by geography

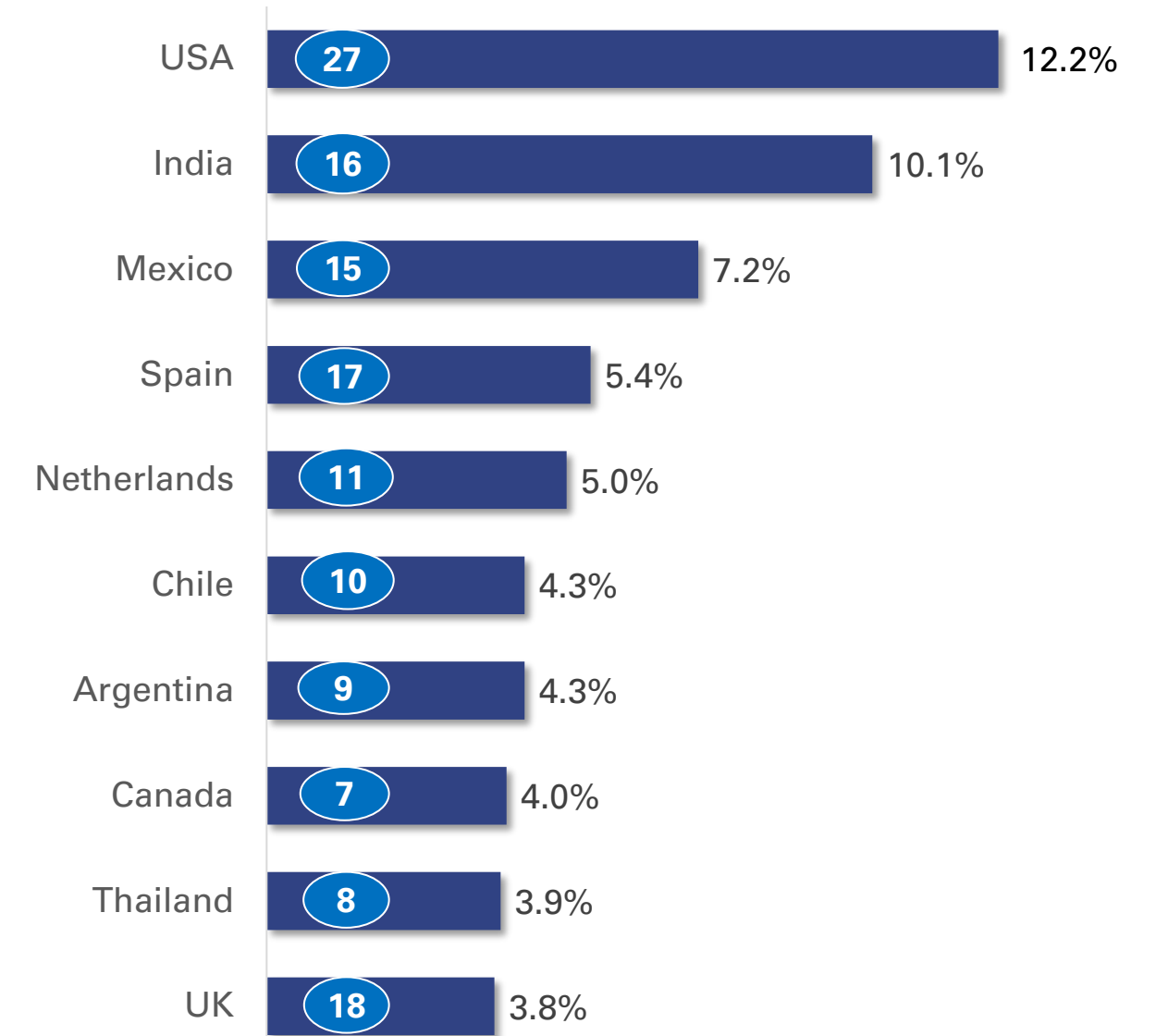
Denotes # of aircraft

Customer Exposure (% of NBV¹)



No Customers Over 8% of NBV

Geographic Exposure (% of NBV¹)



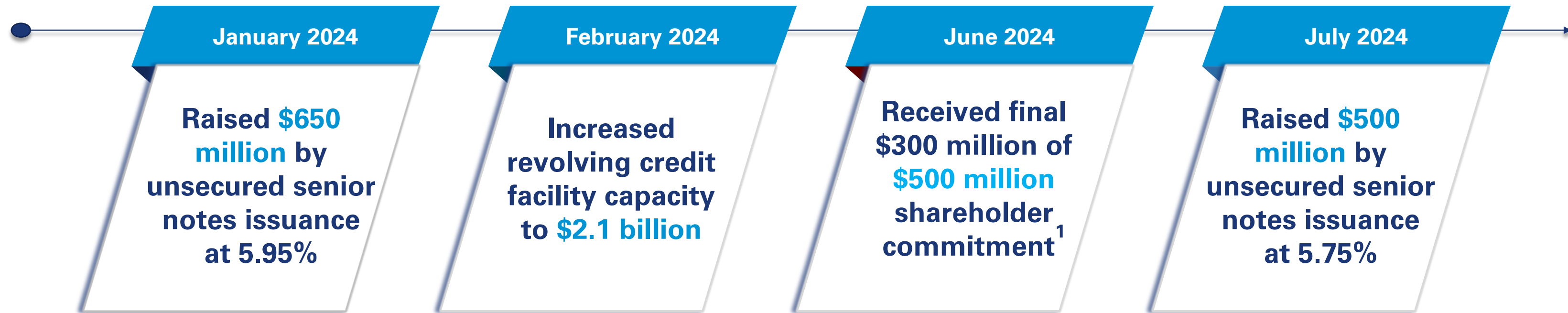
Well Diversified Across Regions

Note: Data for owned aircraft only as of August 31, 2024; the 78 Lessees referenced on Slide 3 includes one customer leasing one aircraft through our joint venture.

1. References to NBV includes flight equipment held for lease and net investments in direct financing and sales type leases.



Strong Liquidity & Demonstrated Shareholder Support



Marubeni
Mizuho Leasing

"The \$500 million capital commitment we've received from our shareholders is another outstanding demonstration of their strong support for the long-term growth of our unique business model."

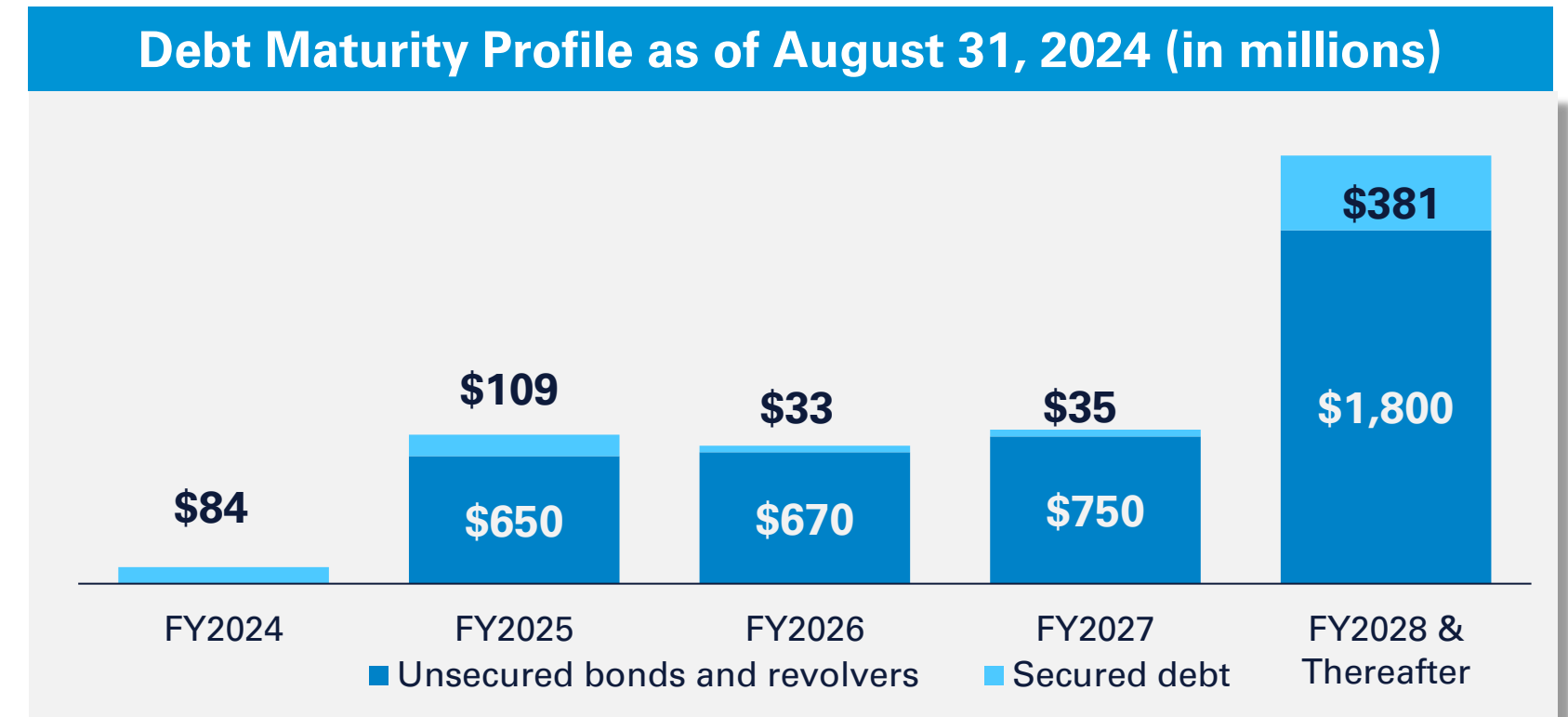
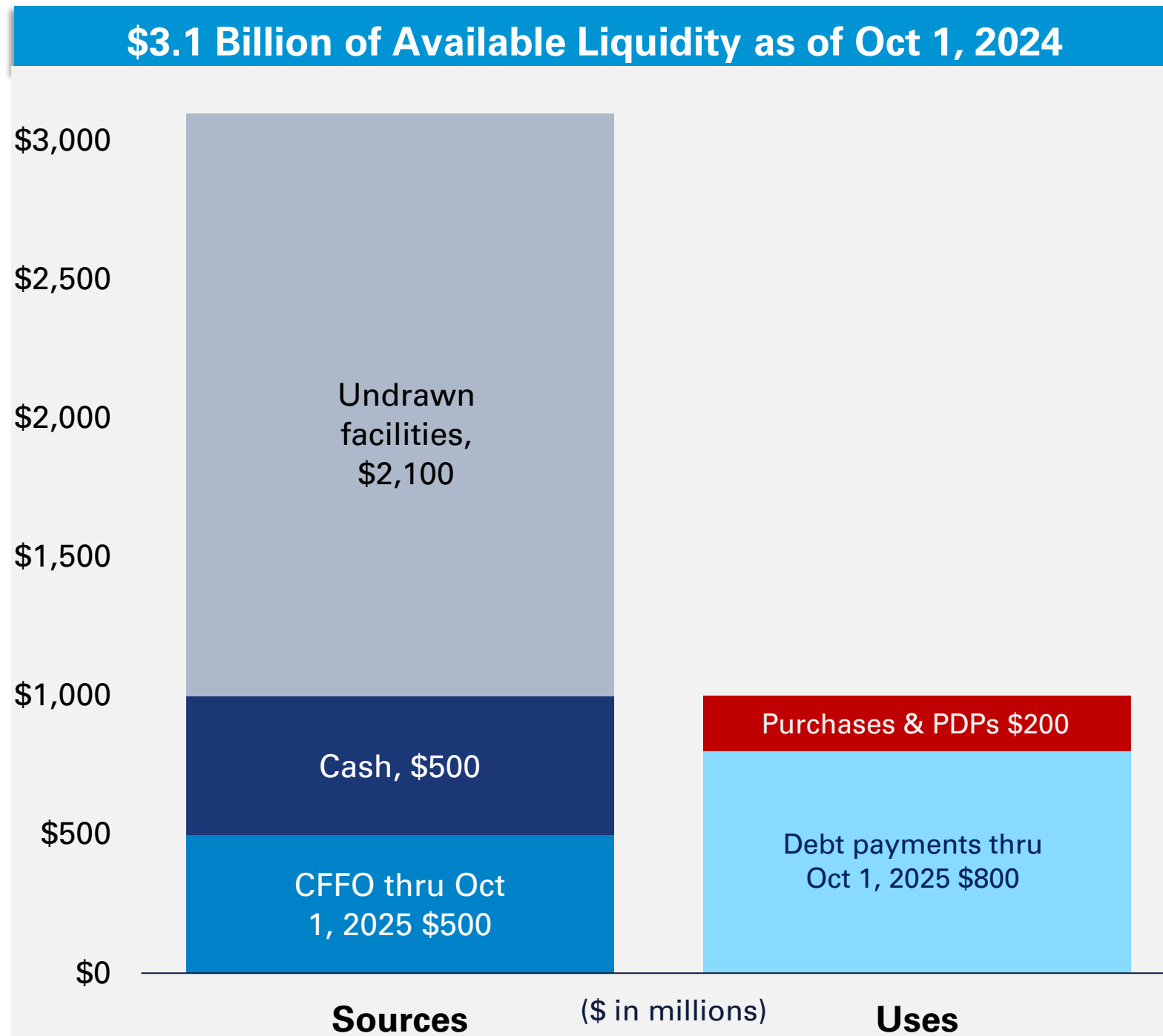
Michael Inglese, Aircastle CEO

- **Financing Access:** Enhanced credit profile and financing market access
- **Capital Support:** Backing of two major institutions offers access to significant financial resources and support
- **Industry Expertise:** Provides deep knowledge and experience in the aviation sector
- **Local Access in Asia:** Enables access to key partners and customers in Asia market

1. \$200 million funded July 2023



Strong Liquidity Position & Conservative Debt Profile



- **86%** of total debt is unsecured
- **85%** of aircraft and other flight equipment are unencumbered (\$6.0B)
- **1.9x** net debt to equity¹
- **Limited committed order book** provides capital allocation flexibility
- **Investment Grade Since 2018:**
S&P: **BBB-**²
Fitch: **BBB+**
Moody's: **Baa3**

1. As of August 31, 2024. Includes 50% of \$400 million (or \$200 million) of hybrid capital preference shares. The ratio excludes debt issuance costs or discounts which are reflected in the net debt totals that are displayed on the consolidated balance sheet.

2. On May 24, 2024, S&P revised Outlook to Positive on improving operating performance.



Reconciliation of GAAP to Non-GAAP Measures

(\$ in thousands)	Three Months Ended August 31,		Six Months Ended August 31,	
	2024	2023	2024	2023
Net income (loss)	\$ 28,659	\$ 5,518	\$ 44,740	\$ 28,288
Depreciation	87,675	86,328	177,033	175,117
Amortization of lease premiums, discounts & incentives	6,068	7,124	12,717	14,331
Interest, net	62,424	57,035	127,237	113,926
Income tax provision	9,028	(5,099)	12,600	9,261
EBITDA	193,854	150,906	374,327	340,923
<i>Adjustments:</i>				
Impairment of flight equipment	5,761	1,100	10,972	2,197
Gain on extinguishment of debt	(285)	-	(285)	-
Adjusted EBITDA	\$199,330	\$152,006	\$385,014	\$343,120

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.



Limitations of EBITDA and Adjusted EBITDA

An investor or potential investor may find EBITDA and Adjusted EBITDA are important measures in evaluating our performance, results of operations and financial position. We use these non-US GAAP measures to supplement our US GAAP results in order to provide a more complete understanding of the factors and trends affecting our business.

EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be viewed in isolation or as substitutes for US GAAP measures of earnings. Material limitations in making the adjustments to our earnings to calculate EBITDA and Adjusted EBITDA and using these non-US GAAP measures as compared to US GAAP net income, income from continuing operations and cash flows provided by or used in operations, include:

- depreciation and amortization, though not directly affecting our current cash position, represent the wear and tear and/or reduction in value of our aircraft, which affects the aircraft's availability for use and may be indicative of future needs for capital expenditures;
- the cash portion of income tax (benefit) provision generally represents charges (gains), which may significantly affect our financial results; and
- adjustments required in calculating covenant ratios and compliance as that term is defined in the indenture governing our senior unsecured notes may differ from and may not be comparable to, similarly titled measures used by other companies.

EBITDA and Adjusted EBITDA are not alternatives to net income, income from operations or cash flows provided by or used in operations as calculated and in accordance with US GAAP. You should not rely on these non-US GAAP measures as a substitute for any such US GAAP financial measure. We strongly urge you to review the reconciliations to US GAAP net income, along with our consolidated financial statements included elsewhere in our Annual Report. We also strongly urge you to not rely on any single financial measure to evaluate our business. In addition, because EBITDA and Adjusted EBITDA are not measures of financial performance under US GAAP and are susceptible to varying calculations, EBITDA and Adjusted EBITDA as here, may differ from and may not be comparable to, similarly titled measures used by other companies.



AIRCASTLE  

20 YEARS

A MARUBENI & MIZUHO LEASING COMPANY



Contact

*James Connelly
Senior Vice President, ESG & Corporate Communications
203-504-1871
jconnelly@aircastle.com*