

# Aviation Capital Group

Investor Meeting



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This presentation includes references to certain non-GAAP financial measures. Management believes that, in addition to using GAAP results to evaluate ACG’s business, these non-GAAP financial measures can be useful to evaluate our financial condition and compare results across periods. Non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures prepared in accordance with GAAP. The non-GAAP measures used by ACG may differ from the non-GAAP measures used by other companies. Investors and potential investors are encouraged to review the reconciliation of non-GAAP financial measures to their most directly comparable GAAP financial measure set forth in the Appendix.

# Investor Meeting Agenda



**Aviation Capital Group Introduction**



**Aircraft Leasing Industry Overview**



**ACG's Strategic Advantages**



**Performance Highlights**



**Wrap-Up / Q&A**

# Aviation Capital Group Introduction

Company Name	Aviation Capital Group LLC
Headquarters	Newport Beach, CA, USA
Founded	1989
Total Assets	\$12.1 billion
Fleet Size <sup>1</sup>	496
Investment Grade Ratings	Baa2 <i>MOODY'S</i> & BBB- <i>S&amp;P Global</i>
Number of Employees	~130
Number of Airline Customers <sup>1</sup>	85
Ownership	Tokyo Century Corporation



**Mahoko Hara**  
Executive Chair



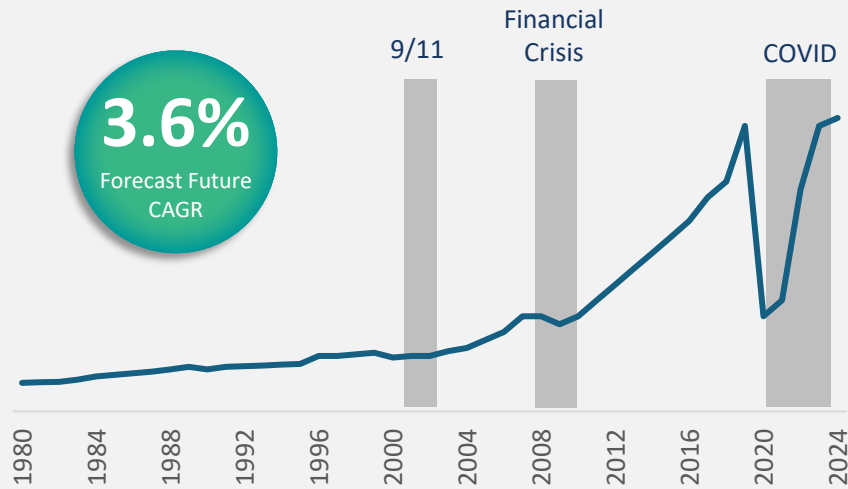
**Thomas G. Baker**  
Chief Executive Officer &  
President



**Craig Segor**  
Executive Vice President &  
Chief Financial Officer

# Growing air travel demand drives growing aircraft market...

## Consistent RPK Growth



Source: IATA, Airbus GMF



## Return to Profitability

Airline operating profit, USD Billion

Source: IATA Industry Statistics, December 2024



## Resilient Load Factors

%ASK, Passenger Load Factor

Source: IATA Air Passenger Market Analysis, December 2020/2024

2020

2024

(\$111)



\$61



Estimated

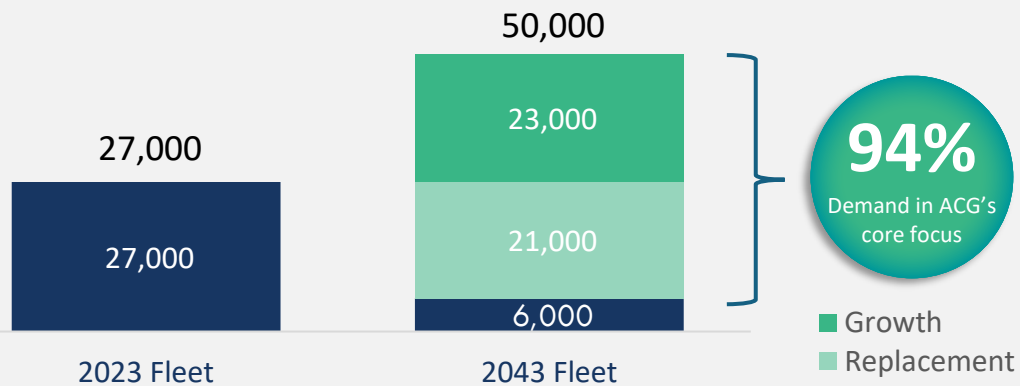
65%



83%

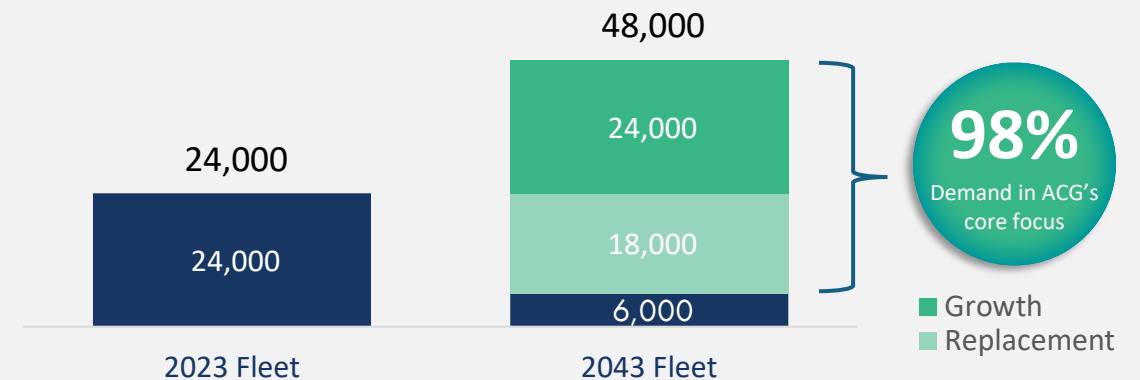


## Boeing 20-Year Forecast



Source: Boeing Commercial Market Outlook – July 2024, rounded

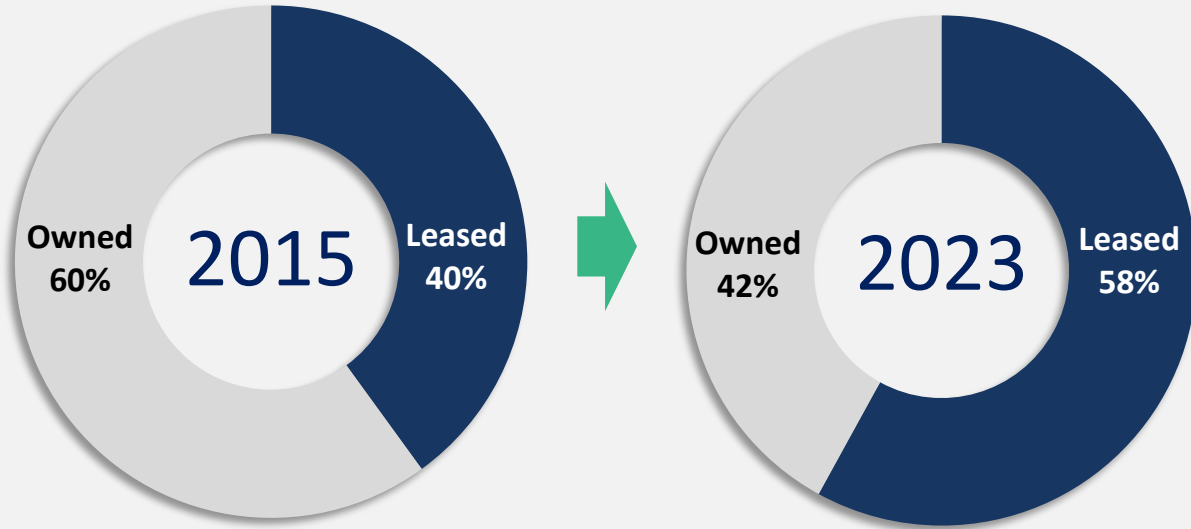
## Airbus 20-Year Forecast



Source: Airbus Global Market Forecast 2024, rounded

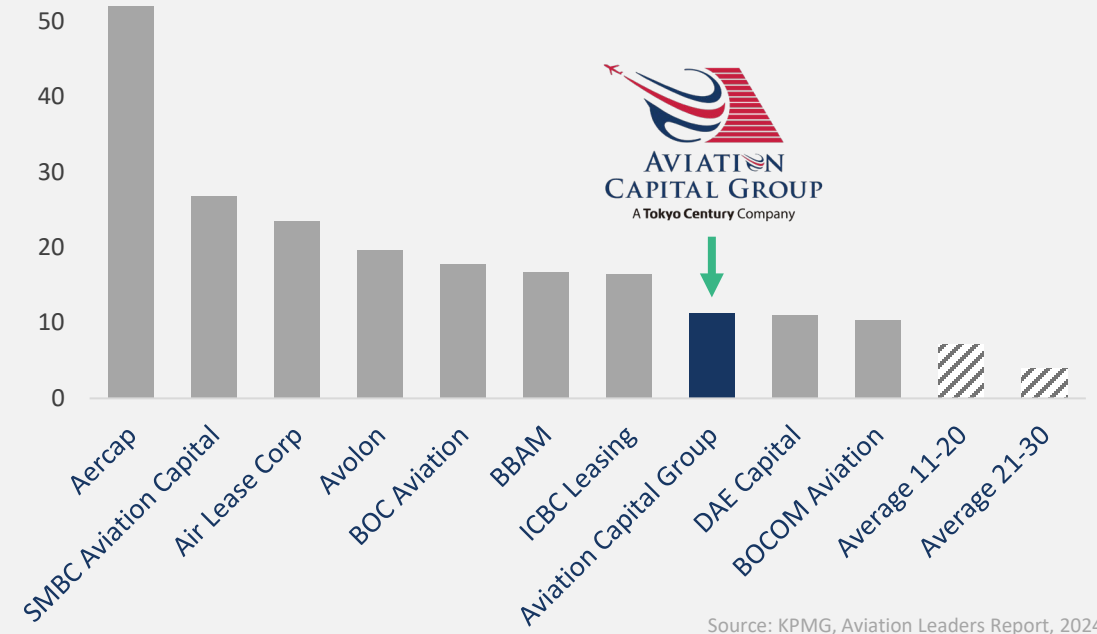
# Lessors Increasing Share by Being a Reliable Source of Funding

## Increasing Share of Growing Market



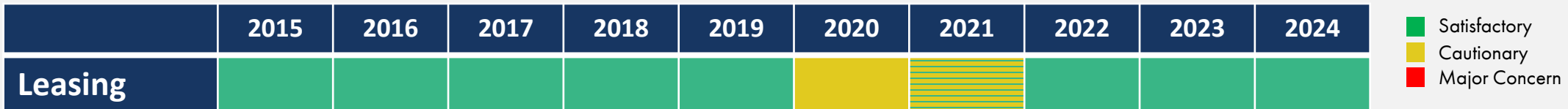
Source: Fitch Ratings, IATA Sustainability and Economics 2024

## Top Lessors by Portfolio Size (\$B)



Source: KPMG, Aviation Leaders Report, 2024

## Reliable Source of Aircraft Funding



Source: Boeing Commercial Aircraft Finance Market Outlook 2024

# ACG's Strategic Advantages



**Global aircraft lessor with a scale portfolio of liquid aircraft**



**New technology aircraft investment via multiple channels**



**Active in trading and sale-leaseback markets**



**Long-term committed cash flows and contracted growth**



**Investment grade issuer, disciplined funding strategy**



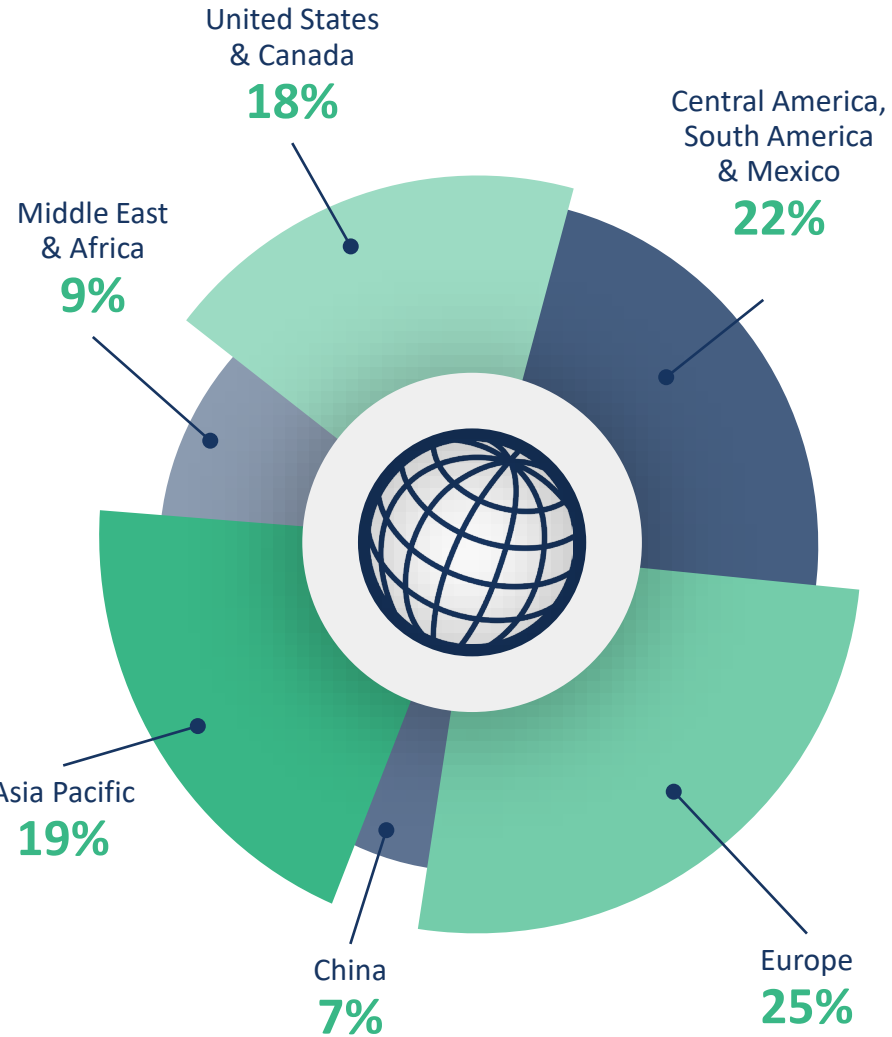
**Proven performance in 2024**

# Global Operations, Diversified Customer Base

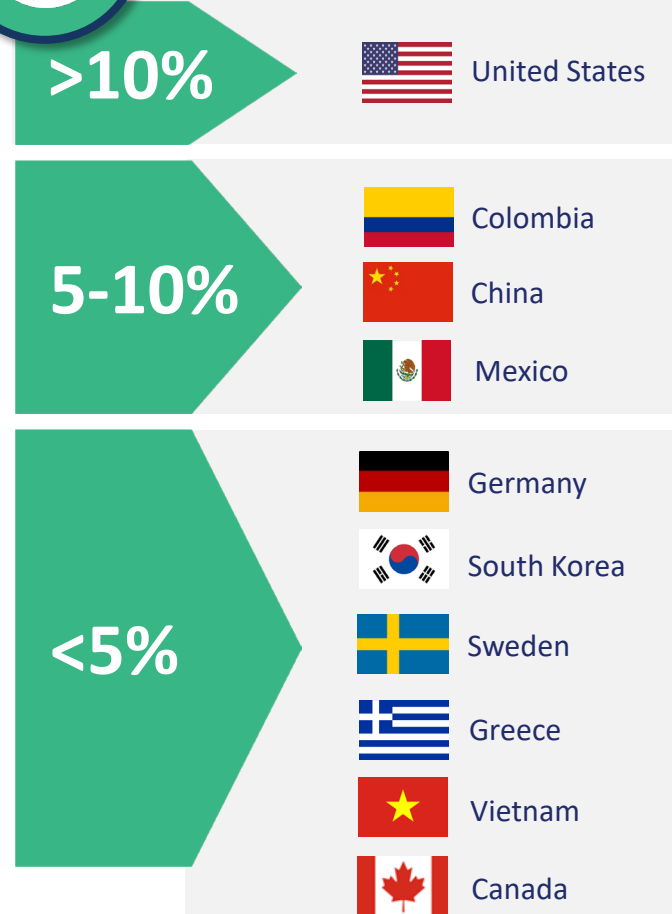
## Top Lessees<sup>1</sup>



~85 Lessees<sup>2</sup>



## Top Countries<sup>1</sup>



~45 Countries<sup>2</sup>



# Scale Portfolio of Liquid Aircraft

New Technology



Aircraft Family	Owned Aircraft	% NBV <sup>1</sup>	Managed Aircraft	Committed Aircraft	Total Aircraft
Airbus A320neo	108	49%	6	53	167
Boeing 737 MAX	15	6%	-	96	111
Airbus A220	2	1%	-	20	22
Boeing 787	6	6%	2	-	8
Airbus A350	3	4%	-	2	5
Airbus A320ceo	70	19%	24	-	94
Boeing 737 NG	67	15%	18	-	85
Other <sup>2</sup>	-	-	4	-	4
<b>Total</b>	<b>271</b>	<b>100%</b>	<b>54</b>	<b>171</b>	<b>496</b>

Total Assets  
**\$12.1B**

Narrowbody by Count  
**97%**

Fleet Age<sup>3</sup>  
**6.2 Years**

# New Technology Focused Growth

## Multiple Investment Channels

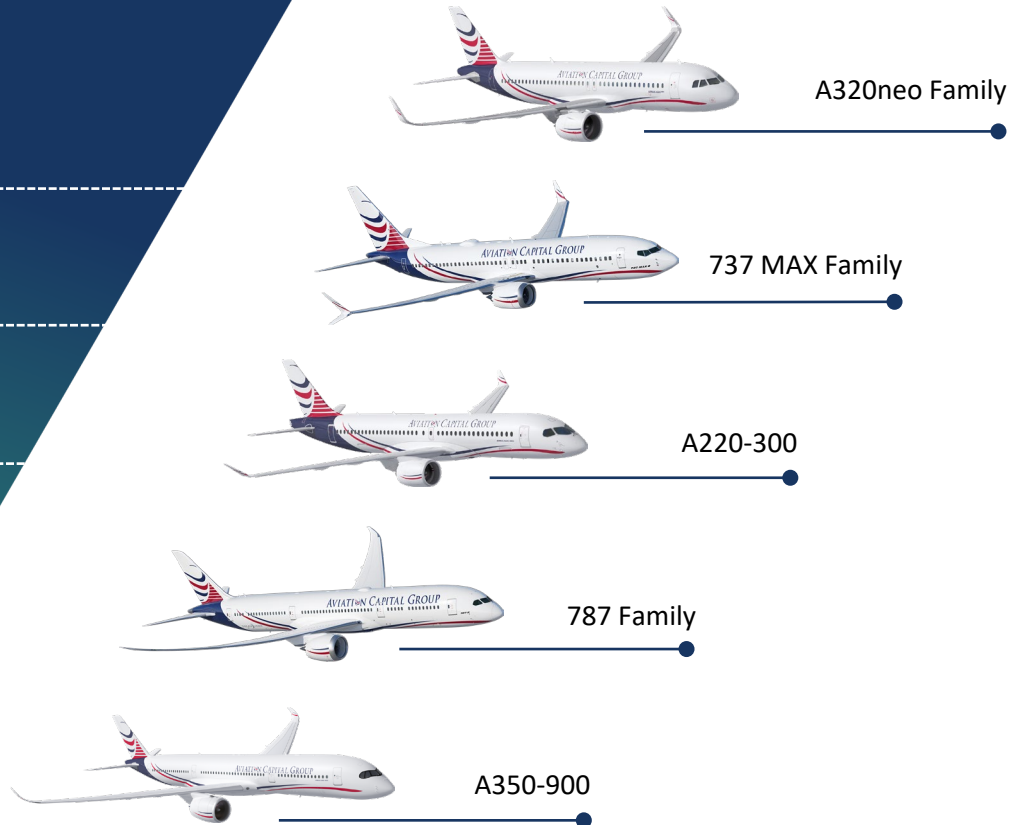
Direct from OEM

Sale-Leaseback

Secondary Market

Opportunistic M&A

## New Technology Aircraft

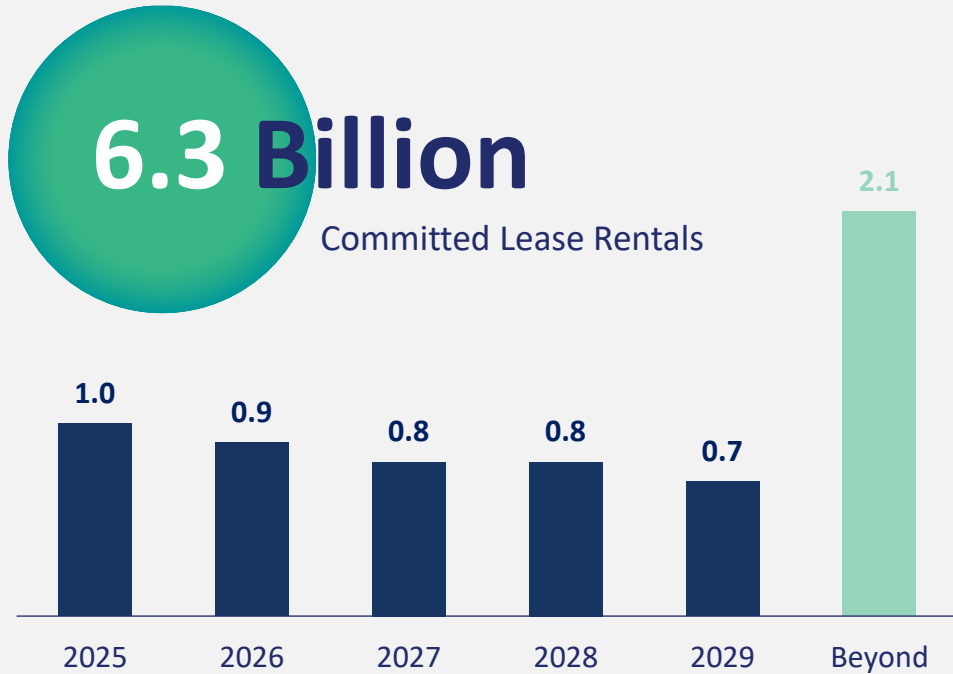


## Investment Strategy



# Long-Term Committed Cash Flows...

## Committed Lease Rentals (\$B)<sup>1</sup>

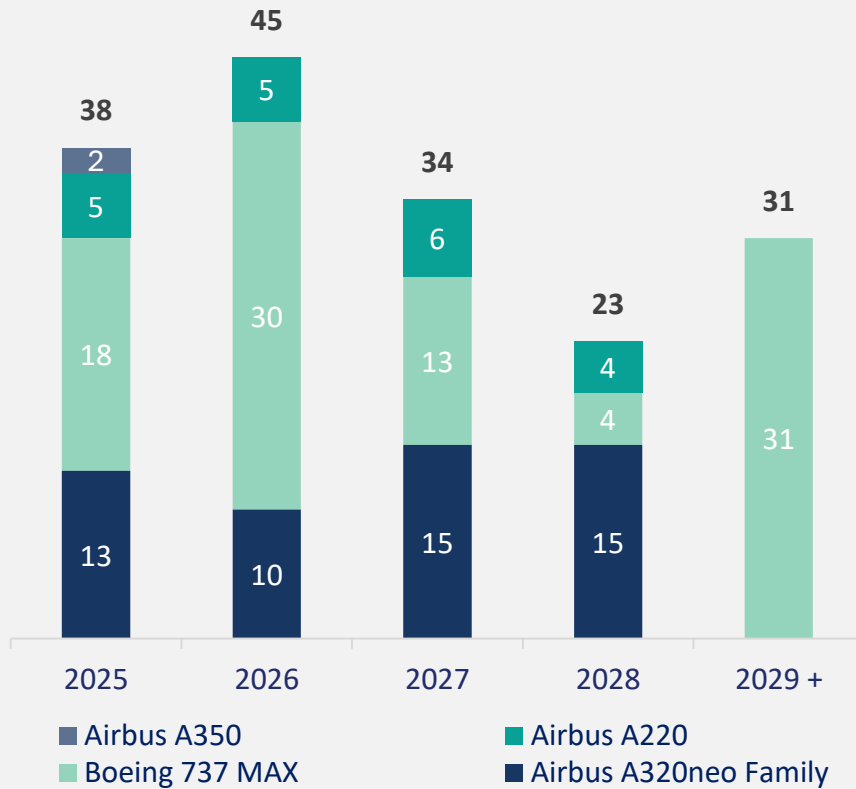


## Portfolio Concentration by Lease Maturity<sup>2</sup>

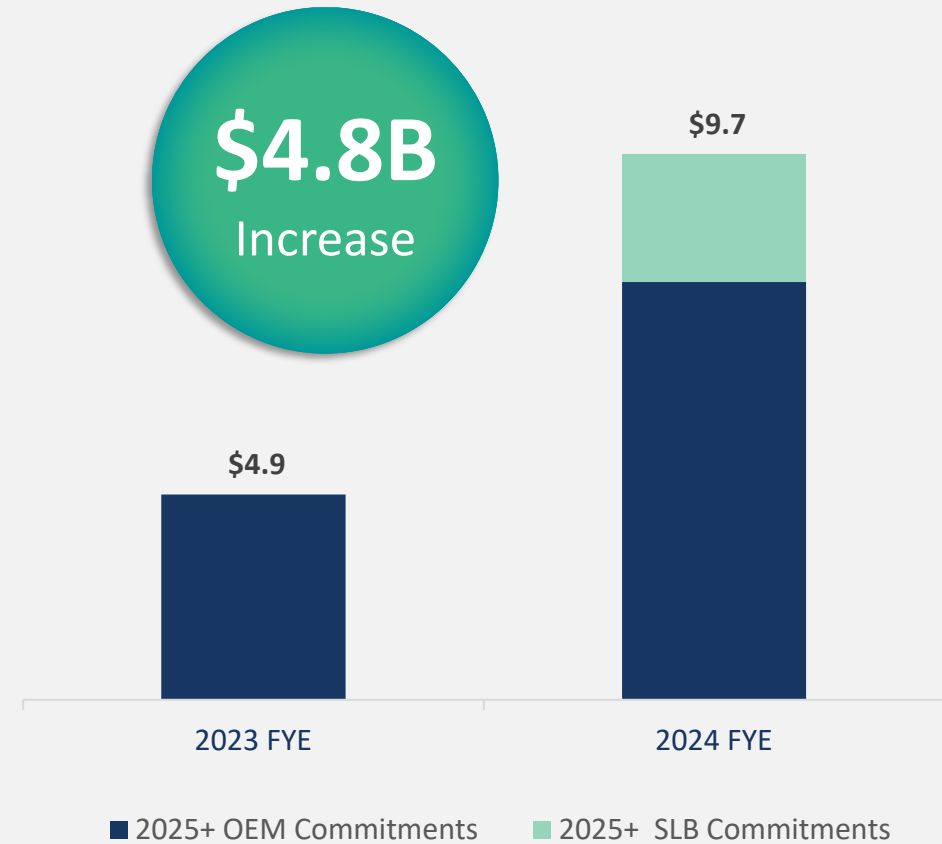


# ..and Contracted Growth

## Future Aircraft Deliveries



## Aircraft Commitments (\$B)



# Investment Grade Issuer, Disciplined Funding Strategy

## Investment Grade Ratings

MOODY'S

**Baa2**

Stable

S&P Global

**BBB-**

Stable



## Conservative Leverage

**2.1x**

Net Debt to  
Equity<sup>1</sup>



## Robust Liquidity

**4.1x**

Debt Maturities  
Coverage<sup>2</sup>

**1.4x**

Sources to  
Uses<sup>2</sup>



## Unsecured Funding Model

**96%**

Unsecured  
Debt



## Strong Asset Coverage

**1.6x**

Unencumbered  
Asset Coverage<sup>3</sup>



## Net Fixed Rate Debt<sup>4</sup>

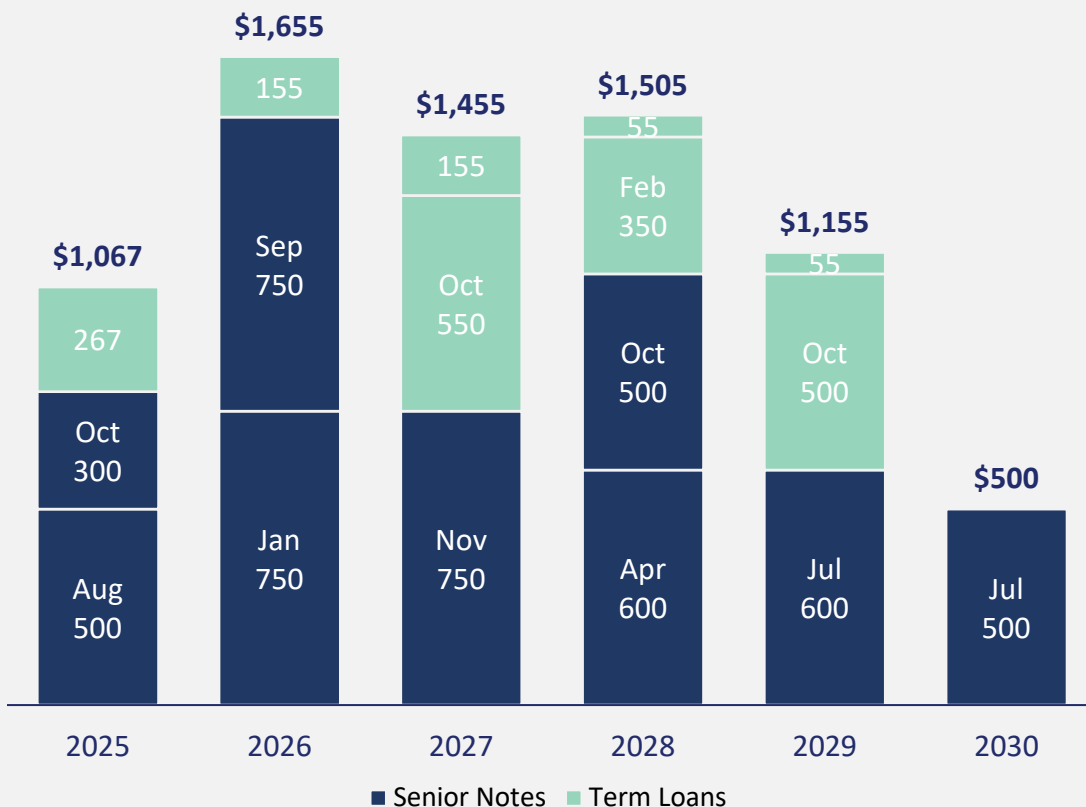
**93%**



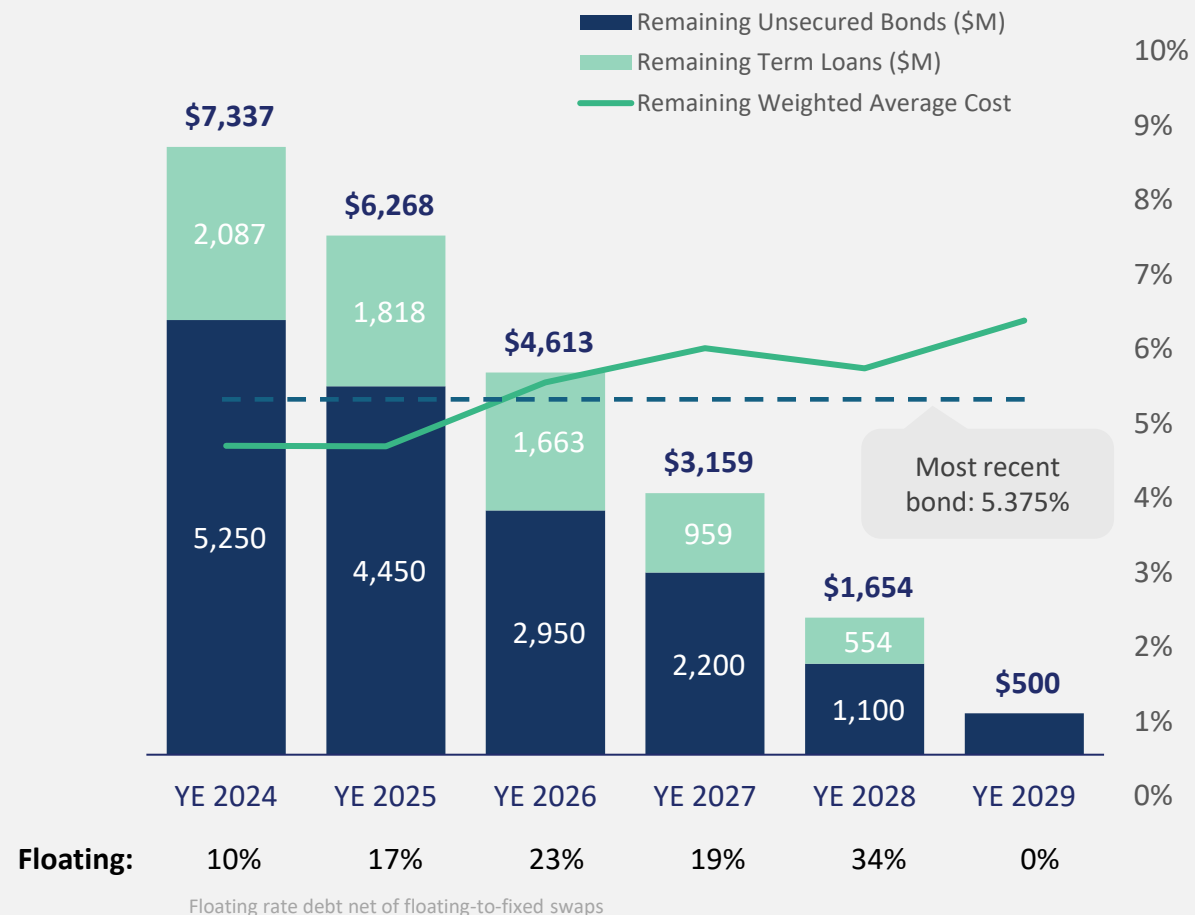
## Well Positioned for Strategic Growth

# Volume of Higher Cost Debt Diminishes Over Time

## Unsecured Debt Maturities (\$M)



## Existing Unsecured Debt Roll-Off



# Global Access to Diverse Sources of Capital



**\$2.9 billion raised globally in 2024**

**Strong relationships with leading banks across Asia, the US and Europe**



**\$600M 144A Bond**  
Significant investor demand, delivered coupon 1.375% lower than October 2023 issuance

**\$550M SLL**  
2024 Aviation 100 Sustainable Finance Deal of the Year  
KPIs for new technology and carbon intensity

**\$350M Japan Term Loan**  
ACG's 6<sup>th</sup> term loan in Japanese regional bank market

**\$2.6B Revolving Credit Facility**  
\$300M new commitments; 22 lenders

**\$104M ECA Financing**  
Strategic funding diversification, supported deliveries of new technology aircraft to Chilean airline

**\$1B APAC Term Loan/RCF**  
23 lenders across 9 countries, \$500M additional liquidity

# Proven Performance in 2024

## Record Annual Revenues

**\$1.24B** 2024 Total Revenues

## Higher Earnings

**28%** YoY Increase in Pre-Tax Net Income

## Reduced Debt

**~\$1B** YoY Debt Reduction

### Buying Strategically



**25 aircraft delivered**  
100% New Technology Aircraft Added in 2024

**76 commitments<sup>1</sup>**  
OEM, Sale-Leaseback and Secondary Market

### Selling Into Demand



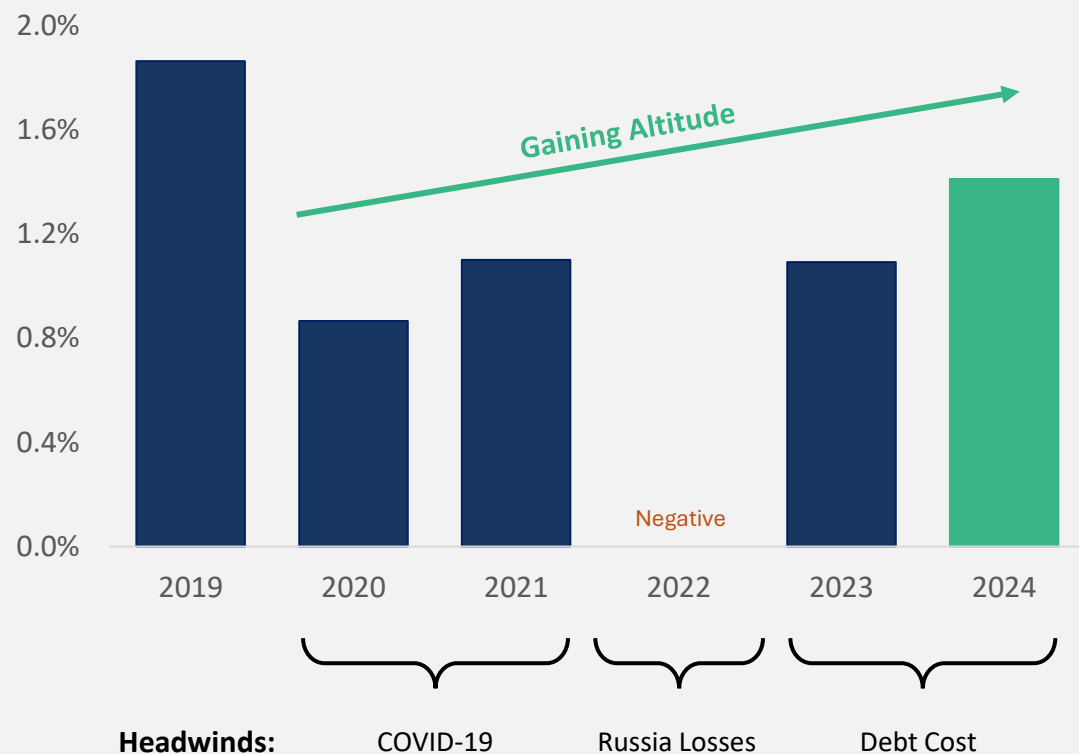
**65 assets sold**  
Sold 61 Aircraft, 2 Engines and 2 Airframes in 2024

**Positioned for growth**  
Leverage Reduced to 2.1x



# ROA Increasing Through Macro Headwinds

## Pre-Tax Return on Assets



## Tailwinds Driving Future Performance

- Robust aircraft demand**  
Record ACG revenues, supply in favor of lessors
- Strong airline performance**  
YoY growth, high utilization, low delinquency
- High velocity business**  
Trading gains, debt reduction, dynamic management
- Future growth channels**  
OEM, Sale-Leaseback, Secondary Market, M&A

**Q&A**



# Appendices

# Appendix

## Debt Financing Summary

(\$ in Thousands)	Carrying Amount	Maturity Date	Interest Rate	Type
<b>Unsecured Debt Obligations:</b>				
Senior Notes	\$5,250,000	Aug 2025 – Jul 2030	2.0% - 6.8%	Fixed
Term Loans	2,085,227	Sep 2025 – Dec 2029	4.7% - 6.3%	Floating <sup>1</sup>
<b>Secured Debt Obligations:</b>				
Secured Loans	266,573	Sep 2032 – Apr 2036	4.1% - 5.8%	Fixed & Floating
<b>Debt Acquisition Costs</b>	(52,037)			
<b>Original Issuance Discounts</b>	(20,999)			
<b>Debt Financings, Net</b>	<b>\$7,528,764</b>			

# Appendix

## Non-GAAP Reconciliation

(\$ in Millions, Except Multiples)	
Debt Financings, Net	\$7,529
Less:	
Cash and Restricted Cash	168
Net Debt	\$7,361
Total Equity	\$3,570
<b>Net Debt to Equity</b>	<b>2.1x</b>

# Appendix

## Lessee and Country Concentrations

~85 Lessees<sup>1</sup>

### Top Lessees

	Avianca	7%
	Frontier Airlines	4%
	Spirit Airlines	4%
	Volaris	4%
	Condor Airlines	4%
	SAS	4%
	LOT Polish Airlines	3%
	American Airlines	3%
	COPA Airlines	3%
	Vietnam Airlines	3%

~45 Countries<sup>1</sup>

### Top Countries

	United States	14%
	Colombia	7%
	China	7%
	Mexico	6%
	Germany	4%
	South Korea	4%
	Sweden	4%
	Greece	4%
	Vietnam	4%
	Canada	4%

# Appendix: Footnotes

## Slide 4

1 – Owned, managed and committed aircraft.

## Slide 8

1 – All percentage calculations are based on net book value of owned aircraft and exclude aircraft off-lease and investments in finance leases. “Asia Pacific” excludes China.

2 – Counts include owned, managed and committed aircraft.

## Slide 9

1 – Excludes investments in finance leases.

2 – Includes 3 managed Airbus A330s and 1 managed Boeing 777.

3 – Weighted average age of owned aircraft based on net book value.

## Slide 11

1 – Committed minimum lease rentals (inclusive of executed deferral and restructuring agreements) we are due under operating leases as of December 31, 2024.

2 – Weighted average remaining lease term figure excludes aircraft off-lease and investments in finance leases.

## Slide 13

1 – Calculated as Net Debt divided by Total Equity. Net Debt is calculated as debt financings net of cash and restricted cash. Net Debt is a non-GAAP financial measure. See Appendix for reconciliation to the most directly comparable GAAP measure.

2 – Liquidity metrics are for the next twelve months as of December 31, 2024. Detailed sources and uses are included in ACG’s Q4 2024 Investor Presentation.

3 – Debt covenant to maintain 1.25x unencumbered assets to unsecured debt.

4 – “Net Fixed Rate Debt” includes floating rate debt that (1) has been swapped to a fixed rate, or (2) has natural hedges to AFS loan receivables or floating rate leases.

## Slide 16

1 – Includes 13 aircraft purchased in 2024.

## Slide 20

1 – We have entered into interest rate swaps that exchange a portion of this floating rate interest to fixed interest rates to manage exposure to changes in SOFR. The interest rate swaps have amortizing notional values and mature in July 2025, December 2027, February 2028 and April 2030. As of December 31, 2024, our interest rate swaps had a notional value of \$1.45 billion.

## Slide 22

1 – Counts include owned, managed and committed aircraft. All percentage calculations are based on net book value of owned aircraft and exclude aircraft off-lease and investments in finance leases.