

## AVOLON Q2 BUSINESS UPDATE

**Dublin | 7 July 2020:** Avolon, the international aircraft leasing company, issues an update for the second quarter of 2020 ('Q2').

### Q2 LIQUIDITY UPDATE

- Maintained a strong liquidity position at quarter end, with total liquidity (including unrestricted cash and undrawn secured warehouse facilities) in excess of US\$5 billion;
- Avolon's capital strength was further enhanced in Q2 with a 34% reduction in near-term capital commitments to the end of 2021, resulting in a year to date cumulative 52% reduction in capital commitments in the 2020-2023 timeframe;
- Executed the opportunistic buyback of US\$639 million of Avolon senior unsecured notes maturing between 2021-2024, at a discount to par, further reducing near-term debt maturities;
- As at 30 June, many of our customers had entered into short-term rental deferral arrangements or were in arrears on their rental obligations. As a result, Avolon's aggregate increase in trade receivables and deferred revenue asset implied a lease revenue collection rate during the first half of 2020 of 68%, with two thirds of the collection shortfall related to deferral arrangements;
- Between 30 June and 3 July, Avolon received aggregate payments of US\$47 million relating to the payment of outstanding trade receivables or deferred rental balances as at quarter end; and,
- During Q2, 12 of Avolon's customers were due to start repayments at the scheduled expiry of their deferral arrangements, 7 of these customers made payments in full and 5 customers have fallen into arrears or sought an extension to their short-term rental deferral arrangement for some or all of their rental obligations.

### Q2 FLEET METRICS

- Cancelled commitments to acquire 27 B737MAX aircraft in the 2020-2022 timeframe, in addition to the 75 B737MAX aircraft cancelled in Q1;
- Removed commitment to acquire 1 A330neo aircraft due to deliver in 2022 and deferred 3 A320neo family aircraft from 2020/21 to 2022;
- Delivered 3 new aircraft and transitioned 4 aircraft to follow-on lessees;
- Sold 10 aircraft during the quarter including 1 managed aircraft; 5 of these aircraft were sold to the Sapphire 2020-1 vehicle;
- Executed a total of 16 lease transactions in the quarter comprising new aircraft leases, follow-on leases and lease extensions;
- Owned and managed fleet of 547 aircraft at the end of Q2, with total orders and commitments for 277 new technology aircraft; and,
- Total of 145 airline customers in 62 countries.

**Dómhnaí Slattery, Avolon CEO, commented:** “Q2 was a challenging period for the aviation sector as COVID-19 impacted the industry on an unprecedented global scale, bringing with it continued uncertainty around the pace and timing of a recovery. The months ahead will be difficult, but we have the experience and balance sheet to manage through these headwinds.

*In Q2 we continued to reinforce our strong capital position and have maintained over US\$5 billion of total liquidity through the first half of this year.*

*Decisive measures to strengthen our capital position included the opportunistic buy back of US\$639 million of our unsecured bonds at a discount to par, in so doing reducing our near-term debt maturities. More significantly, we have reduced our near-term commitments by over 140 aircraft since the start of the year.*

*These actions provide us with the capital strength to manage through this market backdrop and to support our customers through the recovery.”*

## ENDS

### About Avolon

Headquartered in Ireland, with offices in the United States, Dubai, Singapore, Hong Kong and Shanghai, Avolon provides aircraft leasing and lease management services. Avolon is 70% owned by an indirect subsidiary of Bohai Leasing Co., Ltd., a public company listed on the Shenzhen Stock Exchange (SLE: 000415) and 30% owned by ORIX Aviation Systems, a subsidiary of ORIX Corporation which is listed on the Tokyo and New York Stock Exchanges (TSE: 8591; NYSE: IX). Avolon is one of the world’s largest aircraft leasing businesses with an owned, managed and committed fleet, as of 30 June 2020 of 824 aircraft.

Website: [www.avolon.aero](http://www.avolon.aero)  
Twitter: [@avolon\\_aero](https://twitter.com/avolon_aero)

Ross O’Connor  
Head of Investor Relations  
[roconnor@avolon.aero](mailto:roconnor@avolon.aero)  
T: +353 1 231 5818

Emmet Moloney  
Head of Communication  
[emoloney@avolon.aero](mailto:emoloney@avolon.aero)  
T: +353 1 556 4429

Jonathan Neilan  
FTI Consulting  
[avolon@fticonsulting.com](mailto:avolon@fticonsulting.com)  
M: +353 86 231 4135

### Note Regarding Forward-Looking Statements

This document includes forward-looking statements, beliefs or opinions, including statements with respect to Avolon’s business, financial condition, results of operations and plans. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on our management’s current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe,” “expects,” “may,” “will,” “could,” “should,” “shall,” “risk,” “intends,” “estimates,” “aims,” “plans,” “predicts,” “continues,” “assumes,” “positioned” or “anticipates” or the negative thereof, other variations thereon or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. No assurance can be given that such future results will be achieved.