



2022 FULL YEAR RESULTS

Avolon delivers strong underlying net income and cash generation as global aviation approaches full recovery

Dublin | 9 February 2023: Avolon, the international aircraft leasing company, announces results for the full year, 2022.

2022 | FINANCIAL HIGHLIGHTS

INCOME STATEMENT (\$M)	FY 2022	FY 2021	CHANGE	CHANGE%
Lease Revenue	2,337	2,144	193	+9%
Operating Cashflow	1,207	895	312	+35%
Reported Net Income	9	47	(38)	(81%)
Adjusted Net Income*	253	47	206	+438%

BALANCE SHEET (\$M)	FY 2022	FY 2021	CHANGE
Total Available Liquidity	5,567	6,387	(820)
Total Assets	30,796	30,984	(188)
Secured Debt / Total Assets	22%	20%	2%
Net Debt to Equity	2.3x	2.4x	(0.1x)

*Adjusted Net Income (a non-GAAP measure) excludes the impact of impairment and write-off of lease associated balances in respect of Russia

- Strong performance in adjusted net income with a 5x increase year-on-year to \$253 million which excludes the impact of Russia;
- 35% increase in operating cashflow to \$1.2 billion in 2022; exceeding the full year cashflow generated in 2019, prior to onset of Covid-19;
- 9% increase in lease revenue year-on-year to \$2.3 billion;
- Total available liquidity of \$5.6 billion at year end, including \$655 million of unrestricted cash and \$4.9 billion of undrawn debt facilities;
- Upsized unsecured revolving facility to \$4.6 billion, bringing total revolving debt capacity to over \$6.0 billion at year end;
- Raised \$2.2 billion of new debt, including Avolon's inaugural JOLCO financing; and
- Ended the year with net debt to equity of 2.3 times, a secured debt to total assets ratio of 22% and approximately \$16 billion of unencumbered assets.



2022 | PERFORMANCE HIGHLIGHTS

- Owned and managed fleet of 576 aircraft at year end, with total orders and commitments for 258 fuel-efficient, new technology aircraft;
- Executed a total of 237 lease transactions comprising new aircraft leases, follow-on leases and lease extensions;
- Delivered a total of 35 new aircraft and transitioned 35 aircraft to a total of 27 customers;
- Sold 36 aircraft during the year;
- Added 10 new customers during 2022, ending the year with a total of 146 airline customers operating in 63 countries;
- Agreed a landmark transaction with Malaysia Airlines for the financing of 20 A330-900neo aircraft valued at over \$2 billion;
- Delivered our first A330 to IAI for conversion to dedicated freighter operations;
- Received inaugural ESG Rating from Sustainalytics with a score of 16.0 placing Avolon in the 'Low Risk' category and the top 5% of our industry grouping; and
- Fully placed our order for 500 Vertical Aerospace eVTOLs.

Andy Cronin, Avolon CEO, commented:

"Momentum in global aviation continued throughout 2022 and we worked closely with our customers to support their demand for aircraft. Our financial performance was strong, with a five-fold increase in adjusted net income and 9% growth in lease revenue. Operating cashflow was 35% higher than 2021 and also ahead of our pre-pandemic cashflow in 2019. A non-cash impairment charge on aircraft in Russia impacted our reported performance but the underlying financial strength of our business is clear.

The outlook for 2023 is positive, and we expect the reopening in China will be the catalyst to drive global traffic to pre-pandemic levels by June. Increasing demand for aircraft to service strong passenger demand, combined with a shortage of new aircraft, is putting upward pressure on lease rates and is positive for long-term residual aircraft values. Avolon's low leverage, high levels of liquidity, and our order book of new technology fuel-efficient aircraft position us well to take advantage of attractive opportunities to deploy capital in the year ahead."

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 a global leader in aircraft leasing with an owned, managed and committed fleet, as of 31 December 2022 of 834 aircraft. www.avolon.aero

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