



2020 FULL YEAR RESULTS

AVOLON ENDS 2020 WITH \$6.9 BILLION OF AVAILABLE LIQUIDITY

Dublin | 11 February, 2021: Avolon, the international aircraft leasing company, announces results for the 2020 full year.

Consolidated financial statements for the year ended 31 December, 2020 have been prepared in accordance with US Generally Accepted Accounting Principles ("US GAAP"). The supplemental schedule in the appendix to Avolon's financial statements explains the principal adjustments made by Avolon in restating its IFRS financial statements under US GAAP.

2020 | FINANCIAL HIGHLIGHTS

US\$ MILLION	FY 2020	FY 2019	CHANGE
Lease Revenue	2,279	2,620	(13%)
(Loss)/Profit	(37)	725	
Total Available Liquidity	6,867	5,746	20%
Total Assets	30,838	29,303	5%
Secured Debt / Total Assets	25%	27%	(2%)
Net Debt to Equity	2.3x	2.2x	0.1x

- Total available liquidity of \$6.9 billion at year-end and net debt to equity of 2.3x;
- Raised \$4.4 billion of debt during 2020 at an average cost of 3.7%;
- Post financial year-end, in January 2021, issued \$1.5 billion of senior unsecured notes at Avolon's lowest ever public coupon;
- Reduced capital and debt principal commitments in the 2020 to 2024 timeframe by over \$9.5 billion;
- Reduced near-term debt maturities by \$1.4 billion through a tender offer for \$723m of notes maturing in 2022 and 2023, as well as the opportunistic buyback of \$651 million of Avolon senior unsecured notes maturing between 2021-2026, at a discount to par;
- Ended 2020 with \$4.7 billion of revolving debt capacity, with maturities from 2024 onwards and an undrawn balance of \$4.2 billion;
- Closed the sale of 19 aircraft to the Sapphire 2020-1 vehicle, which were acquired from the Avolon fleet following the issuance of \$620m of senior secured notes and a majority equity investment from a third-party investor; and
- Declared dividend of \$193m in Q1 2020, \$65 million of which was withheld in accordance with the holdback provisions in Avolon's Shareholder Agreement, bringing the total withheld amount to \$167 million.



2020 | OPERATING HIGHLIGHTS

- Owned and managed fleet of 572 aircraft at year-end, with total orders and commitments for 270 fuel-efficient, new technology aircraft;
- Average owned fleet age of 5.3 years with an average remaining lease term of 6.8 years;
- Fleet utilisation for the year was 98%;
- Entered into sale and leaseback commitments for 44 aircraft, for a total of \$2.3 billion;
- Total of 142 airline customers operating in 61 countries;
- Delivered a total of 57 new aircraft and transitioned 10 aircraft to a total of 26 customers;
- Further reduced our aircraft purchase commitments in the 2020-2023 timeframe by a net 100 aircraft through a combination of cancellations and deferrals;
- Sold 29 aircraft in 2020, 3 of which were managed; and
- Executed sale agreements in respect of 28 aircraft and a total of 141 lease transactions comprising new aircraft leases, follow-on leases and lease extensions.

Dómhnaí Slattery, Avolon CEO, commented: *"2020 was an extremely challenging year for the aviation industry globally. As the pandemic developed, governments were forced into imposing travel bans, resulting in grounded fleets with a severe and immediate impact on the world's airlines. We worked closely with our customers to provide support while also prudently managing our own capital position. We proactively re-aligned our capital commitments and addressed near term debt maturities to position our business for what we anticipated to be a gradual recovery."*

While many markets remain in lockdown in early 2021, the roll-out of vaccines is progressing. We expect 2021 to be 2020 in reverse and to see a pick-up in travel in the second half of the year. Our actions to strengthen our balance sheet during 2020 saw us end the year with the strongest liquidity position in our history, ensuring we are well placed as the industry transitions into the recovery phase."

BOARD CHANGES

- Chris Jin appointed as Avolon Chair. Rachel Bai and Yi Shen appointed to the Avolon Board as Bohai nominees, effective 10 February, 2021.
- Adam Tan, who has served as Avolon's Chairman since 2016, and Daniel Chen, a non-executive Director, have stepped down from the Board to concentrate on the re-organisation of the HNA Group.



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 the world's third largest aircraft leasing business with an owned, managed and committed fleet, as of 31 December 2020 of 842 aircraft.

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