



2021 SECOND QUARTER RESULTS

Avolon's credit rating outlook improves to Stable, senior management changes announced

Dublin | 26 July, 2021: Avolon, the international aircraft leasing company, announces results for the second quarter ('Q2') of 2021.

2021 SECOND QUARTER | FINANCIAL HIGHLIGHTS

INCOME STATEMENT (\$ MILLION)	Q2 2021	Q2 2020	CHANGE
Lease Revenue	610	625	(15)
Net Income / (Loss)	64	(72)	136

BALANCE SHEET (\$ MILLION)	Q2 2021	FY 2020	CHANGE
Total Available Liquidity	6,606	6,867	(261)
Total Assets	31,100	30,838	262
Secured Debt / Total Assets	22%	25%	(3%)
Net Debt to Equity	2.4x	2.3x	0.1x

- Rating agencies Moody's and Fitch improved Avolon's credit outlook to Stable in the quarter;
- Net Income for the three months to 30 June was \$64 million;
- Delivered \$610 million of lease revenue and generated \$195 million of net cash from operating activities in the quarter;
- Total available liquidity of \$6.6 billion at end of Q2, including \$1.8 billion of unrestricted cash and \$4.8 billion of undrawn debt facilities; and
- Ended the quarter with a secured debt to total assets ratio of 22%, and \$17.3 billion of unencumbered assets.

2021 SECOND QUARTER | OPERATING HIGHLIGHTS

- Owned and managed fleet of 581 aircraft at end of Q2, with total orders and commitments for 256 fuel-efficient, new technology aircraft;
- Average owned fleet age of 5.5 years with an average remaining lease term of 6.8 years;
- Executed a total of 48 lease transactions in the quarter comprising new aircraft leases, follow-on leases and lease extensions;
- Sold 3 aircraft in the quarter and entered into Letters of Intent for the sale of 12 aircraft;
- Delivered a total of 8 new aircraft to 6 customers and transitioned 5 aircraft to follow-on lessees; and
- Total of 149 airline customers operating in 62 countries.



2021 SECOND QUARTER | STRATEGIC HIGHLIGHTS

- Announced the world's largest zero emissions eVTOL aircraft order, underscoring Avolon's commitment to combat climate change;
- Avolon, through its affiliate Avolon-e, became a launch customer for Vertical's VA-X4 with a commitment for up to 500 electric aircraft valued at \$2 billion; and
- Avolon will join Microsoft, Rolls-Royce, Honeywell and American Airlines as equity investors in Vertical.

Dómhnaíl Slattery, Avolon CEO, commented: *"We have passed the inflection point and the recovery in global aviation is underway. However, as we have guided previously, the recovery will be uneven across different regions and markets with the pace of vaccine roll-out being the springboard for the return to air travel. While we remain cautious, the scale of the increase in demand in the US over the last quarter, and the pace of vaccination programmes globally, underscores our confidence in a continuing recovery through the remainder of this year."*

Reflecting the recovery, many of the key operational and financial metrics within our business continued to trend positively during the second quarter. We are seeing increased aircraft demand, improved traffic levels and fewer airlines in restructuring processes. As we work through the second half of the year and see increased activity among our airline customers, our expectation is that the sector will be strongly positioned to perform in 2022.

SENIOR MANAGEMENT CHANGES

Avolon is today announcing that John Higgins, President and Chief Commercial Officer and Tom Ashe, Chief Operating Officer, both founding members of the company, will retire from the business on October 15. Effective today Andy Cronin assumes the title of President of Avolon in addition to his role as Chief Financial Officer and Paul Geaney is appointed Chief Commercial Officer.

Dómhnaíl Slattery, Avolon CEO, commented: *"Today we are also announcing that our friends and colleagues John Higgins and Tom Ashe are retiring from Avolon on October 15. Andy Cronin, Chief Financial Officer will in addition assume the title of President of Avolon, while Paul Geaney is appointed Chief Commercial Officer, effective from today."*

On behalf of the Board and the entire Avolon team, I would like to thank John and Tom for the extraordinary contribution they have made to the company over the past 11 years. They have been central to the journey we have made from a start-up in 2010 to being the world's third largest aircraft lessor today.

As COO, Tom Ashe has led Avolon's operating and risk management activity from a zero start in 2010 to today's balance sheet of over \$31bn in assets. This included the successful integration into Avolon of the CIT and HKAC lessor platforms.

As CCO, John Higgins led our commercial interactions with the global airline community, the OEMs and the aircraft investor markets which has seen Avolon acquire and trade over 1,300 aircraft since the business was launched. John also sat on Avolon's Board during the completion of a number of complex cross-border M&A transactions and the successful IPO of the company on the NYSE in 2014.

Their contribution to our success can be measured not only in the financial and portfolio metrics of our business but also in the strength of the culture which we have built and the incredible pool of talent which we have nurtured and developed. Fortunately, their three decades of aircraft leasing experience and



insights will not be lost to the business as they will continue to be available to Avolon's Board and senior management on various projects over the coming years.

I would also like to congratulate Andy Cronin on his appointment to the position of President of Avolon, a role that recognizes his integral part in Avolon's growth and success. Our new Chief Commercial Officer Paul Geaney brings a wealth of industry experience to his position and like Andy he is one of the founder members of Avolon. The changes we announce today underline the strength and depth of Avolon's senior management team."

John Higgins commented: *"We launched Avolon in 2010 on the back of huge ambition but never contemplating that within ten years we would have built a top three global lessor. That achievement is testament to the potent combination of so many incredibly gifted and committed colleagues, the visionary and ambitious shareholders who have supported the business and a culture which promotes the collective over the individual. I am more optimistic and excited about Avolon's future now than I was when we first started. I wish Domhnal, Andy and Paul, the Board and all of my colleagues continued success driven off hard work and innovation."*

Tom Ashe commented: *"I am so proud of what Avolon has achieved since our foundation and to have been part of that incredible journey. I am so fortunate to have worked with so many remarkable colleagues and friends and I leave Avolon secure in the knowledge that its people remain its greatest strength. I have no doubt the energy, talent and ambition of this team will drive the business to achieve even more in the decades ahead. I wish Domhnal, Andy and Paul and all my Avolon friends every future success."*

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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 30 June 2021 of 837 aircraft.

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