

# avation PLC

**Equity Ticker LSE: AVAP**

**Warrants Ticker LSE:AVAW**

**Bond Ticker LU: AVTCAP**



## **Corporate Update Nov 2023**

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# Snapshot of Avation

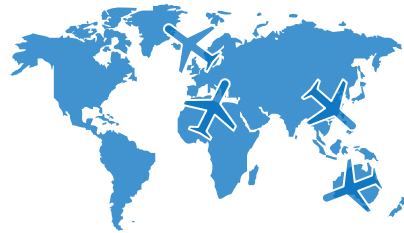
Diversified Fleet and Customer Base

**ava**tion PLC

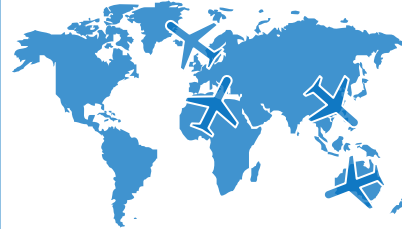
**35  
Aircraft**



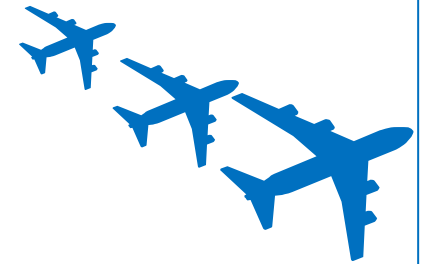
**16 Airline  
Customers**



**Customers  
located in 13  
Countries**



**18%/52%/30%**  
split of  
Widebody/narrowbody  
/turboprop aircraft by  
value



**6.8 Years**  
Weighted Average  
Aircraft Age



**4.8 Years**  
Weighted Average  
Remaining Lease  
Term



**US\$1.2Bn**  
Total asset value <sup>(2)</sup>



**US\$464Mn**  
Unearned contracted  
lease receivables <sup>(1)</sup>




1. Lease rentals receivable includes non-cancellable operating leases, finance leases and deferred rent as at 30 November 2023.

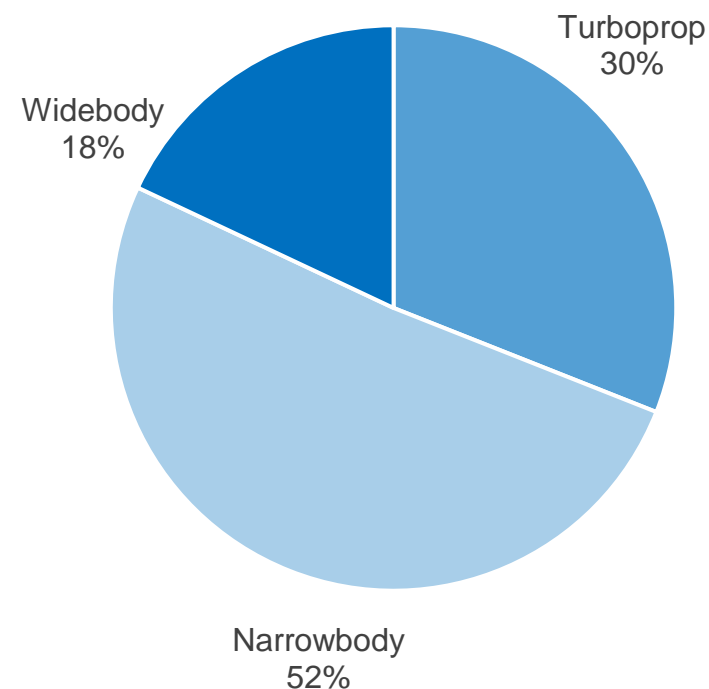
2. As at FY23.

# Aircraft Portfolio

**Balanced Fleet with valuable orderbook and Purchase Rights that create significant opportunity**

**By Value**

Aircraft Type		Fleet	Orders	Purchase Rights
<b>Turboprop Aircraft</b>				
ATR 72-600		16	2	28
ATR 72-500		4	-	-
<b>Narrowbody Aircraft</b>				
A321-200		6	-	-
A320-200		2	-	-
A220-300		5	-	-
<b>Widebody Aircraft</b>				
A330-300		1	-	-
B777-300ER		1	-	-
<b>Total</b>		<b>35</b>	<b>2</b>	<b>28</b>



## Since inception in 2006

• Purchasing :	Total 73 Aircraft purchased with US\$1.9 billion invested
• Leasing :	Executed 81 Leases with 31 Airlines crossing 20 Countries
• Financing :	US\$1.9 billion debt raised
• Sales :	38 aircraft sold
• Transitions :	13 aircraft transitioned
• Repossessions:	19 aircraft (in 6 countries)
• Purchase options sold :	2

## Covid Dynamic

- Deferral scheme
- Rearranged Capital Structure
- Repaid \$369m in debt
- Transitioned 11 aircraft
- Placed 100% of Inventory

## Outcome

- |                                      |   |
|--------------------------------------|---|
| • Total number of aircraft delivered | 69  |
| • Proportion of aircraft traded      | 54%   |
| • Net Asset Value per share          | FY2007 was US\$0.42 to HY2023 was US\$3.42    |
| • Total Dividends                    | \$0.43  |
| • 30 Nov '23 - Rent Arrears          | 18% turboprop, 82% narrowbody and 0% widebody |

# Airline Customers

## 16 Airline Customers in 13 Countries

Airline	Aircraft	Number
Vietjet	A321-200	6
Air Baltic	A220-300	5
Hevilift	ATR 72-500	3
Mandarin	ATR 72-600	3
Alliance Air	ATR 72-600	2
Braathens	ATR 72-600	2
Danish Air Transport	ATR 72-600	2
US Bangla	ATR 72-600	2
Cebu Pacific	ATR72-600	1
Cebu Pacific	A320-200	1
Philippine Airlines	B777-300ER	1
EVA Air	A330-300	1
easyJet	A320-200	1
Fiji Airways	ATR 72-600	1
Motu Link	ATR 72-600	1
Yeti Airlines	ATR 72-500	1
Air Tahiti	ATR 72-600	1



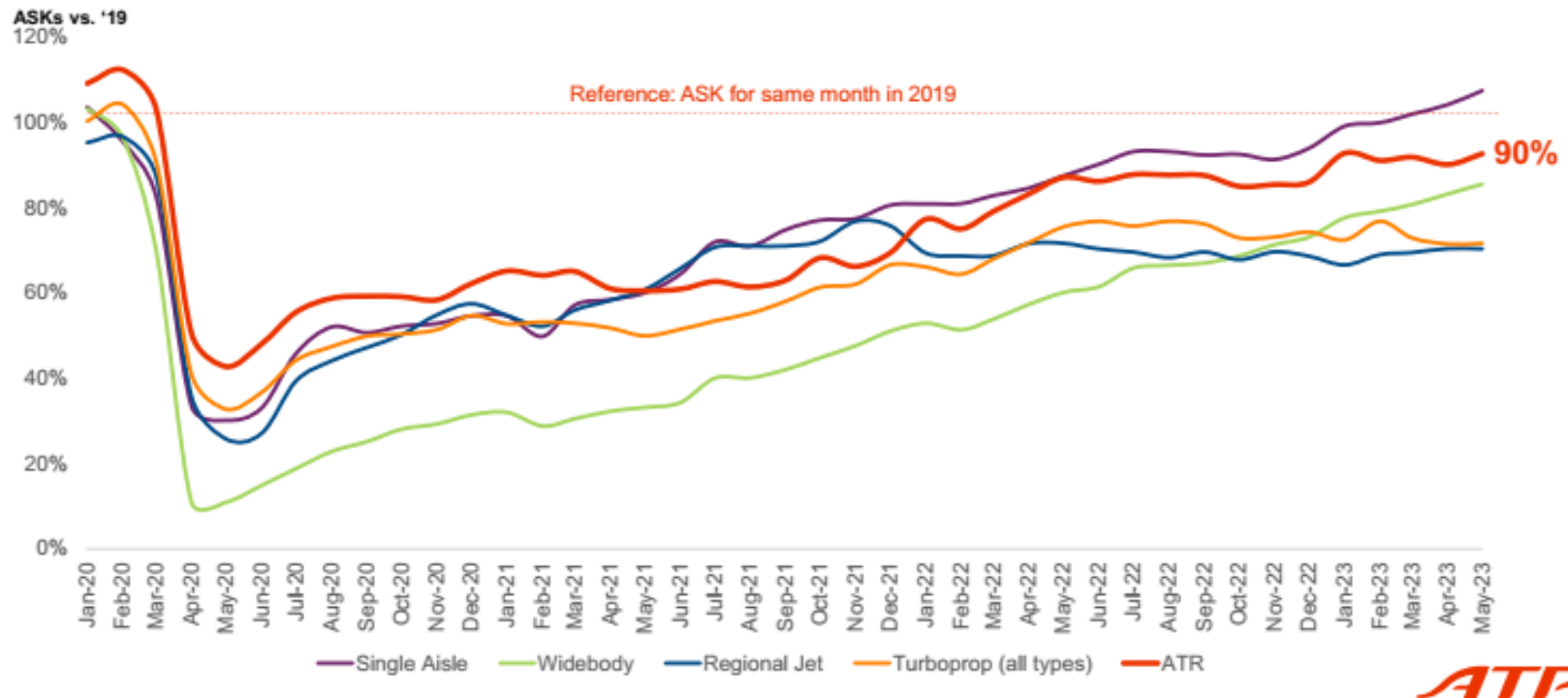
**Global capacity expected to be within 1% of 2019 volume globally by the end of September 2023**



Source: Cirium



## Recovering steadily and above pre-Covid levels in Europe, North America



Source: ATR, OAG at 20 Apr 2023

## A Successful Program



**+200**

operators



**100**

countries



**1,800**

aircraft sold



**1,600**

deliveries



**36 M**

flights



**+1 B**

passengers

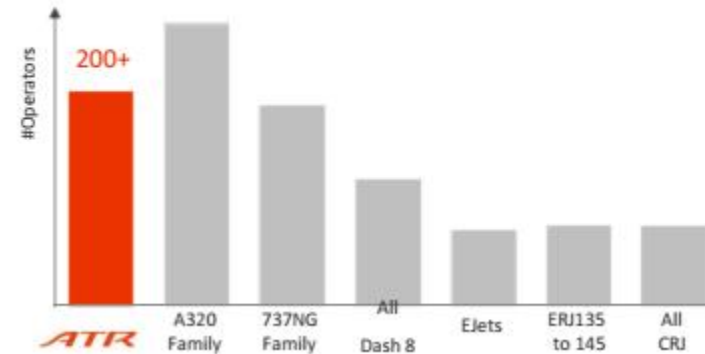
From the world's largest cities, to our planet's most remote regions, our purpose is to deliver air travel to people, communities and businesses in an innovative, sustainable and modern way.

**ATR**

## A diverse customer base...

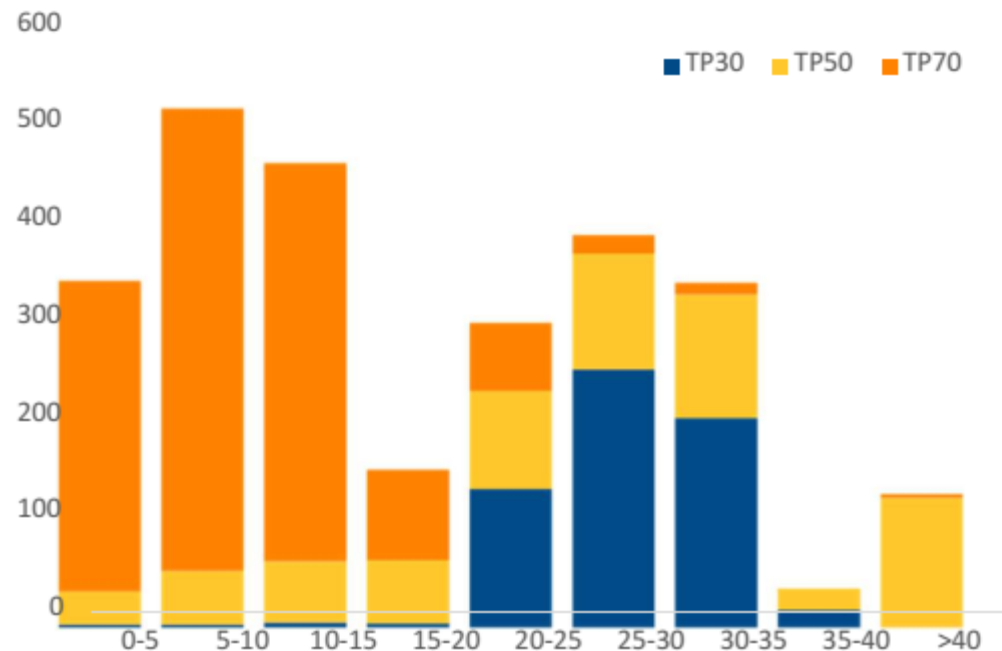


Various operations: Regional Airlines, Network Carriers, LCC, Charters, Cargo, VIP, Special Mission



# ATR – Replacement Opportunity

Aging fleet profile will increase replacement opportunities



Source: Cirium, 2<sup>nd</sup> Sep, Western types only, In service and stored fleet.  
Notes: Retirement age for TP30s and TP50s at 25y, TP70s 20 years.

1200 aircraft  
over retirement  
age

ATR

# ATR – 100% SAF certified by 2025

avation PLC



**Lowering CO2 emissions meets upcoming ESG requirements**



**SINGAPORE, 19 DECEMBER 2019 - Avation PLC ... the first ever commercial aircraft financed with a Green Loan. The green loan was provided by Deutsche Bank.**

**Vigeo Eiris, one of the world's leading institutions for Environmental, Social and Governance ratings, has expressed an opinion that the project of replacing aging regional jets with new ATR 72-600 aircraft is aligned with the Loan Market Association's Green Loan Principles guidelines 2018. In their opinion Vigeo Eiris stated "We express a reasonable assurance (our highest level of assurance) on the Borrower's commitments and on the Loan's contribution to sustainability."**

## **Avation first lessor commercial aircraft Green Loan**



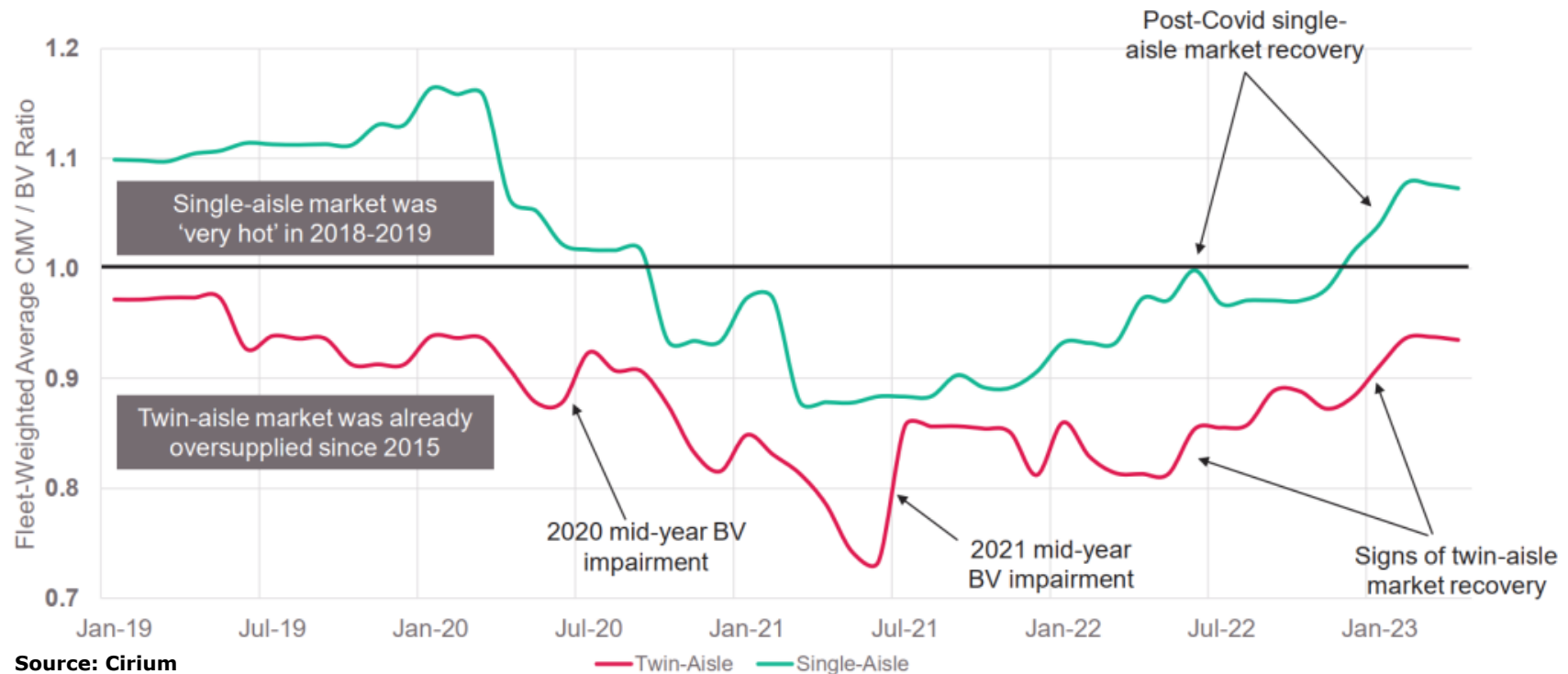
## **Firm Aircraft Orderbook**

- Two ATR72-600 with 2024 delivery (PDP's paid)
- With low CO2 PW 127XT-M engines
- IBA Dec 2022 Market Value is \$21.34 million per aircraft

## **Purchase rights**

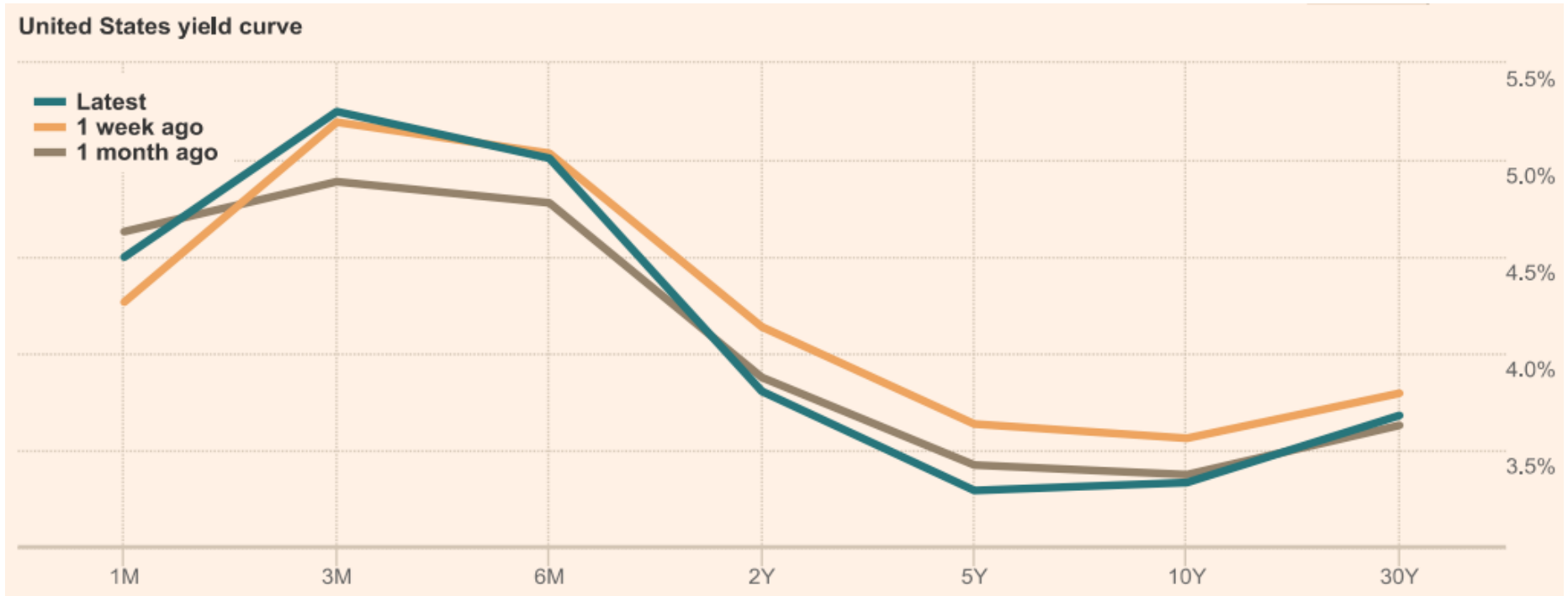
- 28 ATR72-600 aircraft with PW 127XT-M engines
- Purchase rights run to June 2027

## Narrowbody base value recovered, widebody values improving



**In times of inflation, aircraft values rise**





**5-10 year base rates support longer lease terms  
our leases are 100% hedged**

# Debt Finance Comparisons

Lessor	Last bond		Recent bond
	Issue date	Tenor	Issue Yield %
Air Lease	Mar-23	5yr	6.10
Aviation Capital Group	Apr-23	5yr	6.44
TrueNord	Apr-23	5yr	8.15
Macquarie AirFinance	Apr-23	5yr	8.38
SMBC	May-23	5yr	5.49
Avolon	May-23	5yr	6.62

Sources: BBG, AirFinance Journal

**Senior debt average 4.7%**  
**all debt average cost 6.3%**

- At 100% fleet utilisation
- ATR turboprops have lower rent arrears compared to narrowbodies.
- ATR turboprops at the forefront of reducing CO2 emissions
- Interest rates hedging is effective

**Leverage core competencies**

**Organic growth with market recovery**

**Harness ATR innovation - low CO2 emissions**

**Inflation upward pressure on aircraft values**

**De-risk rising rates – 100% hedging**

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