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FOR IMMEDIATE RELEASE

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Aircastle Announces First Quarter 2023 Results

Highlights for the Three Months Ended May 31, 2023

- Total revenues of \$218 million and net income of \$23 million
- Adjusted EBITDA⁽¹⁾ of \$191 million, up 25% compared to the first quarter 2022
- Acquired 7 narrow-body aircraft for \$306 million, 6 of which were new technology aircraft
- Gain on sale of \$43 million; includes \$10 million related to the sales of 4 aircraft and other flight equipment, and \$33 million of selling profit related to the reclassification of 10 aircraft from operating leases to sales-type leases.

Liquidity

- Shareholders approved additional equity commitment of \$500 million on July 5, 2023. Commitment is to be funded in two tranches with \$200 million expected in July 2023 and the remaining \$300 million expected in the first quarter of fiscal 2024
- Total liquidity as of July 7, 2023 of \$2.6 billion includes \$1.5 billion of undrawn facilities, \$0.5 billion of committed equity, \$0.5 billion of projected adjusted operating cash flows and sales through July 1, 2024, and \$0.1 billion of unrestricted cash
- 206 unencumbered aircraft with a net book value of \$5.3 billion

(1) Refer to the selected financial information accompanying this press release for a reconciliation of GAAP to Non-GAAP numbers.

Mike Inglese, Aircastle’s Chief Executive Officer, commented, “As aircraft manufacturers continue to fall short of their desired output, we're seeing sustained customer demand for both our new and current technology aircraft. In the first quarter, Aircastle continued last year's trading momentum with 7 narrow-body acquisitions, 6 of which further grow our fleet of in-demand, new technology aircraft.”

Mr. Inglese concluded, “Last week, we announced an additional \$500 million equity commitment from our shareholders, Marubeni Corporation and Mizuho Leasing. This is an outstanding reflection of their long-term investment horizon and their confidence in the prospects for our industry, team, and strategy. Such support, along with our IG Rating, and Aircastle's deep team of solutions-focused aviation experts, have us well-poised for the disciplined future growth of our in-demand portfolio of narrow-body passenger aircraft.”

Aviation Assets

As of May 31, 2023, Aircastle owned 244 aircraft and other flight equipment having a net book value of \$6.9 billion. We also manage 9 aircraft with a net book value of \$282 million on behalf of our joint venture with Mizuho Leasing.

<u>Owned Aircraft</u>	As of May 31, 2023	As of May 31, 2022
Net Book Value of Flight Equipment (\$ mils.)	\$ 6,862	\$ 6,388
Net Book Value of Unencumbered Flight Equipment (\$ mils.)	\$ 5,348	\$ 5,322
Number of Aircraft	244	241
Number of Unencumbered Aircraft	206	210
Number of Lessees	73	74
Number of Countries	43	44
Weighted Average Fleet Age (Years) ⁽¹⁾	9.6	10.4
Weighted Average Remaining Lease Term (Years) ⁽¹⁾	5.4	5.1
Weighted Average Fleet Utilization for the three months ended ⁽²⁾	95.6 %	94.8 %
<u>Managed Aircraft on behalf of Joint Ventures</u>		
Net Book Value of Flight Equipment (\$ mils.)	\$ 282	\$ 295
Number of Aircraft	9	9

(1) Weighted by Net Book Value.

(2) Aircraft on-lease days as a percent of total days in period weighted by Net Book Value.

Conference Call

In connection with this press release, management will host a conference call on Wednesday, July 12, 2023, at 9:00 A.M. Eastern Time. All interested parties are welcome to participate on the live call. The conference call can be accessed by dialing 1 (877) 870-4263 (from within the U.S. and Canada) or +1 (412) 317-0790 (outside the U.S. and Canada) ten minutes prior to the scheduled start. Please reference our company name “Aircastle” when prompted by the operator.

A simultaneous webcast of the conference call will be available to the public on a listen-only basis at www.aircastle.com. Please allow extra time prior to the call to visit the site and download the necessary software required to listen to the internet broadcast.

For those who are not available to listen to the live call, a replay will be available on Aircastle's website shortly after the live call.

About Aircastle Limited

Aircastle Limited acquires, leases and sells commercial jet aircraft to airlines throughout the world. As of May 31, 2023, Aircastle owned and managed on behalf of its joint ventures 253 aircraft leased to 73 airline customers located in 43 countries.

Safe Harbor

All statements in this press release, other than characterizations of historical fact, are forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include, but are not necessarily limited to, statements relating to our proposed public offering of notes and our ability to acquire, sell, lease or finance aircraft, raise capital, pay dividends, and increase revenues, earnings, EBITDA and Adjusted EBITDA and the global aviation industry and aircraft leasing sector. Words such as "anticipates," "expects," "intends," "plans," "projects," "believes," "may," "will," "would," "could," "should," "seeks," "estimates" and variations on these words and similar expressions are intended to identify such forward-looking statements. These statements are based on our historical performance and that of our subsidiaries and on our current plans, estimates and expectations and are subject to a number of factors that could lead to actual results materially different from those described in the forward-looking statements; Aircastle can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any such forward-looking statements which are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated as of the date of this press release. These risks or uncertainties include, but are not limited to, those described from time to time in Aircastle's filings with the SEC and previously disclosed under "Risk Factors" in Item 1A of Aircastle's most recent Form 10-K and any subsequent filings with the SEC. In addition, new risks and uncertainties emerge from time to time, and it is not possible for Aircastle to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. Aircastle expressly disclaims any obligation to revise or update publicly any forward-looking statement to reflect future events or circumstances.

Aircastle Limited and Subsidiaries
Consolidated Balance Sheets
(Dollars in thousands, except share data)

	May 31, 2023	February 28, 2023
	(Unaudited)	
ASSETS		
Cash and cash equivalents	\$ 136,156	\$ 231,861
Accounts receivable	11,635	12,855
Flight equipment held for lease, net	6,595,518	6,567,606
Net investment in leases, net	266,630	67,694
Unconsolidated equity method investment	40,911	40,505
Other assets	305,979	346,330
Total assets	<u>\$ 7,356,829</u>	<u>\$ 7,266,851</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Borrowings from secured financings, net	\$ 933,005	\$ 752,298
Borrowings from unsecured financings, net	3,720,956	3,842,454
Accounts payable, accrued expenses and other liabilities	198,941	206,473
Lease rentals received in advance	48,952	66,816
Security deposits	63,735	61,734
Maintenance payments	497,012	465,618
Total liabilities	<u>5,462,601</u>	<u>5,395,393</u>
Commitments and Contingencies		
SHAREHOLDERS' EQUITY		
Preference shares, \$0.01 par value, 50,000,000 shares authorized, 400 (aggregate liquidation preference of \$400,000) shares issued and outstanding at May 31, 2023 and February 28, 2023	—	—
Common shares, \$0.01 par value, 250,000,000 shares authorized, 14,048 shares issued and outstanding at May 31, 2023 and February 28, 2023	—	—
Additional paid-in capital	1,878,774	1,878,774
Retained earnings (accumulated deficit)	15,454	(7,316)
Total shareholders' equity	<u>1,894,228</u>	<u>1,871,458</u>
Total liabilities and shareholders' equity	<u>\$ 7,356,829</u>	<u>\$ 7,266,851</u>

Aircastle Limited and Subsidiaries
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended May 31,	
	2023	2022
Revenues:		
Lease rental revenue	\$ 146,735	\$ 144,144
Direct financing and sales-type lease revenue	1,073	2,598
Amortization of lease premiums, discounts and incentives	(7,207)	(5,388)
Maintenance revenue	34,520	27,099
Total lease revenue	175,121	168,453
Gain on sale of flight equipment	42,594	3,687
Other revenue	776	3,424
Total revenues	218,491	175,564
Operating expenses:		
Depreciation	88,789	81,318
Interest, net	56,891	50,294
Selling, general and administrative	20,835	19,916
Provision for credit losses	6,959	580
Impairment of flight equipment	1,097	4,428
Maintenance and other costs	8,533	8,065
Total operating expenses	183,104	164,601
Other income (expense):		
Loss on extinguishment of debt	—	(463)
Other	1,337	—
Total other income (expense)	1,337	(463)
Income from continuing operations before income taxes and earnings of unconsolidated equity method investment	36,724	10,500
Income tax provision	14,360	3,329
Earnings of unconsolidated equity method investment, net of tax	406	511
Net income	\$ 22,770	\$ 7,682
Net income available to common shareholders	\$ 22,770	\$ 7,682
Total comprehensive income available to common shareholders	\$ 22,770	\$ 7,682

Aircastle Limited and Subsidiaries
Consolidated Statements of Cash Flows
(Dollars in thousands)
(Unaudited)

	Three Months Ended May 31,	
	2023	2022
<u>Cash flows from operating activities:</u>		
Net income	\$ 22,770	\$ 7,682
Adjustments to reconcile net income to net cash and restricted cash provided by operating activities:		
Depreciation	88,789	81,318
Amortization of deferred financing costs	4,031	3,597
Amortization of lease premiums, discounts and incentives	7,207	5,388
Deferred income taxes	3,812	2,865
Collections on net investment in leases	927	2,282
Security deposits and maintenance payments included in earnings	(3,203)	9,076
Gain on sale of flight equipment	(42,594)	(3,687)
Loss on extinguishment of debt	—	463
Impairment of flight equipment	1,097	4,428
Provision for credit losses	6,959	580
Other	(397)	(508)
Changes in certain assets and liabilities:		
Accounts receivable	3,209	4,274
Other assets	(3,607)	(5,008)
Accounts payable, accrued expenses and other liabilities	2,272	(4,305)
Lease rentals received in advance	9,178	1,848
Net cash and restricted cash provided by operating activities	100,450	110,293
<u>Cash flows from investing activities:</u>		
Acquisition and improvement of flight equipment	(322,151)	(63,724)
Proceeds from sale of flight equipment	53,782	58,233
Aircraft purchase deposits and progress payments, net of returned deposits and aircraft sales deposits	4,947	(8,716)
Other	(2,900)	—
Net cash and restricted cash used in investing activities	(266,322)	(14,207)
<u>Cash flows from financing activities:</u>		
Net proceeds from preference share issuance	—	—
Proceeds from secured and unsecured debt financings	624,911	—
Repayments of secured and unsecured debt financings	(569,206)	(39,923)
Debt extinguishment costs	—	(291)
Deferred financing costs	(527)	(1,860)
Security deposits and maintenance payments received	31,620	27,911
Security deposits and maintenance payments returned	(6,131)	(425)
Dividends paid	(10,500)	(10,500)
Net cash and restricted cash provided by (used in) financing activities	70,167	(25,088)
Net increase in cash and restricted cash	(95,705)	70,998
Cash and restricted cash at beginning of period	231,861	170,682
Cash and restricted cash at end of period	\$ 136,156	\$ 241,680

Aircastle Limited and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
EBITDA and Adjusted EBITDA Reconciliation
(Dollars in thousands)
(Unaudited)

	Three Months Ended May 31,	
	2023	2022
Net income	\$ 22,770	\$ 7,682
Depreciation	88,789	81,318
Amortization of lease premiums, discounts and incentives	7,207	5,388
Interest, net	56,891	50,294
Income tax provision	14,360	3,329
EBITDA	190,017	148,011
Adjustments:		
Impairment of flight equipment	1,097	4,428
Loss on extinguishment of debt	—	463
Adjusted EBITDA	<u>\$ 191,114</u>	<u>\$ 152,902</u>

We define EBITDA as income (loss) from continuing operations before income taxes, interest expense, and depreciation and amortization. We use EBITDA to assess our consolidated financial and operating performance, and we believe this non-U.S. GAAP measure is helpful in identifying trends in our performance.

This measure provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current financial goals, as well as achieving optimal financial performance. It provides an indicator for management to determine if adjustments to current spending decisions are needed.

EBITDA provides us with a measure of operating performance because it assists us in comparing our operating performance on a consistent basis as it removes the impact of our capital structure (primarily interest charges on our outstanding debt) and asset base (primarily depreciation and amortization) from our operating results. Accordingly, this metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure, or expenses, of the organization. EBITDA is one of the metrics used by senior management and the Board of Directors to review the consolidated financial performance of our business.

We define Adjusted EBITDA as EBITDA (as defined above) further adjusted to give effect to adjustments required in calculating covenant ratios and compliance as that term is defined in the indenture governing our senior unsecured notes. Adjusted EBITDA is a material component of these covenants.