

January 11, 2024

FOR IMMEDIATE RELEASE

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Aircastle Announces Third Quarter 2023 Results

Highlights for the Three Months Ended November 30, 2023

- Total revenues of \$239 million and net income of \$26 million
- Adjusted EBITDA⁽¹⁾ of \$213 million
- Acquired 6 aircraft, including 4 Airbus A320neo family aircraft; total number of new technology aircraft increased 46% compared to third quarter 2022
- Sold 8 aircraft with an average age of 19 years for proceeds of \$73 million and a gain on sale of \$20 million
- Quarter end fleet utilization at 99%
- In December 2023, subsequently received \$43 million in settlement proceeds relating to aircraft formerly on lease to two Russian airlines

Liquidity

- Ratings upgrade from Fitch to BBB+, Outlook Stable
- Net debt-to-equity ratio was 2.3 times at November 30, 2023
- Repaid \$650 million of unsecured senior notes
- Total liquidity as of January 5, 2024 of \$2.8 billion includes \$1.8 billion of undrawn facilities, \$0.6 billion of projected adjusted operating cash flows and sales through January 5, 2024, \$0.3 billion of equity commitments and \$0.1 billion of unrestricted cash
- 198 unencumbered aircraft and other flight equipment with a net book value of \$5.4 billion
- In January 2024, expanded the size of one unsecured revolving credit facility from \$375 million to \$600 million and extended its maturity date from May 2025 to January 2028

(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, “In the third quarter, we began the process of putting our new shareholder equity to work with 6 aircraft acquisitions. We expect the robust demand for narrow-body passenger aircraft seen in 2023 will extend into 2024. In conjunction with our investment strategy, new technology aircraft now comprise 35% of the book value of our fleet. Meanwhile, the uptick in technical groundings for certain new technology engines is bolstering the demand for our current technology aircraft.”

Mr. Inglese concluded, “Our IG status was strengthened in the third quarter with an upgrade from Fitch to BBB+. Our conservative balance sheet and considerable liquidity position will enable us to grow our fleet in the fourth quarter while we continue to provide the most sought-after aircraft solutions for our customers. Along with our shareholders, Marubeni Corporation and Mizuho Leasing, we're optimistic about the near and long term horizons of our unique business model.”

Aviation Assets

As of November 30, 2023, Aircastle owned 236 aircraft and other flight equipment having a net book value of \$6.8 billion. We also manage 9 aircraft with a net book value of \$275 million on behalf of our joint venture with Mizuho Leasing.

	As of November 30, 2023	As of November 30, 2022
<u>Owned Aircraft</u>		
Net Book Value of Flight Equipment	\$ 6,837	\$ 6,571
Net Book Value of Unencumbered Flight Equipment	\$ 5,438	\$ 5,480
Number of Aircraft	236	241
Number of Unencumbered Aircraft	198	209
Number of Lessees	72	76
Number of Countries	42	46
Weighted Average Fleet Age (Years) ⁽¹⁾	9.4	10.0
Weighted Average Remaining Lease Term (Years) ⁽¹⁾	5.3	5.1
Weighted Average Fleet Utilization during the three months ended November 30, 2023 and 2022 ⁽²⁾	99.1 %	94.4 %
<u>Managed Aircraft on behalf of Joint Ventures</u>		
Net Book Value of Flight Equipment	\$ 275	\$ 289
Number of Aircraft	9	9

1. Weighted by Net Book Value.

2. Aircraft on-lease days as a percentage of total days in period weighted by Net Book Value (excludes aircraft undergoing freighter conversion).

Conference Call

In connection with this press release, management will host a conference call on Thursday, January 11, 2024, 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 November 30, 2023, Aircastle owned and managed on behalf of its joint ventures 245 aircraft leased to 73 airline customers located in 42 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)

	November 30, 2023 (Unaudited)	February 28, 2023
ASSETS		
Cash and cash equivalents	\$ 105,832	\$ 231,861
Accounts receivable	13,012	12,855
Flight equipment held for lease, net	6,588,340	6,567,606
Net investment in leases, net	248,842	67,694
Unconsolidated equity method investment	42,292	40,505
Other assets	300,204	346,330
Total assets	<u>\$ 7,298,522</u>	<u>\$ 7,266,851</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Borrowings from secured financings, net	\$ 894,913	\$ 752,298
Borrowings from unsecured financings, net	3,455,505	3,842,454
Accounts payable, accrued expenses and other liabilities	219,547	206,473
Lease rentals received in advance	56,710	66,816
Security deposits	64,606	61,734
Maintenance payments	492,350	465,618
Total liabilities	<u>5,183,631</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 November 30, 2023 and February 28, 2023	—	—
Common shares, \$0.01 par value, 250,000,000 shares authorized, 15,564 and 14,048 shares issued and outstanding at November 30, 2023 and February 28, 2023, respectively	—	—
Additional paid-in capital	2,078,774	1,878,774
Retained earnings (accumulated deficit)	36,117	(7,316)
Total shareholders' equity	<u>2,114,891</u>	<u>1,871,458</u>
Total liabilities and shareholders' equity	<u>\$ 7,298,522</u>	<u>\$ 7,266,851</u>

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

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022
Revenues:				
Lease rental revenue	\$ 156,820	\$ 142,336	\$ 453,906	\$ 432,988
Direct financing and sales-type lease revenue	4,835	2,087	10,993	6,950
Amortization of lease premiums, discounts and incentives	(2,641)	(3,763)	(16,972)	(14,669)
Maintenance revenue	58,657	56,574	108,223	103,787
Total lease revenue	217,671	197,234	556,150	529,056
Gain on sale or disposition of flight equipment	20,193	53,473	67,240	67,209
Other revenue	882	6,809	1,803	10,394
Total revenues	238,746	257,516	625,193	606,659
Operating expenses:				
Depreciation	86,647	82,872	261,764	246,296
Interest, net	57,037	50,757	170,963	151,638
Selling, general and administrative	18,500	17,999	58,217	55,358
Provision for credit losses	5,280	854	11,405	1,543
Impairment of flight equipment	34,959	29,880	37,156	67,979
Maintenance and other costs	7,107	3,783	24,494	17,010
Total operating expenses	209,530	186,145	563,999	539,824
Other income (expense):				
Loss on extinguishment of debt	—	—	—	(463)
Other	1,529	1,201	6,238	3,273
Total other income	1,529	1,201	6,238	2,810
Income from continuing operations before income taxes and earnings of unconsolidated equity method investment	30,745	72,572	67,432	69,645
Income tax provision	6,025	23,071	15,286	22,332
Earnings of unconsolidated equity method investment, net of tax	925	603	1,787	1,780
Net income	\$ 25,645	\$ 50,104	\$ 53,933	\$ 49,093
Preference share dividends	—	—	(10,500)	(10,500)
Net income available to common shareholders	\$ 25,645	\$ 50,104	\$ 43,433	\$ 38,593
Total comprehensive income available to common shareholders	\$ 25,645	\$ 50,104	\$ 43,433	\$ 38,593

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

	Nine Months Ended November 30,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 53,933	\$ 49,093
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:		
Depreciation	261,764	246,296
Amortization of deferred financing costs	12,611	10,612
Amortization of lease premiums, discounts and incentives	16,972	14,669
Deferred income taxes	11,082	13,227
Collections on net investment in leases	1,565	5,444
Security deposits and maintenance payments included in earnings	(37,654)	(35,437)
Gain on sale or disposition of flight equipment	(67,240)	(67,209)
Loss on extinguishment of debt	—	463
Impairment of flight equipment	37,156	67,979
Provision for credit losses	11,405	1,543
Other	(1,769)	(1,778)
Changes in certain assets and liabilities:		
Accounts receivable	504	11,368
Other assets	(16,164)	2,223
Accounts payable, accrued expenses and other liabilities	8,351	8,947
Lease rentals received in advance	16,551	16,091
Net cash and cash equivalents provided by operating activities	309,067	343,531
Cash flows from investing activities:		
Acquisition and improvement of flight equipment	(669,597)	(688,722)
Proceeds from sale of flight equipment	198,816	334,164
Aircraft purchase deposits and progress payments, net of returned deposits and aircraft sales deposits	3,126	7,765
Other	(5,548)	1,500
Net cash and cash equivalents used in investing activities	(473,203)	(345,293)
Cash flows from financing activities:		
Proceeds from issuance of common shares	200,000	—
Proceeds from secured and unsecured debt financings	1,383,709	139,800
Repayments of secured and unsecured debt financings	(1,632,983)	(163,543)
Debt extinguishment costs	—	(291)
Deferred financing costs	(7,673)	(8,674)
Security deposits and maintenance payments received	130,068	110,675
Security deposits and maintenance payments returned	(14,014)	(17,679)
Dividends paid	(21,000)	(21,000)
Net cash and cash equivalents provided by financing activities	38,107	39,288
Net increase in cash and cash equivalents	(126,029)	37,526
Cash and cash equivalents at beginning of period	231,861	170,682
Cash and cash equivalents at end of period	\$ 105,832	\$ 208,208

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

	Three Months Ended November 30,		Nine Months Ended November 30,	
	2023	2022	2023	2022
Net income	\$ 25,645	\$ 50,104	\$ 53,933	\$ 49,093
Depreciation	86,647	82,872	261,764	246,296
Amortization of lease premiums, discounts and incentives	2,641	3,763	16,972	14,669
Interest, net	57,037	50,757	170,963	151,638
Income tax provision	6,025	23,071	15,286	22,332
EBITDA	177,995	210,567	518,918	484,028
Adjustments:				
Impairment of flight equipment	34,959	29,880	37,156	67,979
Loss on extinguishment of debt	—	—	—	463
Adjusted EBITDA	\$ 212,954	\$ 240,447	\$ 556,074	\$ 552,470

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.