



Society of Actuaries in Ireland

The Evolution of AerCap & Aircraft Leasing

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GLOBAL LEADER IN AVIATION



The Evolution of AerCap & Aircraft Leasing

AerCap Holdings N.V.

June 26, 2018

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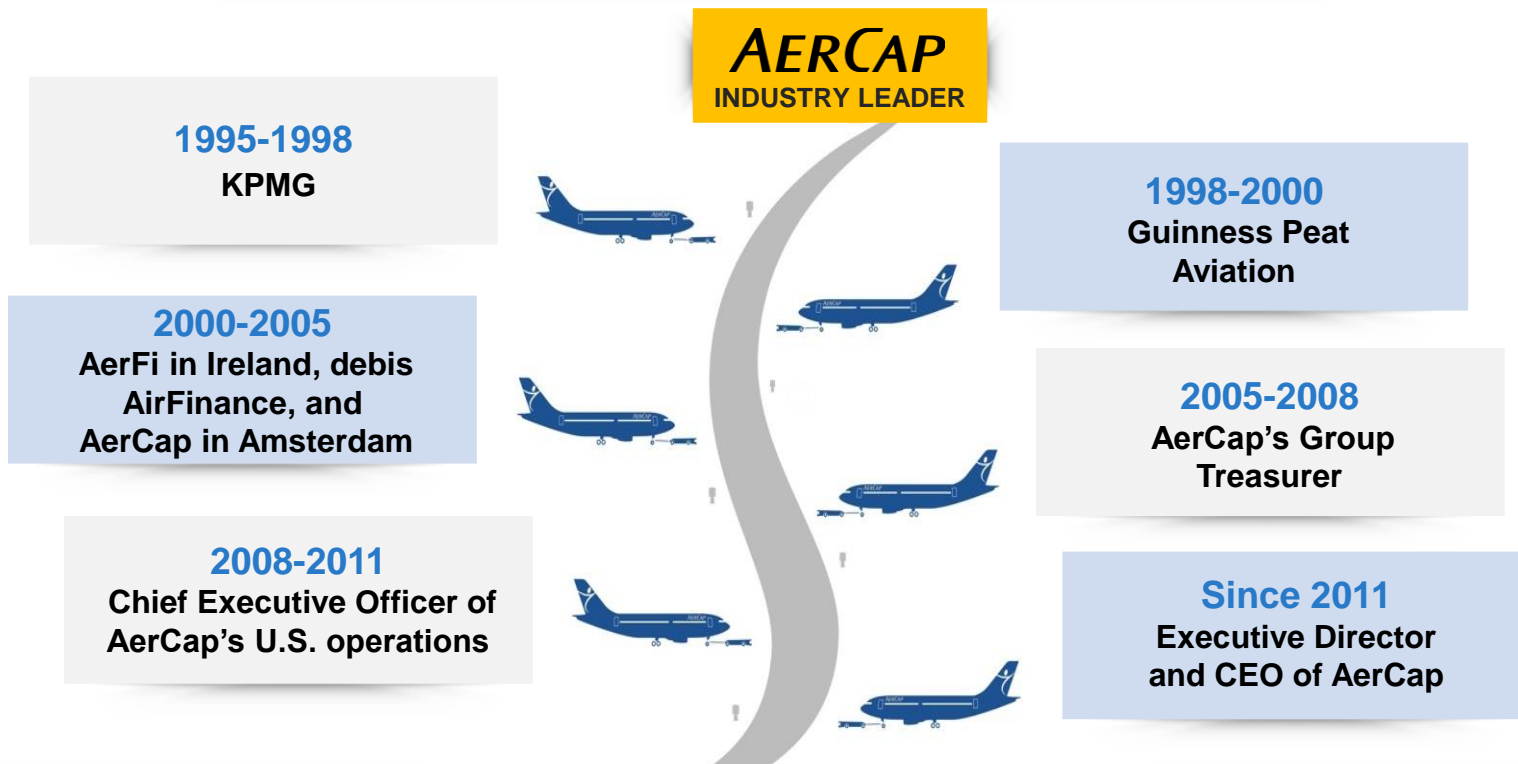
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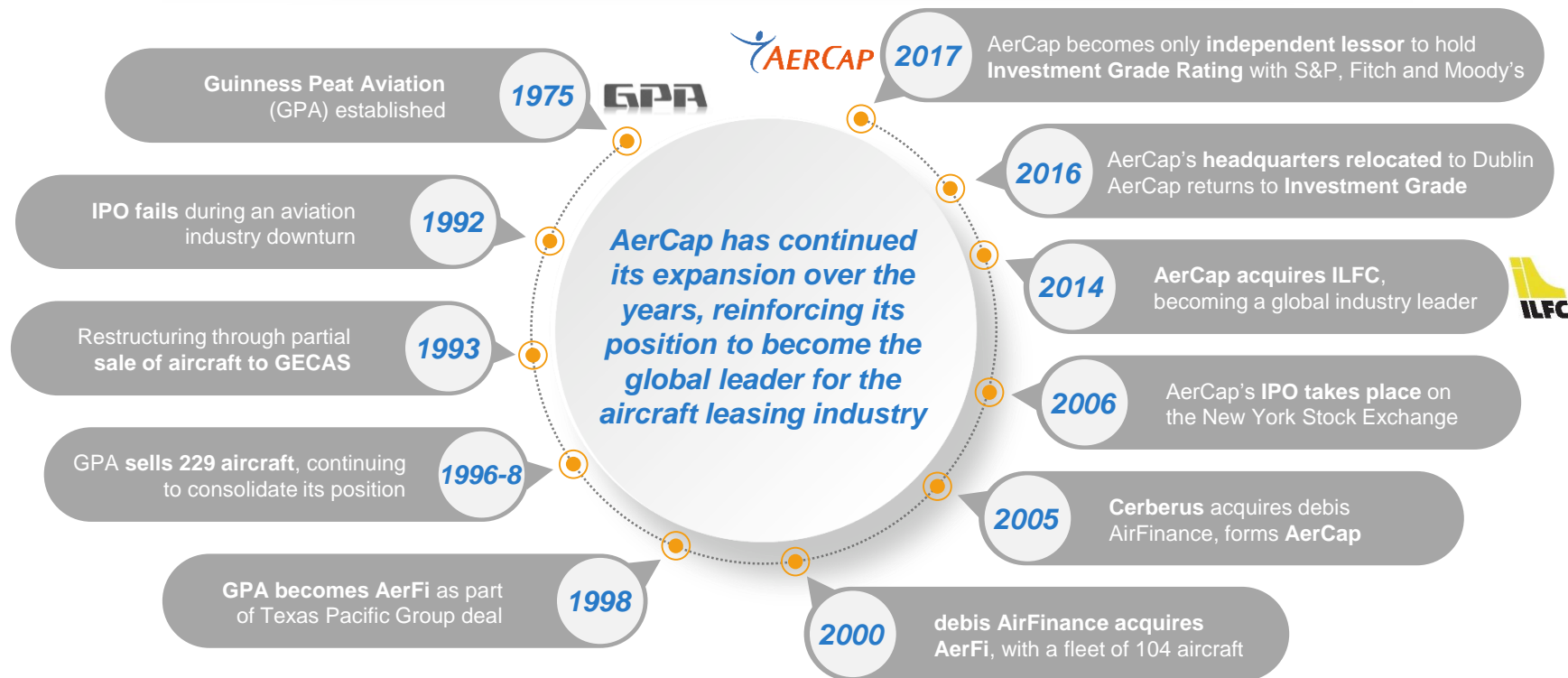
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Today AerCap is the global leader in aircraft leasing and aviation finance



AerCap has deep roots with an extensive legacy of expertise and innovation



Today AerCap is the largest owner of commercial aircraft in the world

Over 40 Year Legacy

AerCap's legacy stems from the two founders of aircraft leasing: GPA (1975) and ILFC (1973)

Dominant Lessor

AerCap has deployed capital/assets to facilitate the growth of aviation in all regions of the world

Quick Facts¹:

- **~200** customers in **~80** countries
- **10 offices** across the globe
- Long-standing, **strong customer relationships**
- **Listed on the NYSE** since 2006
- **~\$40 billion of financing raised** since the ILFC transaction announcement
- Only **independent lessor to hold Investment Grade Rating** with S&P, Fitch and Moody's

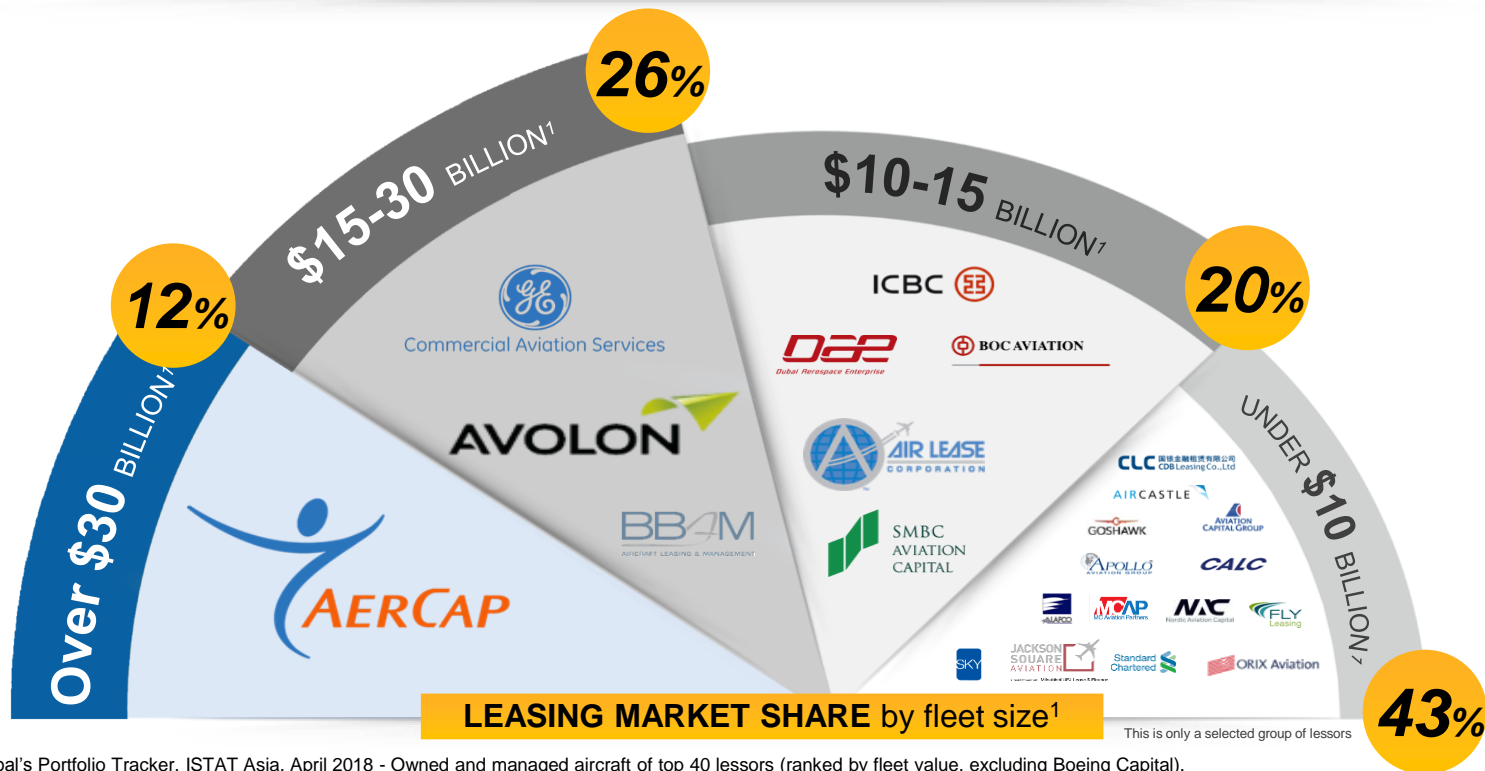
- **~\$42 billion** in total assets
- **1,088** owned and managed aircraft
- Order book of **431 new technology aircraft**
- World's **largest A320neo family lessor**
- World's **largest 787 overall customer**
- World's **2nd largest A350 lessor**
- World's **largest E-2 lessor customer**

(1) As of March 31, 2018.

Aircraft Leasing Competitive Landscape



Recent consolidation activity has primarily been concentrated among mid-tier lessors



(1) Flightglobal's Portfolio Tracker, ISTAT Asia, April 2018 - Owned and managed aircraft of top 40 lessors (ranked by fleet value, excluding Boeing Capital).



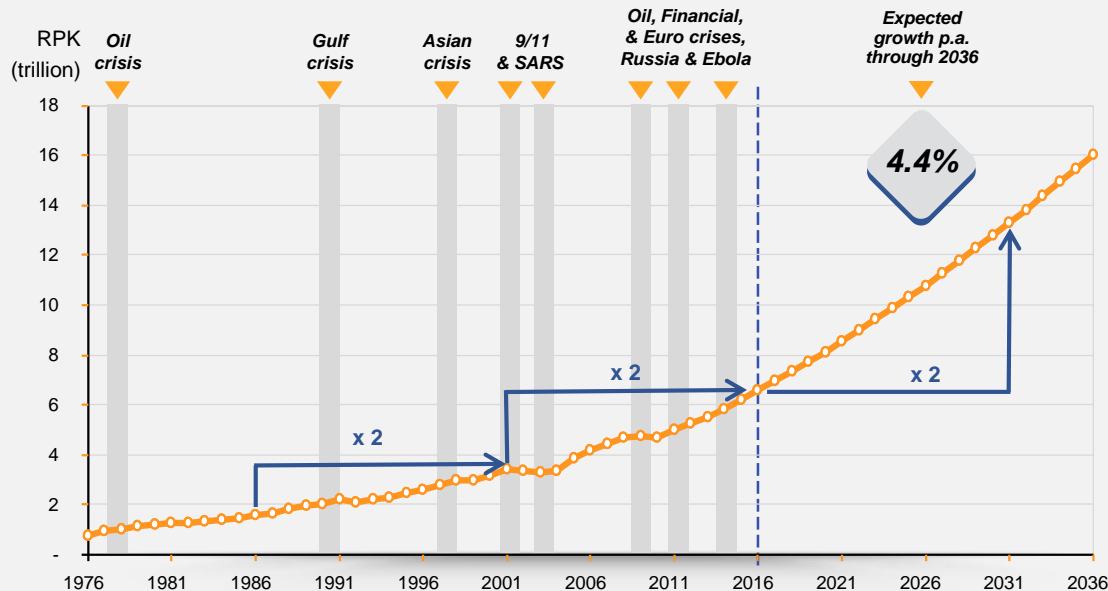
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Industry Backdrop - Demand


Resilient, growing air travel market expected to continue

World Annual Traffic¹



- (1) Airbus Global Market Forecast 2017, RPK: Revenue-Passenger-Kilometers.
(2) IATA March 2018 Air Passenger Market Analysis.
(3) IATA December 2017 Forecast – Actual or estimate for 2017 and forecast for 2018, for global commercial airlines.

Robust Global Traffic

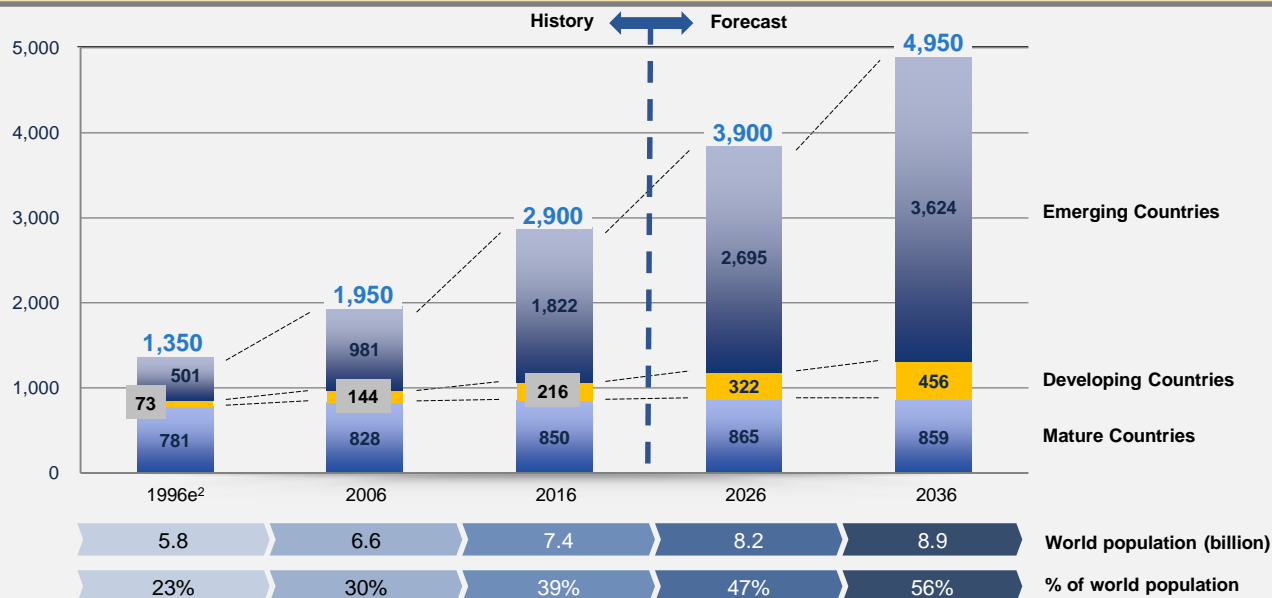
-  Air traffic doubles every 15 years¹
-  2018 world traffic has grown by 7.2% to date²
-  2018 total passenger expected to be 4.3 billion, up from 4.1 billion in 2017³

Middle Class is Growing and Flying



Middle class to grow from 2.9 billion to 4.9 billion in 20 years

Middle Class (millions of people)¹



(1) Oxford Economics, Airbus; Households with yearly income between \$20,000 and \$150,000 at PPP in constant 2016 prices.

(2) Estimate split for 1996 by region.

Interconnectivity between China and India is underserved

In Total There are Only ~6 Flights per Day Joining 2.7 Billion People Between China and India

International City Pairs	Daily Flights
New York – London	30
Dublin – London	51
Paris – Berlin	12
Los Angeles – Mexico City	13
Hong Kong – Taipei	39
Jakarta – Singapore	38
Kuala Lumpur – Jakarta	25

China to India City Pairs	Daily Flights
Shanghai – Mumbai	0
Beijing – Delhi	< 1
Beijing – Mumbai	< 1
Shanghai – Delhi	2
Kunming – Kolkata	1
Guangzhou – Delhi	2

Source: SRS Analyzer based on 12 months to September 30, 2017 flights.

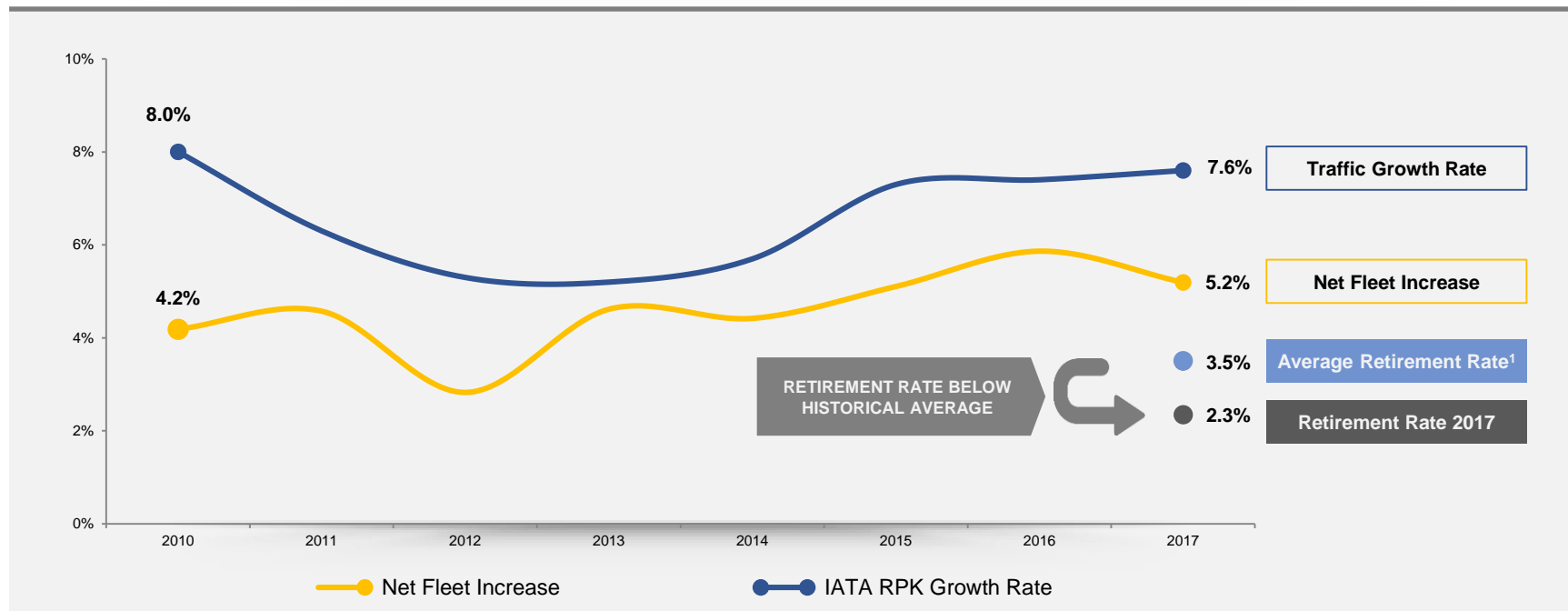


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Industry Backdrop - Supply

Elevated traffic growth and diminishing efficiency gains are driving aircraft demand

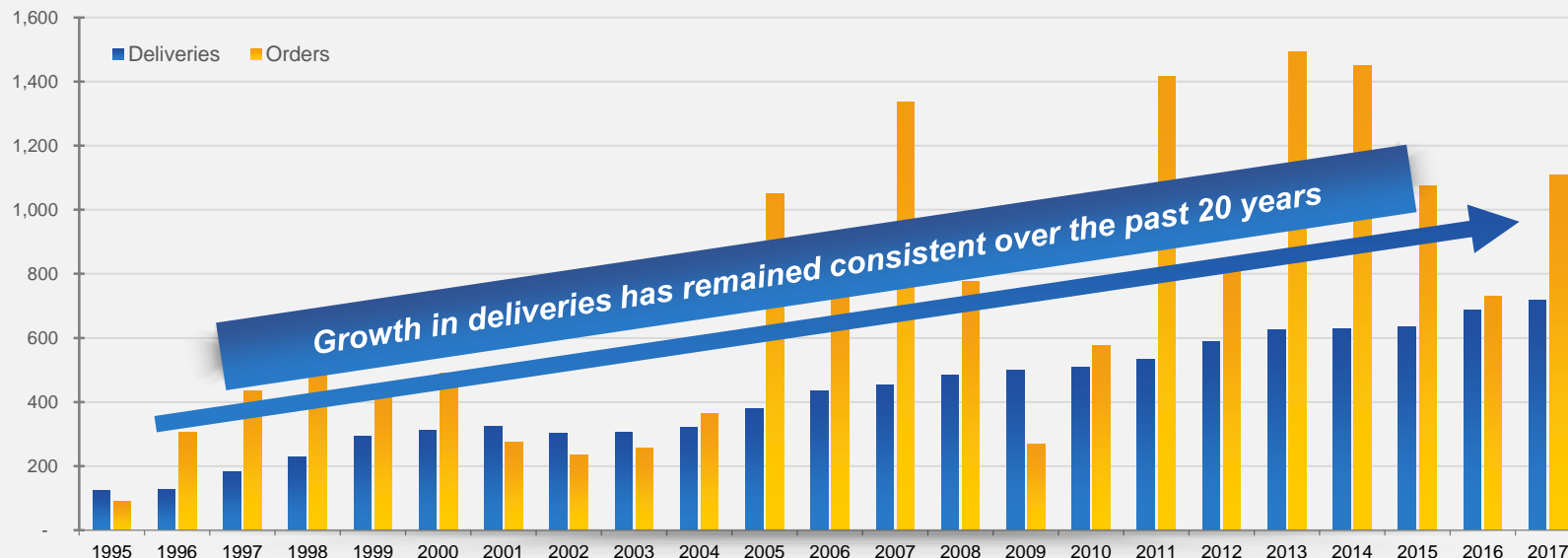


(1) Average Retirement Rate 2008-2017.

Source: FlightGlobal Fleets Analyzer: Airbus, Boeing, McDonnell-Douglas passenger jets.

Deliveries cycle does not match orders cycle

Airbus Deliveries vs. Orders Cycle¹



(1) Per Airbus' orders and deliveries.



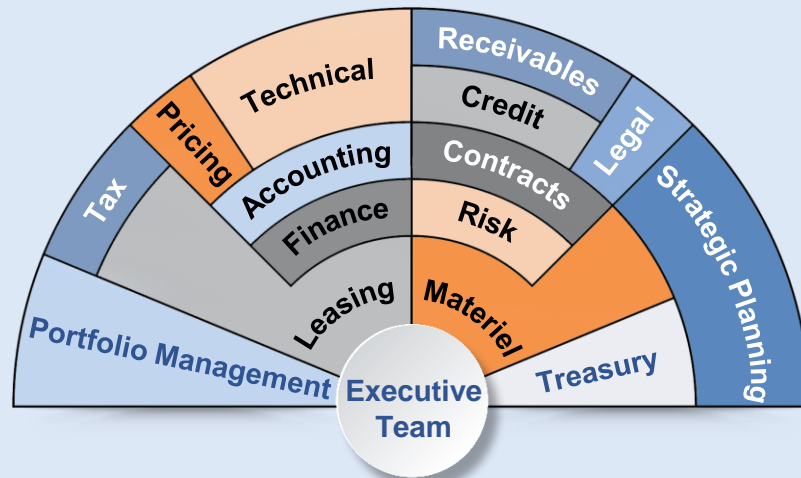
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AerCap's Approach

A well-synchronized organization delivers superior performance

- Local, self-sufficient, regional offices with **Leasing, Pricing, Technical, Legal, Risk, and Portfolio Management** functions that allow us to touch the customer, efficiently manage the business and drive consistent profitability
- **Delivering consistent results** requires strong collaboration amongst team members with specialized skill sets
- Using **proprietary pricing, risk and communication tools**, AerCap operates with the speed and flexibility of a small company and the economic strength of a well-established, multinational corporation



Our key business principles result in AerCap's consistent profitability

PORTFOLIO MANAGEMENT



- Focus on maintaining the most liquid aircraft types through aircraft acquisitions and disposals
- Assets owned in appropriate tax jurisdictions

LEASING STRATEGY



- Proactive risk management
- Highly diversified customer base
- Security deposits and maintenance reserves

CAPITAL STRUCTURE



- Focus on highly diversified, long-term funding and long-term assets
- Investment Grade ratings
- Relationships with over 100 banking institutions globally

HEDGING PROGRAM



- Protection against interest rate volatility through a mix of interest rate caps, swaps and fixed-rate loans

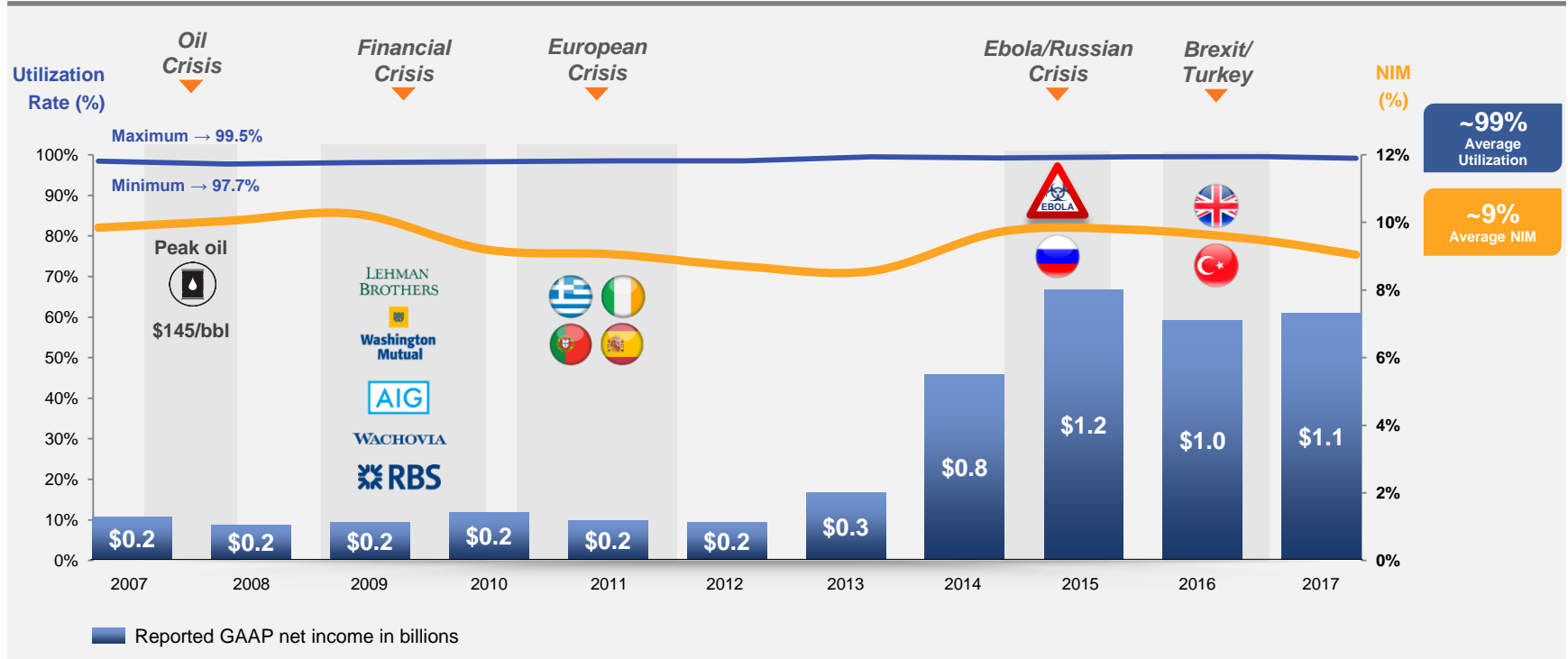
**CONSISTENT
PROFITABILITY**

AERCAP

AerCap's Consistent Performance



AerCap has achieved stable net interest margin and fleet utilization through all economic cycles





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Q&A



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