

For Investors: Joseph McGinley
Head of Investor Relations
jmcginley@aercap.com; +353 1 418 0428

For Media: Gillian Culhane
Vice President Corporate Communications
gculhane@aercap.com; +353 1 636 0945

AerCap Holdings N.V. Reports Financial Results for the First Quarter 2019

DUBLIN – May 1, 2019

- **Net income of \$234.2 million for the first quarter of 2019**
- **Diluted earnings per share of \$1.68 for the first quarter of 2019**

Highlights

- New technology aircraft now comprise over 50% of our owned fleet.
- Over \$40 billion of contracted future lease revenues.
- Average current lease expires in the third quarter of 2026.
- 6.2 years average age of owned fleet (1.9 years for new technology aircraft, 10.8 years for current technology aircraft).
- 7.4 years average remaining lease term.
- 99.2% fleet utilization rate for the first quarter of 2019.
- Aircraft purchases of \$1.2 billion in the first quarter of 2019.
- \$11.1 billion of available liquidity and adjusted debt/equity ratio of 2.8 to 1.
- Repurchased 3.1 million shares in the first quarter of 2019 for \$137 million.

Aengus Kelly, CEO of AerCap, commented: *"I am pleased to announce another strong quarter for AerCap, with earnings per share of \$1.68 and net income of \$234.2 million. The foundation of AerCap's success is our longstanding, deeply ingrained culture of action and discipline. Coupled with our scale and informational advantages, these enable us to produce superior economic results consistently, quarter after quarter and year after year."*

First Quarter 2019 Financial Results

- Lease revenue was \$1,162.1 million, compared with \$1,120.3 million for the same period in 2018, primarily due to the delivery of new technology aircraft from January 2018 through March 2019, resulting in a \$2.3 billion increase in average lease assets.
- Net income was \$234.2 million, compared with \$265.4 million for the same period in 2018. Diluted earnings per share was \$1.68, compared with \$1.72 for the same period in 2018.
- Net income was primarily affected by lower net gain on sale of assets, partially offset by higher lease rents. Our sales volume was significantly lower in the first quarter of 2019 than in the first quarter of 2018, resulting in lower net gain on sale of assets. This was partially offset by higher lease rents primarily resulting from the increase in average lease assets.
- Diluted earnings per share was affected by the same factors as net income and by the repurchase of 17.0 million shares from January 2018 through March 2019.

Revenue and Net Spread

	Three months ended March 31,		
	2019	2018	% increase/ (decrease)
	(U.S. Dollars in millions)		
Lease revenue:			
Basic lease rents	\$1,075.3	\$1,032.9	4%
Maintenance rents and other receipts	86.8	87.4	(1%)
Lease revenue	1,162.1	1,120.3	4%
Net gain on sale of assets	21.5	89.3	(76%)
Other income	21.4	9.5	125%
Total Revenues and other income	\$1,205.0	\$1,219.1	(1%)

Basic lease rents were \$1,075.3 million for the first quarter of 2019, compared with \$1,032.9 million for the same period in 2018. The increase was primarily due to the increase in average lease assets.

Net gain on sale of assets for the first quarter of 2019 was \$21.5 million, relating to 19 aircraft sold for \$340.0 million, compared with \$89.3 million for the same period in 2018 relating to 21 aircraft sold for \$756.8 million. The decrease was primarily due to the lower volume and composition of asset sales.

Other income for the first quarter of 2019 was \$21.4 million, compared with \$9.5 million for the same period in 2018. The increase was primarily the result of net insurance proceeds recognized during the first quarter of 2019 and higher interest income.

	Three months ended March 31,		
	2019	2018	% increase/ (decrease)
	(U.S. Dollars in millions)		
Basic lease rents	\$1,075.3	\$1,032.9	4%
Interest expense	334.2	274.4	22%
Adjusted for:			
Mark-to-market of interest rate caps	(15.9)	16.5	NA
Interest expense excluding mark-to-market of interest rate caps	318.3	290.9	9%
Net interest margin (*)	\$757.0	\$742.0	2%
Depreciation and amortization, including maintenance rights expense	(447.2)	(476.4)	(6%)
Net interest margin less depreciation and amortization (*)	\$309.8	\$265.6	17%
Average lease assets (*)	\$37,266	\$34,934	7%
Annualized net spread (*)	8.1%	8.5%	
Annualized net spread less depreciation and amortization (*)	3.3%	3.0%	

(*) Refer to "Notes Regarding Financial Information Presented in This Press Release" for details relating to these non-GAAP measures

Interest expense excluding mark-to-market of interest rate caps of \$15.9 million was \$318.3 million for the first quarter of 2019, compared with \$290.9 million for the same period in 2018. Our average cost of debt was 4.2% for the first quarter of 2019, compared with 4.0% for the same period in 2018.

Selling, General and Administrative Expenses

	Three months ended March 31,		
	2019	2018	% increase/ (decrease)
	(U.S. Dollars in millions)		
Selling, general and administrative expenses	\$49.5	\$54.1	(9%)
Share-based compensation expenses	17.4	31.7	(45%)
Total selling, general and administrative expenses	\$66.9	\$85.8	(22%)

Selling, general and administrative expenses were \$66.9 million for the first quarter of 2019, compared with \$85.8 million for the same period in 2018. The decrease was primarily due to a decrease in share-based compensation and other compensation-related expenses.

Other Expenses

Leasing expenses were \$91.7 million for the first quarter of 2019, compared with \$132.5 million for the same period in 2018. The decrease was primarily due to a decrease in maintenance rights expense as a result of the lower maintenance rights asset balance as well as a decrease in other leasing expenses recognized as a result of lease terminations. Asset impairment charges were \$5.0 million for the first quarter of 2019, compared to \$2.1 million recorded for the same period in 2018. Asset impairment charges recorded in the first quarter of 2019 related to sales transactions and was more than offset by maintenance revenue.

Effective Tax Rate

Our effective tax rate for the first quarter of 2019 was 13.0%, the same as for the first quarter of 2018. The effective tax rate for the full year 2018 was 12.5%. The effective tax rate is impacted by the source and amount of earnings among our different tax jurisdictions.

Book Value Per Share

	March 31, 2019	March 31, 2018
	(U.S. Dollars in millions, except share and per share data)	
Total AerCap Holdings N.V. shareholders' equity.....	\$8,906.2	\$8,592.6
Ordinary shares outstanding	139,597,805	147,156,242
Unvested restricted stock	(2,418,788)	(2,991,371)
Ordinary shares outstanding (excl. unvested restricted stock)	137,179,017	144,164,871
Book value per ordinary share outstanding (excl. unvested restricted stock)	\$64.92	\$59.60

Financial Position

	March 31, 2019	December 31, 2018	% increase/ (decrease) over December 31, 2018
	(U.S. Dollars in millions, except debt/equity ratio)		
Total cash, cash equivalents and restricted cash	\$2,574.2	\$1,415.0	82%
Total lease assets (*)	37,662.8	37,244.6	1%
Total assets	44,717.0	43,208.9	3%
Debt	30,759.2	29,507.6	4%
Total liabilities	35,747.2	34,328.3	4%
Total AerCap Holdings N.V. shareholders' equity	8,906.2	8,828.0	1%
Total equity	8,969.8	8,880.6	1%

(*) Refer to "Notes Regarding Financial Information Presented in This Press Release" for details relating to these non-GAAP measures

As of March 31, 2019, AerCap's portfolio consisted of 1,400 aircraft that were owned, on order or managed. The average age of our owned fleet as of March 31, 2019 was 6.2 years and the average remaining contracted lease term was 7.4 years.

Notes Regarding Financial Information Presented in This Press Release

The financial information presented in this press release is not audited.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The following are definitions of non-GAAP measures used in this press release. We believe these measures may further assist investors in their understanding of our operational performance.

Adjusted debt/equity ratio

This measure is the ratio obtained by dividing adjusted debt by adjusted equity.

- Adjusted debt means consolidated total debt less cash and cash equivalents, and less a 50% equity credit with respect to certain long-term subordinated debt.
- Adjusted equity means total equity, plus the 50% equity credit relating to the long-term subordinated debt.

Adjusted debt and adjusted equity are adjusted by the 50% equity credit to reflect the equity nature of those financing arrangements and to provide information that is consistent with definitions under certain of our debt covenants. We believe this measure may further assist investors in their understanding of our capital structure and leverage.

	<u>March 31, 2019</u>
	<u>(U.S. Dollars in millions, except debt/equity ratio)</u>
Debt	\$30,759
Adjusted for:	
Cash and cash equivalents	(2,348)
50% credit for long-term subordinated debt	(750)
Adjusted debt	<u>\$27,661</u>
Equity	\$8,970
Adjusted for:	
50% credit for long-term subordinated debt	750
Adjusted equity	<u>\$9,720</u>
Adjusted debt/equity ratio	<u>2.8 to 1</u>

Net interest margin, annualized net spread and annualized net spread less depreciation and amortization

Net interest margin is calculated as the difference between basic lease rents and interest expense, excluding the impact of the mark-to-market of interest rate caps. Annualized net spread is net interest margin expressed as a percentage of average lease assets. Annualized net spread less depreciation and amortization is net interest margin less depreciation and amortization, including maintenance rights expense, expressed as a percentage of average lease assets. We believe these measures may further assist investors in their understanding of the changes and trends related to the earnings of our leasing activities. These measures reflect the impact from changes in the number of aircraft leased, lease rates and utilization rates, as well as the impact from changes in the amount of debt and interest rates.

Lease assets

Lease assets include flight equipment held for operating leases, flight equipment held for sale, net investment in finance and sales-type leases and maintenance rights assets.

Conference Call

In connection with the earnings release, management will host an earnings conference call today, Wednesday, May 1, 2019, at 8:30 am Eastern Daylight Time. The call can be accessed live by dialing (U.S./Canada) +1 929 477 0448 or (International) +353 1 246 5638 and referencing code 7778627 at least 5 minutes before start time, or by visiting AerCap's website at www.aercap.com under "Investors."

The webcast replay will be archived in the "Investors" section of the Company's website for one year.

For further information, contact Joseph McGinley: +353 1 418 0428 (jmccginley@aercap.com).

About AerCap

AerCap is the global leader in aircraft leasing with, as of March 31, 2019, 1,400 owned, managed or on order aircraft in its portfolio. AerCap has one of the most attractive order books in the industry. AerCap serves approximately 200 customers in approximately 80 countries with comprehensive fleet solutions. AerCap is listed on the New York Stock Exchange (AER) and has its headquarters in Dublin with offices in Shannon, Los Angeles, Singapore, Amsterdam, Shanghai, Abu Dhabi, Seattle and Toulouse.

Forward-Looking Statements

This press release contains certain statements, estimates and forecasts with respect to future performance and events. These statements, estimates and forecasts are "forward-looking statements". In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "may," "might," "should," "expect," "plan," "intend," "estimate," "anticipate," "believe," "predict," "potential" or "continue" or the negatives thereof or variations thereon or similar terminology. All statements other than statements of historical fact included in this press release are forward-looking statements and are based on various underlying assumptions and expectations and are subject to known and unknown risks, uncertainties and assumptions, and may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied in the forward-looking statements. As a result, we cannot assure you that the forward-looking statements included in this press release will prove to be accurate or correct. In light of these risks, uncertainties and assumptions, the future performance or events described in the forward-looking statements in this press release might not occur. Accordingly, you should not rely upon forward-looking statements as a prediction of actual results and we do not assume any responsibility for the accuracy or completeness of any of these forward-looking statements. Except as required by applicable law, we do not undertake any obligation to, and will not, update any forward-looking statements, whether as a result of new information, future events or otherwise.

For more information regarding AerCap and to be added to our email distribution list, please visit www.aercap.com and follow us on Twitter www.twitter.com/aercapnv.

AerCap Holdings N.V.
Unaudited Consolidated Balance Sheets
(U.S. Dollars in thousands)

	March 31, 2019	December 31, 2018
Assets		
Cash and cash equivalents	\$2,348,132	\$1,204,018
Restricted cash	226,099	211,017
Trade receivables	94,174	40,379
Flight equipment held for operating leases, net	35,082,698	35,052,335
Maintenance rights and lease premium, net	1,058,090	1,113,190
Flight equipment held for sale	633,558	184,129
Net investment in finance and sales-type leases	994,154	1,003,286
Prepayments on flight equipment	2,984,323	3,024,520
Other intangibles, net	323,276	328,570
Deferred income tax assets	142,918	138,281
Other assets	829,532	909,190
Total Assets	\$44,716,954	\$43,208,915
Liabilities and Equity		
Accounts payable, accrued expenses and other liabilities	\$1,103,283	\$1,009,945
Accrued maintenance liability	2,261,049	2,237,494
Lessee deposit liability	781,586	768,677
Debt	30,759,154	29,507,587
Deferred income tax liabilities	842,101	804,598
Total liabilities	35,747,173	34,328,301
Ordinary share capital €0.01 par value, 350,000,000 ordinary shares authorized as of March 31, 2019 and December 31, 2018; 151,847,345 and 151,847,345 ordinary shares issued and 139,597,805 and 142,674,664 ordinary shares outstanding (including 2,418,788 and 2,429,442 unvested restricted stock) as of March 31, 2019 and December 31, 2018, respectively		
	1,866	1,866
Additional paid-in capital	2,728,071	2,712,417
Treasury shares, at cost 12,249,540 and 9,172,681 ordinary shares as of March 31, 2019 and December 31, 2018, respectively)	(611,601)	(476,085)
Accumulated other comprehensive loss	(37,470)	(1,824)
Accumulated retained earnings	6,825,312	6,591,674
Total AerCap Holdings N.V. shareholders' equity	8,906,178	8,828,048
Non-controlling interest	63,603	52,566
Total Equity	8,969,781	8,880,614
Total Liabilities and Equity	\$44,716,954	\$43,208,915

AerCap Holdings N.V.
Unaudited Consolidated Income Statements

(U.S. Dollars in thousands, except share and per share data)

	Three months ended March 31,	
	2019	2018
Revenues and other income		
Lease revenue:		
Basic lease rents	\$1,075,282	\$1,032,875
Maintenance rents and other receipts	86,811	87,419
Net gain on sale of assets	21,541	89,300
Other income	21,393	9,532
Total Revenues and other income	1,205,027	1,219,126
Expenses		
Depreciation and amortization	425,849	422,713
Asset impairment	5,031	2,108
Interest expense	334,179	274,449
Leasing expenses	91,721	132,468
Selling, general and administrative expenses	66,873	85,782
Total Expenses	923,653	917,520
Income before income taxes and income of investments accounted for		
under the equity method	281,374	301,606
Provision for income taxes	(36,579)	(39,228)
Equity in net earnings of investments accounted for under the equity method	2,102	3,341
Net income	\$246,897	\$265,719
Net income attributable to non-controlling interest	(12,711)	(320)
Net income attributable to AerCap Holdings N.V.	\$234,186	\$265,399
Basic earnings per share	\$1.70	\$1.80
Diluted earnings per share	\$1.68	\$1.72
Weighted average shares outstanding - basic	138,153,456	147,194,589
Weighted average shares outstanding - diluted	139,618,644	154,146,803

AerCap Holdings N.V.

Unaudited Consolidated Statements of Cash Flows

(U.S. Dollars in thousands)

	Three months ended March 31,	
	2019	2018
Net income	\$246,897	\$265,719
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	425,849	422,713
Asset impairment	5,031	2,108
Amortization of debt issuance costs, debt discount and lease premium	19,033	23,503
Amortization of fair value adjustment on debt	(27,060)	(41,100)
Accretion of fair value adjustment on deposits and maintenance liabilities	4,309	5,413
Maintenance rights write-off	52,357	100,827
Maintenance liability release to income	(46,285)	(42,230)
Net gain on sale of assets	(21,541)	(89,300)
Deferred income taxes	37,769	39,772
Collections of finance and sales-type leases	19,890	—
Other	51,770	23,306
Changes in operating assets and liabilities:		
Trade receivables	(55,039)	(15,944)
Other assets	(10,172)	563
Accounts payable, accrued expenses and other liabilities	42,892	42,618
Net cash provided by operating activities	745,700	737,968
Purchase of flight equipment	(815,274)	(447,998)
Proceeds from sale or disposal of assets	312,431	598,195
Prepayments on flight equipment	(280,335)	(681,616)
Collections of finance and sales-type leases	—	21,031
Other	(11)	(12,514)
Net cash used in investing activities	(783,189)	(522,902)
Issuance of debt	1,816,306	1,594,823
Repayment of debt	(537,246)	(1,084,956)
Debt issuance costs paid	(13,863)	(26,043)
Maintenance payments received	174,390	181,937
Maintenance payments returned	(108,437)	(149,100)
Security deposits received	86,860	42,096
Security deposits returned	(78,270)	(29,878)
Dividend paid to non-controlling interest holders	(1,674)	(2,700)
Repurchase of shares and tax withholdings on share-based compensation	(140,978)	(313,371)
Net cash provided by financing activities	1,197,088	212,808
Net increase in cash, cash equivalents and restricted cash	1,159,599	427,874
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(403)	131
Cash, cash equivalents and restricted cash at beginning of period	1,415,035	2,024,125
Cash, cash equivalents and restricted cash at end of period	\$2,574,231	\$2,452,130