Third Quarter 2020 Financial Results

AerCap Holdings N.V.

November 10, 2020
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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.
Key Messages

- Significant increase in air travel and AerCap’s cash flows
- Strong balance sheet and record liquidity
- Accelerating trend towards new technology aircraft, of which AerCap is the largest owner in the world
- Expect to see significant opportunities to deploy capital
Air Travel Recovery Underway

**EUROPE**
- European daily traffic averaged ~14,000 flights in October, a decrease from ~17,000 flights in August but well above the April 12 low of 2,099 flights

**U.S.**
- U.S. daily passengers surpassed 1 million in October for the first time since March, up from a low of ~87,000 passengers on April 14

**CHINA**
- In October, Chinese daily domestic flights were close to pre-pandemic levels

**OTHER KEY DRIVERS**
- Positive vaccine developments
- ~$200 billion of government support provided to airlines
- Rapid testing and elimination of quarantine periods are key to further recovery
Recent AerCap Actions

- 2020 and 2021 cash capex reduced by ~$5.7 billion
- Ongoing discussions with OEMs and airlines regarding further rescheduling

- Operating cash flow increased 76% from 2Q to 3Q
- Over $6 billion of funding raised since March
- Record high sources-to-uses coverage of 2.9x as of September 30, 2020
  - This represents ~10% of annual lease revenue, vs. over $1 billion of security

- New deferral requests have decreased significantly
- ~$485 million deferrals balance as of September 30, 2020, a $56 million increase in 3Q
AerCap Fleet as of December 31, 2014 by NBV

- Current technology narrowbodies A320ceo, B737NG 57%
- New technology aircraft B787 6%
- Old technology aircraft 4%
- Current technology widebodies A330, B777 33%

AerCap Fleet as of September 30, 2020 by NBV

- New technology aircraft A320neo, A350, B737 MAX, B787, E-2 62%
- Current technology narrowbodies A320ceo, B737NG 29%
- Current technology widebodies A330, B777 9%
AerCap has relatively few leases expiring through the end of 2022

- Aircraft currently on the ground and expiring through the end of 2022 represent only 9% of our total fleet.
- Average remaining lease term of 7.3 years.
Capital Deployment Alternatives

Dynamic capital allocation policy enables deployment of capital towards most productive uses

- Sale-and-Leaseback and OEM Order Opportunities
- De-Levering
- M&A
- Return of Capital
3Q 2020 Financial Results

Net loss of $850 million, or $6.66 per share, including special items.

Special items in 3Q included a non-cash write-down of flight equipment and goodwill, non-cash mark-to-market on investment and loss on debt extinguishment.

Net income excluding special items of $158 million, or $1.24 per share.
Revenues and Other Income

<table>
<thead>
<tr>
<th>($ million)</th>
<th>3Q 2020</th>
<th>3Q 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Lease Rents</td>
<td>897</td>
<td>1,067</td>
</tr>
<tr>
<td>Maintenance Rents and Other Receipts</td>
<td>91</td>
<td>73</td>
</tr>
<tr>
<td>Net Gain on Sale of Assets</td>
<td>7</td>
<td>41</td>
</tr>
<tr>
<td>Other Income</td>
<td>31</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total Revenues and Other Income</strong></td>
<td>1,027</td>
<td>1,194</td>
</tr>
</tbody>
</table>

- Basic lease rents decreased primarily due to lease restructurings, transitions and the impact of airline bankruptcies
- Maintenance rents and other receipts increased primarily due to higher maintenance revenue recognized as a result of lease terminations
- Net gain on sale of assets decreased due to the lower volume and composition of asset sales
- Other income increased primarily due to higher interest income
Cash Flow Recovery

- Cash flow from operations increased 76% from 2Q to 3Q.
- Vast majority of customers continue to pay every month.
Each quarter, we review our flight equipment for potential impairments.

This involves a forecast of expected cash flows over the remaining useful life of each aircraft and comparing those to our carrying value for that aircraft.

Assumptions used reflected our current estimates of impact of Covid-19 on aircraft demand and lease rates both now and in the future.

Impairment charge on flight equipment of $915 million, which related primarily to Airbus A330 and Boeing B777 current technology widebody aircraft, which together now represent less than 10% of our fleet.

In 3Q, we completed a comprehensive review of all our owned aircraft.

No impairments of new technology aircraft and minimal impairments of current technology narrowbodies.

Write-off of entire goodwill balance of $58 million.

AerCap Fleet as of September 30, 2020 by NBV:

- **New technology aircraft**
  - A320neo, A350, B737 MAX, B787, E-2 (62%)
- **Current technology narrowbodies**
  - A320CEO, B737NG (29%)
- **Current technology widebodies**
  - A330, B777 (9%)
Recent Funding Initiatives

$4.0B Unsecured debt raised since April

~$2.5B Secured debt raised since March

3.9% Average cost of debt raised in 2020

$3.9B Prepayment of debt maturing through 2022
Significant Reduction in Capital Expenditures

2020 and 2021 aggregate cash capex reduced by ~$5.7 billion, or ~65%

- 2020 capex reduced by ~70%, ~$0.4 billion remaining
- 2021 capex reduced by >60% to ~$1.8 billion
- Cancelled forward orders for 24 Boeing 737 MAX aircraft in 3Q
- Rescheduled deliveries of over 90 aircraft from 2020 and 2021 to later years

See Supplemental Information – Endnotes.
Record Liquidity Position

Next 12 months’ sources-to-uses coverage of 2.9x, with $11.2 billion sources of liquidity

- $7.4 billion of excess cash coverage
- 2.67x leverage ratio
- 24% secured debt-to-total assets ratio
- Unencumbered assets of ~$26 billion
- Average cost of debt of 4.0% in 3Q 2020
- Ratings affirmed by Moody’s and Fitch in 3Q
Supplemental Information
# High-Quality and Well-Diversified Portfolio

New technology aircraft comprise ~62% of our owned fleet

<table>
<thead>
<tr>
<th>Aircraft Type</th>
<th>Number of Owned Aircraft</th>
<th>% Net Book Value</th>
<th>Number of Managed Aircraft</th>
<th>Number of on Order Aircraft</th>
<th>Total Aircraft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbus A320 Family</td>
<td>276</td>
<td>13%</td>
<td>44</td>
<td></td>
<td>320</td>
</tr>
<tr>
<td>Airbus A320neo Family</td>
<td>153</td>
<td>21%</td>
<td>5</td>
<td>169</td>
<td>327</td>
</tr>
<tr>
<td>Airbus A330</td>
<td>60</td>
<td>4%</td>
<td>9</td>
<td></td>
<td>69</td>
</tr>
<tr>
<td>Airbus A350</td>
<td>27</td>
<td>10%</td>
<td></td>
<td></td>
<td>27</td>
</tr>
<tr>
<td>Boeing 737NG</td>
<td>230</td>
<td>16%</td>
<td>43</td>
<td></td>
<td>273</td>
</tr>
<tr>
<td>Boeing 737 MAX</td>
<td>5</td>
<td>1%</td>
<td></td>
<td>71</td>
<td>76</td>
</tr>
<tr>
<td>Boeing 767</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>Boeing 777-200ER</td>
<td>16</td>
<td>1%</td>
<td>2</td>
<td></td>
<td>18</td>
</tr>
<tr>
<td>Boeing 777-300 / 300ER</td>
<td>22</td>
<td>4%</td>
<td>1</td>
<td></td>
<td>23</td>
</tr>
<tr>
<td>Boeing 787</td>
<td>90</td>
<td>29%</td>
<td>1</td>
<td>24</td>
<td>115</td>
</tr>
<tr>
<td>Embraer E190 / 195-E2</td>
<td>10</td>
<td>1%</td>
<td></td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>Other</td>
<td>19</td>
<td></td>
<td></td>
<td></td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>933</strong></td>
<td><strong>100%</strong></td>
<td><strong>105</strong></td>
<td><strong>304</strong></td>
<td><strong>1,342</strong></td>
</tr>
</tbody>
</table>

- Average age of owned aircraft fleet is **6.3 years**
  (2.9 years for new technology aircraft, 11.9 years for current technology aircraft)
- Average remaining lease term is **7.3 years**

As of September 30, 2020
Attractive Aircraft Portfolio

~62% of AerCap’s fleet consists of in-demand new technology aircraft

Based on % of actual owned fleet net book value as of September 30, 2020.

2.9 years average age of new technology aircraft, 11.9 years average age of current technology aircraft
## Forward Order and Purchase/Leasebacks

<table>
<thead>
<tr>
<th>Aircraft Type</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Thereafter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbus A320neo Family</td>
<td>12</td>
<td>25</td>
<td>31</td>
<td>37</td>
<td>29</td>
<td>35</td>
<td>169</td>
</tr>
<tr>
<td>Boeing 737 MAX</td>
<td>-</td>
<td>5</td>
<td>5</td>
<td>17</td>
<td>18</td>
<td>26</td>
<td>71</td>
</tr>
<tr>
<td>Boeing 787</td>
<td>1</td>
<td>6</td>
<td>1</td>
<td>6</td>
<td>4</td>
<td>6</td>
<td>24</td>
</tr>
<tr>
<td>Embraer E190 / 195-E2</td>
<td>5</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>11</td>
<td>22</td>
<td>40</td>
</tr>
<tr>
<td><strong>Total Aircraft</strong></td>
<td><strong>18</strong></td>
<td><strong>38</strong></td>
<td><strong>37</strong></td>
<td><strong>60</strong></td>
<td><strong>62</strong></td>
<td><strong>89</strong></td>
<td><strong>304</strong></td>
</tr>
</tbody>
</table>

As of September 30, 2020
### 3Q 2020 Net Income / EPS Excluding Special Items

<table>
<thead>
<tr>
<th>Net Loss / Loss Per Share</th>
<th>Net (Loss) Income ($ million)</th>
<th>(Loss) Earnings Per Share ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▶ Asset Impairment</td>
<td>973</td>
<td>7.63</td>
</tr>
<tr>
<td>▶ Mark-to-market Movement on Investment</td>
<td>128</td>
<td>1.01</td>
</tr>
<tr>
<td>▶ Loss on Debt Extinguishment</td>
<td>43</td>
<td>0.34</td>
</tr>
<tr>
<td>▶ Income Tax Benefit</td>
<td>(136)</td>
<td>(1.06)</td>
</tr>
<tr>
<td><strong>Net Income / Earnings Per Share Excluding Special Items</strong></td>
<td><strong>158</strong></td>
<td><strong>$1.24</strong></td>
</tr>
</tbody>
</table>
## Capital Structure

### Adjusted Debt/Equity Calculation ($ million)

<table>
<thead>
<tr>
<th></th>
<th>Sept. 30, 2020</th>
<th>Dec. 31, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Debt</strong> (including fair value adjustments)</td>
<td>31,087</td>
<td>29,486</td>
</tr>
<tr>
<td><strong>Adjusted for:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted cash &amp; cash equivalents</td>
<td>(3,244)</td>
<td>(1,121)</td>
</tr>
<tr>
<td>50% equity credit for long-term subordinated debt</td>
<td>(1,125)</td>
<td>(1,125)</td>
</tr>
<tr>
<td><strong>Adjusted Debt</strong></td>
<td>26,718</td>
<td>27,240</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>8,879</td>
<td>9,382</td>
</tr>
<tr>
<td><strong>Adjusted for:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50% equity credit for long-term subordinated debt</td>
<td>1,125</td>
<td>1,125</td>
</tr>
<tr>
<td><strong>Adjusted Equity</strong></td>
<td>10,004</td>
<td>10,507</td>
</tr>
</tbody>
</table>

### Adjusted Debt / Equity Ratio

- 2.67 to 1
- 2.59 to 1
Endnotes

**SLIDE 6 / 7 / 12: Fleet Transformation / Lease Expiries Schedule / Asset Impairments**
NBV: net book value

**SLIDE 14: Significant Reduction in Capital Expenditures**
Capex includes cash payments for aircraft deliveries and pre-delivery payments during the next 12 months.

**SLIDE 15: Record Liquidity Position**
Capex includes cash payments for aircraft deliveries and pre-delivery payments during the next 12 months.
Average cost of debt is calculated as interest expense, excluding mark-to-market on interest rate caps and swaps, divided by average debt balance.