Fourth Quarter 2022 Financial Update

AIRCASTLE

A MARUBENI & MIZUHO LEASING COMPANY

Forward-Looking Statements / Property of Aircastle

All statements included or incorporated by reference in this presentation, 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 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 presentation. 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 presentation. Aircastle expressly disclaims any obligation to revise or update publicly any forward-looking statement to reflect future events or circumstances.

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248 Aircraft
(Owned & Managed)

73 Lessees

44 Countries

$6.9B NBV

$2.0B Available Liquidity

2.8x Net Debt to Equity

84% Unsecured Debt

S&P Global	Fitch Ratings	Moody's
BBB-	BBB	Baa3

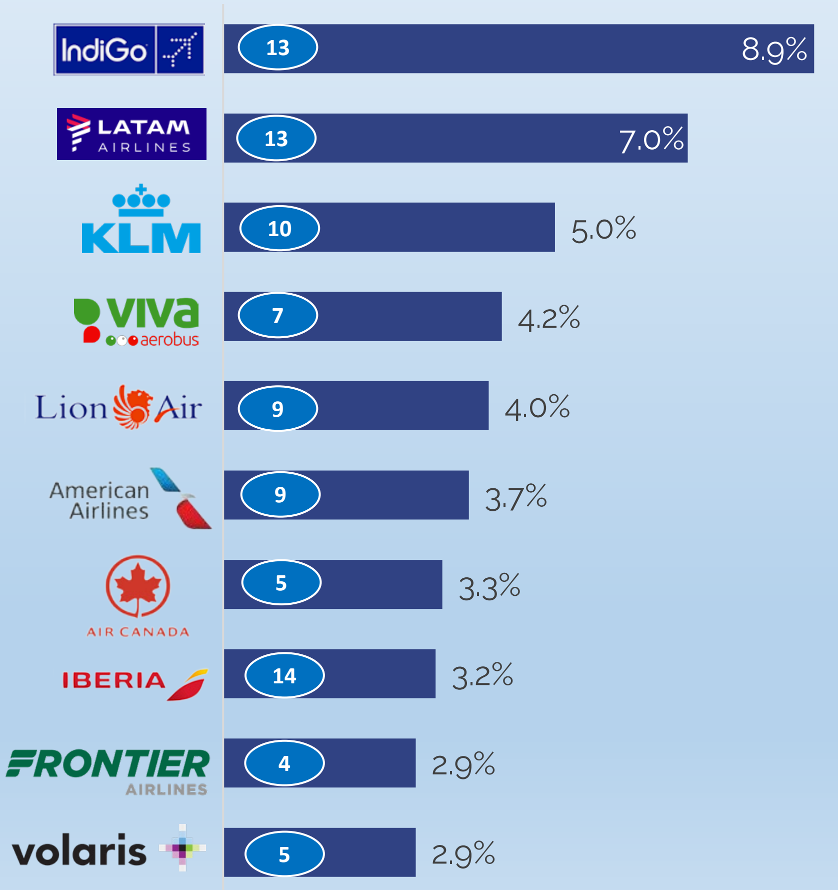
See endnotes for further information

73 Lessees in 44 Countries

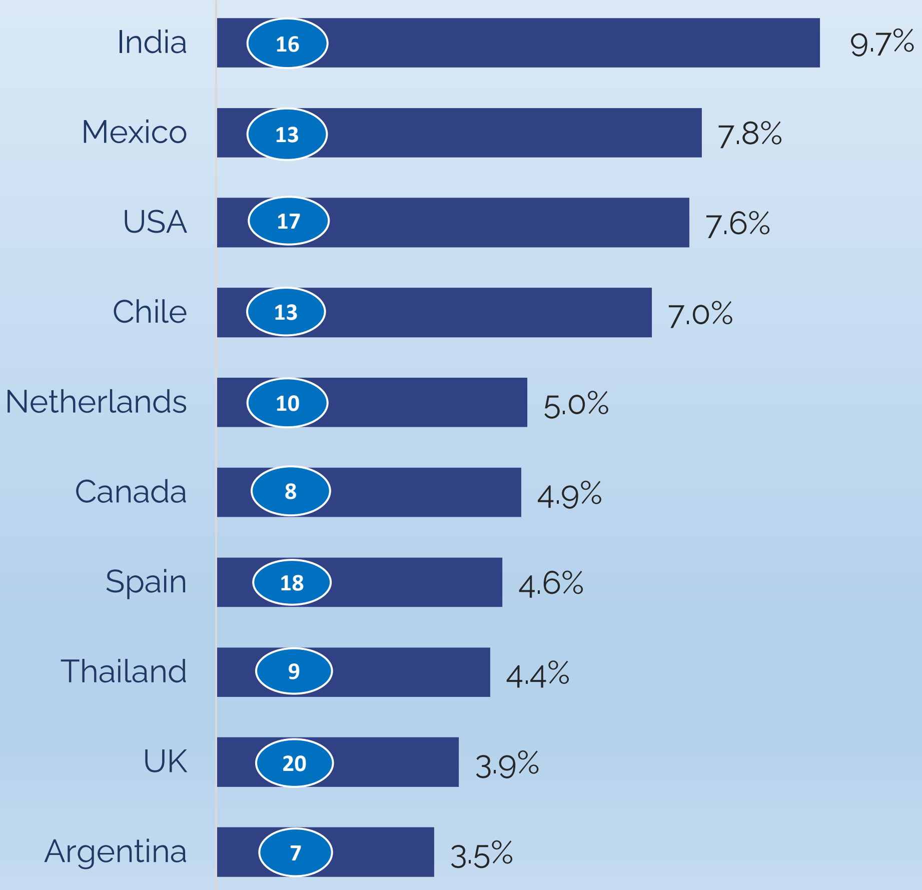
Diversified customer base with broad geographic distribution

Europe – 30%
Asia & Pacific – 28%
North America – 20%
South America – 14%

Customer Exposure by % of NBV – Feb 28, 2023



Country Exposure by % of NBV – Feb 28, 2023



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Market Update

Meeting Demand

- Leasing sector continues to attract new capital entrants
- Seller’s market: OEM delays are bolstering mid-life aircraft values
- Lessors diversifying funding sources; IG rating crucial

Improvements in Demand & Capacity

- Airlines working through disruptions towards anticipated profitability for 2023
- Wide-body outlook improving; Trans-Atlantic volumes strong, Asia easing restrictions
- Operational challenges continue for some airlines, airports and MROs
- Consumers watchful of fuel and inflation yet demand for travel sustains

Fourth Quarter Results & FY 2022 Highlights

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Operating Results

$ in millions	Three Months Ended Feb 28, 2023	Three Months Ended Feb 28, 2022	Year Ended Feb 28, 2023	Year Ended Feb 28, 2022
Total revenue	$189	$255	$796	$770
Total operating expenses	$184	$503	$723	$1,103
Other income	$11	-	$13	$44
Income tax provision (benefit)	$3	($31)	$25	($8)
Net income (loss)	$14	($216)	$63	($278)
EBITDA	$162	($109)	$646	$286
Adjusted EBITDA	$180	$232	$732	$752

Operating results presented above do not include earnings from unconsolidated equity method investments or loss on extinguishment of debt

FY 2022 Highlights

- 22 narrow-body acquisitions for $914 million; 3 B737-800 freighter conversion
- Sold 25 aircraft and other flight equipment for $426 million with $71 million gain on sales
- $49 million of Russia-related letters of credit received
- 17% increase in year-to-date cash flows from operations

See endnotes for further information

FY 2022 Financing Highlights

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September 2022
Increased RCF to $1B

November 2022
New $450M Secured aircraft financing facility

January 2023
Extension and increase RCF with Mizuho Marubeni Leasing Corporation to $200M

February 2023
New $300M RCF with Mizuho Bank

Marubeni

Mizuho Leasing

"Our unique ownership with the Marubeni Corporation and Mizuho Leasing is a competitive strength that bolsters our credit rating and provides unique access to Asian financing sources."

Michael Inglese, Aircastle CEO

See endnotes for further information

Key Portfolio Metrics

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Narrow-bodies make up 92% of fleet (by number of aircraft)

✈

FY 2022 Utilization at 95% - 24 aircraft to place in FY 2023; represents 7% of NBV

✈

Managing additional 9 aircraft with NBV of $285 million from our joint venture with Mizuho Leasing

Investing in New Technology

Fleet NBV of high efficiency-low emissions aircraft increased 55% in FY 2022

	February 28,	
	2023	2022
Owned Aircraft [1]	239	251
Q4 Utilization	94.6%	95.6%
Net Book Value of Flight Equipment ($ in millions)	$6,635	$6,464
Net Book Value of New Technology Flight Equipment ($ in millions)	$1,856	$1,199
Weighted Avg. Fleet Age (years)	9.7	10.2
Weighted Avg. Lease Term (years)	5.3	4.9

(1) Reductions in aircraft count and NBV driven by loss of Russian aircraft.
See endnotes for further information

Conservative Debt Profile

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Investment Grade Since 2018

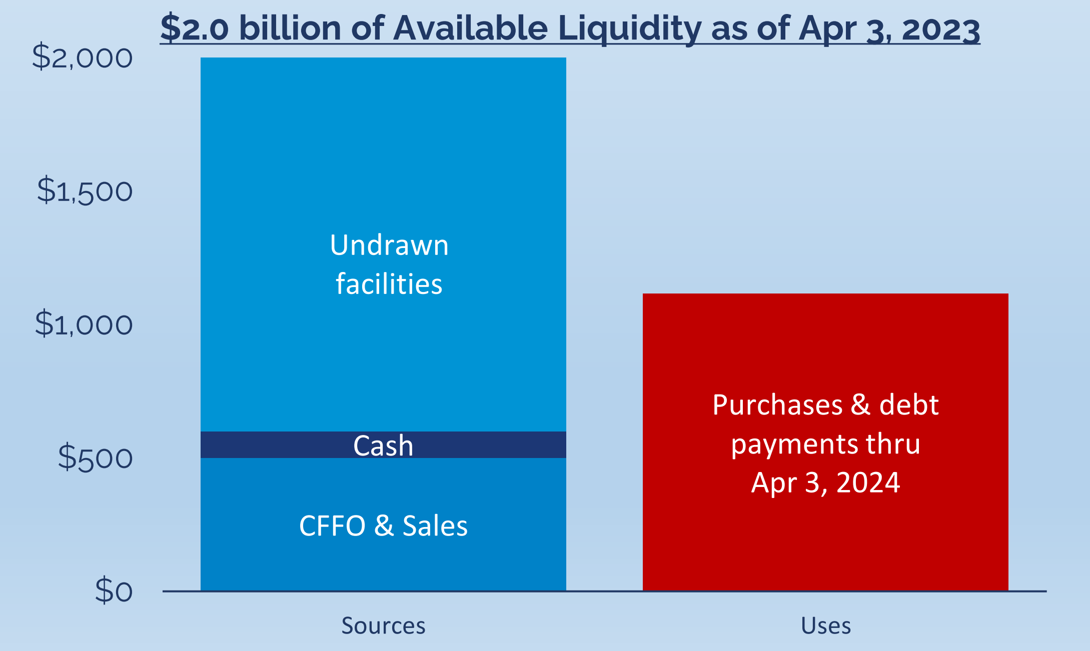
S&P: BBB-

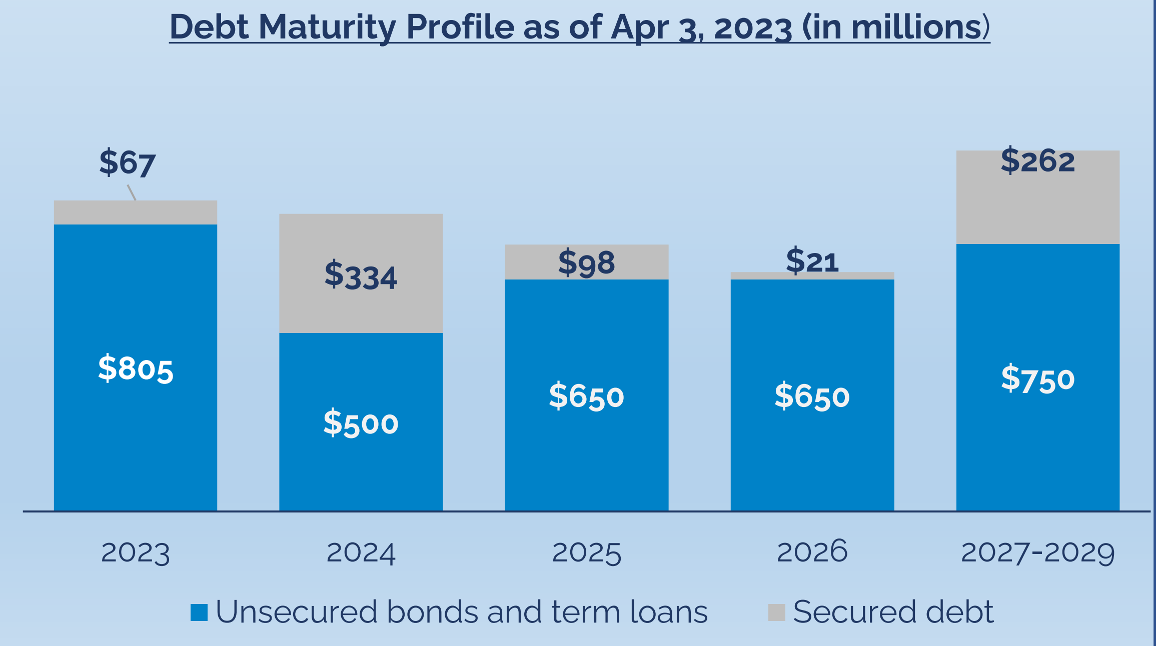
Fitch: BBB

Moody's: Baa3

Average remaining maturity of debt 2.5 years 84% of total debt unsecured

$5.5 billion or 84% of aircraft are unencumbered





See endnotes for further information

Capital Structure Summary

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($ in millions)	As of February 28, 2023		As of November 30, 2022		As of August 31, 2022	
Unrestricted cash and cash equivalents	$ 232		$ 208		$ 247	
Debt [1]	O/S	Rate	O/S	Rate	O/S	Rate
Bank Financings	761	4.82%	664	4.02%	629	3.81%
Total Secured Debt	761	4.82%	664	4.02%	629	3.81%
Senior Notes 5.00% due 2023	500	5.00%	500	5.00%	500	5.00%
Senior Notes 4.40% due 2023	650	4.40%	650	4.40%	650	4.40%
Senior Notes 4.125% due 2024	500	4.13%	500	4.13%	500	4.13%
Senior Notes 5.25% due 2025	650	5.25%	650	5.25%	650	5.25%
Senior Notes 4.25% due 2026	650	4.25%	650	4.25%	650	4.25%
Senior Notes 2.85% due 2028	750	2.85%	750	2.85%	750	2.85%
Other Unsecured Bank Financings	155	6.32%	155	4.84%	155	2.38%
Drawn Bank Revolvers	20	6.36%	20	4.78%	95	3.59%
Total Unsecured Debt	3,875	4.35%	3,875	4.28%	3,950	4.21%
Total Debt and Weighted Avg. Rate	4,636	4.42%	4,539	4.24%	4,579	4.16%
Shareholders' equity [2]	1,871		1,868		1,818	
Total capitalization	$ 6,507		$ 6,407		$ 6,398	
Net debt to equity [3]	2.8x		2.7x		2.8x	
Unsecured debt to total debt	84%		85%		86%	

(1) The debt totals in the above table do not include debt issuance costs or discounts which are reflected in the net debt totals that are displayed on the consolidated balance sheet.
(2) Includes full value of preference shares.
(3) Calculates 50% of $400 million (or $200 million) of hybrid capital preference shares.

Reconciliation of GAAP to Non-GAAP Measures

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($ in thousands)	Three Months Ended February 28,		Year Ended February 28,	
	2023	2022	2023	2022
Net income (loss)	$ 13,666	$ (215,852)	$ 62,759	$ (278,209)
Depreciation	86,367	87,220	332,663	337,528
Amortization of lease premiums, discounts & incentives	5,905	164	20,574	20,190
Interest, net	52,968	50,387	204,606	214,352
Income tax provision (benefit)	3,134	(30,875)	25,466	(7,998)
EBITDA	162,041	(108,956)	646,068	285,863
Adjustments:				
Impairment of flight equipment	17,644	341,324	85,623	452,250
Loss on extinguishment of debt	173	-	636	14,156
Adjusted EBITDA	$ 179,857	$ 232,368	$ 732,327	$ 752,269

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.

Endnotes on slide info

All financial information as of February 28, 2023, unless otherwise indicated.

SLIDES 3 (& 9) - 2.0 billion available liquidity as of April 3, 2023, includes undrawn facilities of $1.4 billion, $0.5 billion of projected adjusted operating cash flows through April 1, 2024, and $0.1 billion of unrestricted cash. Adjusted contractual commitments includes debt maturities of $0.9 billion, committed investments and PDPs of $0.2 billion and Preference Share Dividends of $21 million.

SLIDE 3 – Net Debt to Equity of 2.8x includes 50% of $400 million (or $200 million) of hybrid capital preference shares. The ratio excludes debt issuance costs or discounts which are reflected in the net debt totals that are displayed on the consolidated balance sheet.

SLIDE 3 – NBV of $6.9 billion includes both owned and managed aircraft.

SLIDES 3, 4, 8 – References to NBV or Net Book Value include flight equipment held for lease and net investment in direct financing and sales-type leases.

SLIDE 4 – Lion Air's nine leased aircraft include four leased through three affiliates.

SLIDE 6 – Refer to selected financial information accompanying this presentation for a reconciliation of GAAP to Non-GAAP measures.

SLIDE 6 – Earnings summary does not present earnings of unconsolidated equity method investments or loss on extinguishment of debt.

SLIDE 8 – Utilization, Weighted Average Fleet Age, and Weighted Average Lease Term are all calculated using net book value as of the end of the period.

SLIDE 8 – New Technology includes Airbus A320neo and A321neo, Boeing B737-MAX8, and Embraer E2.

Limitations of EBITDA and Adjusted EBITDA

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An investor or potential investor may find EBITDA and Adjusted EBITDA are important measures in evaluating our performance, results of operations and financial position. We use these non-US GAAP measures to supplement our US GAAP results in order to provide a more complete understanding of the factors and trends affecting our business.

EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be viewed in isolation or as substitutes for US GAAP measures of earnings. Material limitations in making the adjustments to our earnings to calculate EBITDA and Adjusted EBITDA and using these non-US GAAP measures as compared to US GAAP net income, income from continuing operations and cash flows provided by or used in operations, include:

- depreciation and amortization, though not directly affecting our current cash position, represent the wear and tear and/or reduction in value of our aircraft, which affects the aircraft's availability for use and may be indicative of future needs for capital expenditures;
- the cash portion of income tax (benefit) provision generally represents charges (gains), which may significantly affect our financial results; and
- adjustments required in calculating covenant ratios and compliance as that term is defined in the indenture governing our senior unsecured notes may differ from and may not be comparable to, similarly titled measures used by other companies.

EBITDA and Adjusted EBITDA are not alternatives to net income, income from operations or cash flows provided by or used in operations as calculated and in accordance with US GAAP. You should not rely on these non-US GAAP measures as a substitute for any such US GAAP financial measure. We strongly urge you to review the reconciliations to US GAAP net income, along with our consolidated financial statements included elsewhere in our Annual Report. We also strongly urge you to not rely on any single financial measure to evaluate our business. In addition, because EBITDA and Adjusted EBITDA are not measures of financial performance under US GAAP and are susceptible to varying calculations, EBITDA and Adjusted EBITDA as here, may differ from and may not be comparable to, similarly titled measures used by other companies.

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Contact

James Connelly
Senior Vice President, ESG & Corporate Communications
203-504-1871
jconnelly@aircastle.com