

October 12, 2022

FOR IMMEDIATE RELEASE

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Aircastle Announces Second Quarter 2022 Results and Sale of Three Wide-body Aircraft

Three Months Ended August 31, 2022

- Total revenues of \$174 million
- Adjusted EBITDA⁽¹⁾ of \$159 million
- Net loss of \$9 million

Highlights for the Three Months Ended August 31, 2022

- Acquired seven narrow-body aircraft for \$286 million
- Sold five aircraft and other flight equipment for proceeds of \$113 million and a gain on sale of \$10 million
- Interest expense down 9% compared to second quarter of 2021
- Wrote off remaining book value of one 747 Freighter in Russia deemed irrecoverable, resulting in a \$28 million impairment.
- Subsequently sold two 747 Freighter and one 777 aircraft in September 2022 for an approximate gain of 53 million

Liquidity

- Expanded the size of one of our unsecured revolving credit facilities to \$1.0 billion in September 2022
- Total liquidity as of October 1, 2022 of \$2.1 billion including \$1.4 billion of undrawn credit facilities, \$0.3 billion of unrestricted cash, and \$0.4 billion of projected adjusted operating cash flows through October 1, 2023
- 212 unencumbered aircraft with a net book value of \$5.4 billion

(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, “Although still not at 2019 levels, demand and capacity for air travel continues to strengthen. This trend looks to continue even though concerns over inflation and fuel prices are disrupting some markets. This quarter, Aircastle moved forward with seven narrow-body acquisitions, continuing our focus on new technology aircraft.”

Mr. Inglese concluded, “With the September sale of three aircraft at significant profit, as well as the recent upsize of one of our revolvers to \$1 billion, we are optimistic as we pursue strategic, new-technology investments. Our favorable credit rating, along with the opportunities afforded by our unique ownership arrangement with the Marubeni Corporation and Mizuho Leasing have us excited for disciplined future growth.”

Aviation Assets

As of August 31, 2022, Aircastle owned 243 aircraft and other flight equipment having a net book value of \$6.5 billion. We also manage nine aircraft with a net book value of \$292 million on behalf of our joint venture with Mizuho Leasing.

	As of August 31, 2022	As of August 31, 2021
Owned Aircraft		
Net Book Value of Flight Equipment (\$ mils.)	\$ 6,493	\$ 6,761
Net Book Value of Unencumbered Flight Equipment (\$ mils.)	\$ 5,447	\$ 5,593
Number of Aircraft ⁽¹⁾	243	255
Number of Unencumbered Aircraft ⁽¹⁾	212	223
Number of Lessees	74	76
Number of Countries	45	42
Weighted Average Fleet Age (Years) ⁽²⁾	10.3	10.6
Weighted Average Remaining Lease Term (Years) ⁽²⁾	5.0	4.6
Weighted Average Fleet Utilization for the three months ended ⁽³⁾	94.9 %	94.1 %
Weighted Average Fleet Utilization for the six months ended ⁽³⁾	94.8 %	93.6 %
Managed Aircraft on behalf of Joint Ventures		
Net Book Value of Flight Equipment (\$ mils.)	\$ 292	\$ 305
Number of Aircraft	9	9

(1) Excludes nine aircraft that remain in Russia with zero net book value – see Note 3 in the Notes to Unaudited Consolidated Financial Statements.

(2) Weighted by net book value (flight equipment held for lease and net investment in direct financing and sales-type leases, or "Net Book Value").

(3) Aircraft on-lease days as a percent of total days in period weighted by net book value.

Conference Call

In connection with this press release, management will host a conference call on Wednesday, October 12, 2022, 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 (866) 580-3963 (from within the U.S. and Canada) or (786) 697-3501 (outside the U.S. and Canada) ten minutes prior to the scheduled start and referencing the passcode “Aircastle”.

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 until 12:00 P.M. Eastern Time on Saturday, November 12, 2022, by dialing (866) 580-3963 (from within the U.S. and Canada); please reference passcode 1448014 followed by #.

To access the replay outside the U.S. or Canada, please use the following, referencing passcode 1448014 followed by #: (UK: 0800-633-8453); (Ireland: 1 800-625-161); Singapore (800-441-1300); Japan (0053-1780199). Additional replay dial-in numbers for other locations are available [here](#).

About Aircastle Limited

Aircastle Limited acquires, leases and sells commercial jet aircraft to airlines throughout the world. As of August 31, 2022, Aircastle owned and managed on behalf of its joint ventures 252 aircraft leased to 74 customers located in 45 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)

	August 31, 2022	February 28, 2022
	(Unaudited)	
ASSETS		
Cash and cash equivalents	\$ 246,713	\$ 167,891
Restricted cash and cash equivalents	650	2,791
Accounts receivable	54,960	63,666
Flight equipment held for lease, net	6,355,679	6,313,950
Net investment in leases, net	137,619	150,325
Unconsolidated equity method investments	39,494	38,317
Other assets	327,141	356,326
Total assets	<u>\$ 7,162,256</u>	<u>\$ 7,093,266</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Borrowings from secured financings, net	\$ 626,776	\$ 684,039
Borrowings from unsecured financings, net	3,915,114	3,835,841
Accounts payable, accrued expenses and other liabilities	195,004	177,424
Lease rentals received in advance	43,040	37,361
Security deposits	65,366	69,189
Maintenance payments	498,768	459,713
Total liabilities	<u>5,344,068</u>	<u>5,263,567</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 August 31, 2022 and February 28, 2022	—	—
Common shares, \$0.01 par value, 250,000,000 shares authorized, 14,048 shares issued and outstanding at August 31, 2022 and February 28, 2022	—	—
Additional paid-in capital	1,878,774	1,878,774
Accumulated deficit	(60,586)	(49,075)
Total shareholders' equity	<u>1,818,188</u>	<u>1,829,699</u>
Total liabilities and shareholders' equity	<u>\$ 7,162,256</u>	<u>\$ 7,093,266</u>

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

	<u>Three Months Ended August 31,</u>		<u>Six Months Ended August 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:				
Lease rental revenue	\$ 146,508	\$ 137,589	\$ 290,652	\$ 269,714
Direct financing and sales-type lease revenue	2,265	2,776	4,863	5,653
Amortization of lease premiums, discounts and incentives	(5,518)	(5,835)	(10,906)	(11,159)
Maintenance revenue	20,114	21,218	47,213	47,694
Total lease revenue	163,369	155,748	331,822	311,902
Gain on sale of flight equipment	10,049	1,502	13,736	10,524
Other revenue	161	402	3,585	1,036
Total revenues	173,579	157,652	349,143	323,462
Operating expenses:				
Depreciation	82,106	83,391	163,424	165,782
Interest, net	50,587	55,413	100,881	113,450
Selling, general and administrative	17,393	15,990	37,309	31,573
Provision for credit losses	109	6	689	12
Impairment of flight equipment	33,671	21,232	38,099	41,815
Maintenance and other costs	5,212	8,087	13,277	15,615
Total operating expenses	189,078	184,119	353,679	368,247
Other income (expense):				
Loss on extinguishment of debt	—	(14,132)	(463)	(14,156)
Other	2,072	57,609	2,072	57,619
Total other income	2,072	43,477	1,609	43,463
Income (loss) from continuing operations before income taxes and earnings of unconsolidated equity method investments	(13,427)	17,010	(2,927)	(1,322)
Income tax provision (benefit)	(4,068)	7,665	(739)	(627)
Earnings of unconsolidated equity method investments, net of tax	666	458	1,177	745
Net income (loss)	(8,693)	9,803	(1,011)	50
Preference share dividends	(10,500)	(5,658)	(10,500)	(5,658)
Net income (loss) available to common shareholders	\$ (19,193)	\$ 4,145	\$ (11,511)	\$ (5,608)
Total comprehensive income (loss) available to common shareholders	\$ (19,193)	\$ 4,145	\$ (11,511)	\$ (5,608)

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

	Six Months Ended August 31,	
	2022	2021
Cash flows from operating activities:		
Net income (loss)	\$ (1,011)	\$ 50
Adjustments to reconcile net income (loss) to net cash and restricted cash provided by operating activities:		
Depreciation	163,424	165,782
Amortization of deferred financing costs	7,095	8,384
Amortization of lease premiums, discounts and incentives	10,906	11,159
Deferred income taxes	6,588	4,240
Collections on net investment in leases	4,016	8,065
Security deposits and maintenance payments included in earnings	(2,133)	(30,420)
Gain on sale of flight equipment	(13,736)	(10,524)
Loss on extinguishment of debt	463	14,156
Impairment of flight equipment	38,099	41,815
Provision for credit losses	689	12
Other	(1,179)	(745)
Changes in certain assets and liabilities:		
Accounts receivable	5,808	(5,479)
Other assets	(8,223)	(15,413)
Accounts payable, accrued expenses and other liabilities	(2,284)	(10,664)
Lease rentals received in advance	7,094	(704)
Net cash and restricted cash provided by operating activities	<u>215,616</u>	<u>179,714</u>
Cash flows from investing activities:		
Acquisition and improvement of flight equipment	(372,474)	(370,187)
Proceeds from sale of flight equipment	171,065	77,900
Aircraft purchase deposits and progress payments, net of returned deposits and aircraft sales deposits	4,504	10,003
Other	1,500	(64)
Net cash and restricted cash used in investing activities	<u>(195,405)</u>	<u>(282,348)</u>
Cash flows from financing activities:		
Net proceeds from preference share issuance	—	393,362
Proceeds from secured and unsecured debt financings	75,000	—
Repayments of secured and unsecured debt financings	(58,355)	(546,903)
Debt extinguishment costs	(291)	(13,372)
Deferred financing costs	(1,903)	(4,748)
Security deposits and maintenance payments received	63,758	44,111
Security deposits and maintenance payments returned	(11,239)	(10,219)
Dividends paid	(10,500)	—
Net cash and restricted cash provided by (used in) financing activities	<u>56,470</u>	<u>(137,769)</u>
Net increase in cash and restricted cash	<u>76,681</u>	<u>(240,403)</u>
Cash and restricted cash at beginning of period	<u>170,682</u>	<u>580,598</u>
Cash and restricted cash at end of period	<u>\$ 247,363</u>	<u>\$ 340,195</u>

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

	Three Months Ended August 31,		Six Months Ended August 31,	
	2022	2021	2022	2021
Net income (loss)	\$ (8,693)	\$ 9,803	\$ (1,011)	\$ 50
Depreciation	82,106	83,391	163,424	165,782
Amortization of lease premiums, discounts and incentives	5,518	5,835	10,906	11,159
Interest, net	50,587	55,413	100,881	113,450
Income tax provision (benefit)	(4,068)	7,665	(739)	(627)
EBITDA	125,450	162,107	273,461	289,814
Adjustments:				
Impairment of flight equipment	33,671	21,232	38,099	41,815
Loss on extinguishment of debt	—	14,132	463	14,156
Adjusted EBITDA	<u>\$ 159,121</u>	<u>\$ 197,471</u>	<u>\$ 312,023</u>	<u>\$ 345,785</u>

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.