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# Investor Presentation

## 2023

### *Fourth Quarter*

.....

# Forward Looking Statements & Non-GAAP Measures

Statements in this presentation that are not historical facts are hereby identified as “forward-looking statements,” including any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “believes,” “can,” “could,” “may,” “predicts,” “potential,” “should,” “will,” “estimate,” “plans,” “projects,” “continuing,” “ongoing,” “expects,” “intends” and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. We wish to caution you that our actual results could differ materially from those anticipated in such forward-looking statements as a result of several factors, including, but not limited to, the following:

- our inability to obtain additional capital on favorable terms, or at all, to acquire aircraft, service our debt obligations and refinance maturing debt obligations;
- increases in our cost of borrowing, decreases in our credit ratings, or changes in interest rates;
- our inability to generate sufficient returns on our aircraft investments through strategic acquisition and profitable leasing;
- the failure of an aircraft or engine manufacturer to meet its contractual obligations to us, including or as a result of manufacturing defects and technical or other difficulties with aircraft or engines before or after delivery;
- our ability to recover losses related to aircraft detained in Russia, including through insurance claims and related litigation;
- obsolescence of, or changes in overall demand for, our aircraft;
- changes in the value of, and lease rates for, our aircraft, including as a result of aircraft oversupply, manufacturer production levels, our lessees’ failure to maintain our aircraft, inflation, and other factors outside of our control;
- impaired financial condition and liquidity of our lessees, including due to lessee defaults and reorganizations, bankruptcies or similar proceedings;
- increased competition from other aircraft lessors;
- the failure by our lessees to adequately insure our aircraft or fulfill their contractual indemnity obligations to us, or the failure of such insurers to fulfill their contractual obligations;
- increased tariffs and other restrictions on trade;
- changes in the regulatory environment, including changes in tax laws and environmental regulations;
- other events affecting our business or the business of our lessees and aircraft manufacturers or their suppliers that are beyond our or their control, such as the threat or realization of epidemic diseases, natural disasters, terrorist attacks, war or armed hostilities between countries or non-state actors; and
- any additional factors discussed under “Part I — Item 1A. Risk Factors,” in our Annual Report on Form 10-K for the year ended December 31, 2023, and other Securities and Exchange Commission (“SEC”) filings, including future SEC filings.

We also refer you to the documents the Company files from time to time with the Securities and Exchange Commission (“SEC”), specifically the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, which contains and identifies important factors that could cause the actual results for the Company on a consolidated basis to differ materially from expectations and any subsequent documents the Company files with the SEC. All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations, and, therefore, you are cautioned not to place undue reliance on such statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we do not intend and undertake no obligation to update any forward-looking information to reflect actual results or events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. If any such risks or uncertainties develop, our business, results of operation and financial condition could be adversely affected.

The Company has an effective registration statement (including a prospectus) with the SEC. Before you invest in any offering of the Company’s securities, you should read the prospectus in that registration statement and other documents the Company has filed with the SEC for more complete information about the Company and any such offering. You may obtain copies of the Company’s most recent Annual Report on Form 10-K and the other documents it files with the SEC for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, the Company will arrange to send such information if you request it by contacting Air Lease Corporation, General Counsel and Secretary, 2000 Avenue of the Stars, Suite 1000N, Los Angeles, California 90067, (310) 553-0555.

The Company routinely posts information that may be important to investors in the “Investors” section of the Company’s website at [www.airleasecorp.com](http://www.airleasecorp.com). Investors and potential investors are encouraged to consult the Company’s website regularly for important information about the Company. The information contained on, or that may be accessed through, the Company’s website is not incorporated by reference into, and is not a part of, this presentation.

In addition to financial results prepared in accordance with U.S. generally accepted accounting principles, or GAAP, this presentation contains certain non-GAAP financial measures. Management believes that in addition to using GAAP results in evaluating our business, it can also be useful to measure results using certain non-GAAP financial measures. Investors and potential investors are encouraged to review the reconciliation of non-GAAP financial measures with their most direct comparable GAAP financial results set forth in the Appendix section.

# A global leader in aircraft leasing

Air Lease is a \$50+ billion aircraft leasing platform



**\$30 Billion**

Total  
Assets



**541 Aircraft**

Owned &  
Managed



**334 Aircraft**

On order<sup>1</sup>



**\$31.0 Billion**

Committed  
Rentals<sup>2</sup>



**\$6.8 Billion**

Liquidity<sup>3</sup>



**12.1%**

Adjusted  
Pre-tax ROE<sup>4</sup>

**Young Fleet**  
**4.6 Years**  
average fleet age,  
one of the youngest in  
the industry

**99.9%**  
Aircraft Utilization Rate  
in 2023

**100%**  
order book positions  
through 2025 on long-  
term leases

**98%**  
Unsecured debt  
**85%**  
Fixed rate debt

S&P  
**BBB**  
Stable

Fitch  
**BBB**  
Stable

Kroll  
**A-**  
Stable

All information per ALC public filings as of December 31, 2023. \$50+ billion leasing platform consists of \$30.5 billion in assets, \$21.7 billion in commitments to acquire aircraft, in addition to managed aircraft. <sup>1</sup>As of December 31, 2023, we had commitments to purchase 334 aircraft from Boeing and Airbus for delivery through 2028, with an estimated aggregate commitment of \$21.7 billion. <sup>2</sup>Includes \$16.4 billion in contracted minimum rental payments on the aircraft in our existing fleet and \$14.6 billion in minimum future rental payments related to aircraft which will be delivered during the remainder of 2024 through 2028. <sup>3</sup>Available liquidity of \$6.8 billion is comprised of unrestricted cash of \$0.5 billion, an available borrowing capacity under our committed unsecured revolving credit facility of \$6.3 billion, as of December 31, 2023. <sup>4</sup>Adjusted Pre-Tax Return on Common Equity is calculated as trailing twelve month Adjusted Net Income Before Income Taxes divided by average common shareholders' equity. Adjusted Pre-Tax Return on Common Equity and Adjusted Net Income Before Income Taxes are non-GAAP financial measures. See appendix for a reconciliation to their most directly comparable GAAP measure.

# Industry Update

- Industry Update
- Portfolio Detail
- Financial Review and Capital Structure
- Environmental Sustainability
- Summary
- Appendix

# Over time, our business has benefited from three key tailwinds

Passenger traffic  
has historically  
grown over time

Why?

Shift to travel by air

Emerging middle class

Spending on experiences (vs. goods)

Ease & affordability of air travel

Airlines need to  
replace aging  
aircraft

Why?

Aircraft reaching 25 year useful life

Airline preference to operate young fleet  
*fuel efficiency, operational reliability,  
maintenance costs, environmental concerns*

Role of lessors  
has increased

*Aircraft lessors serve as large  
capital providers to the airlines*

Why?

Less cash/financing required

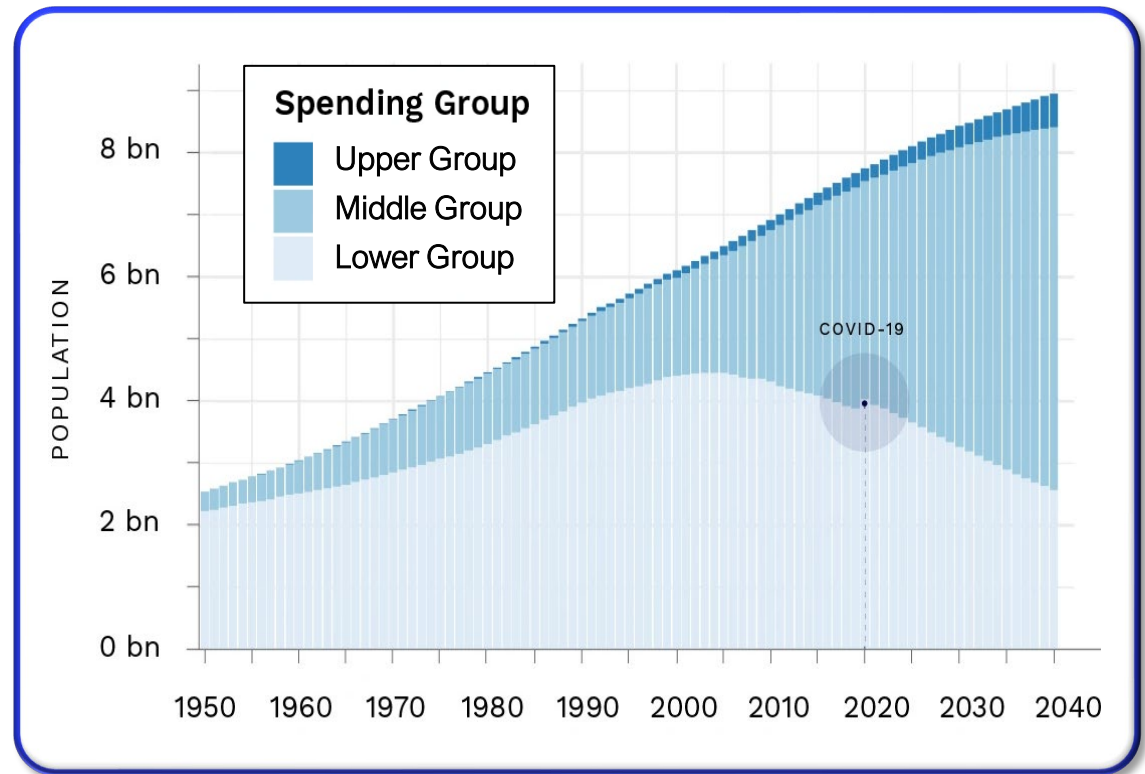
Key delivery positions

Fleet flexibility

Elimination of residual value risk for lessees

# Growth of the middle class is expected to continue to drive demand for air travel

- ✈ The expansion of the global middle class is expected to continue in the next two decades
- ✈ By 2030, the *middle class is expected to account for 68% of the total worldwide spending* and represent some 4.8 billion people
- ✈ *By 2030, households around the world will spend an estimated \$91 trillion. This is almost 50% higher than in 2020.* Of the \$100 trillion of consumer spending, 68% is expected to be spent by the lower-middle class (38%) and the upper-middle class (30%)

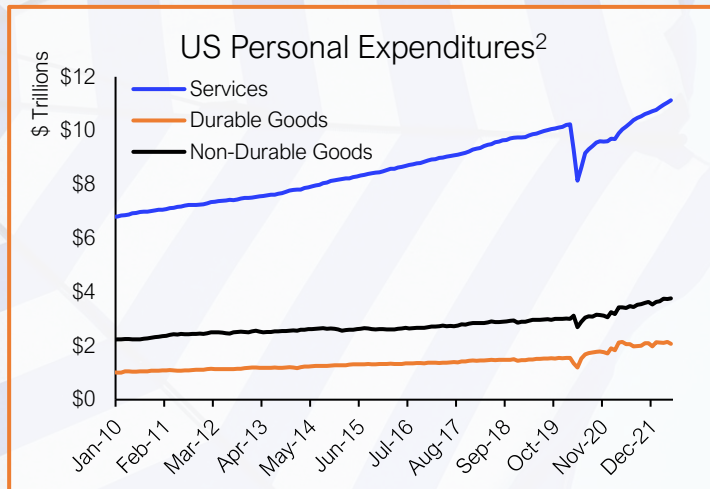


**The growing middle class offers significant tailwinds to long-term air travel demand**

<sup>1</sup> Brookings Institution, "A long-term view of COVID-19's impact on the rise of the global consumer class," May 2021

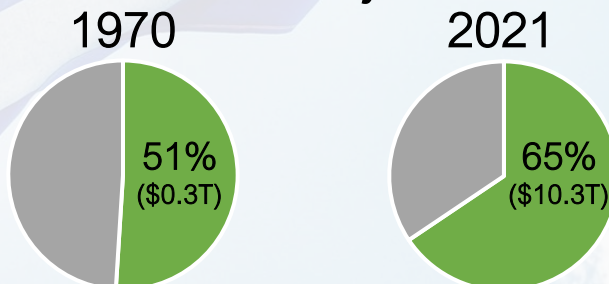


# Consumers planning to travel more than pre-pandemic, prioritizing services over goods

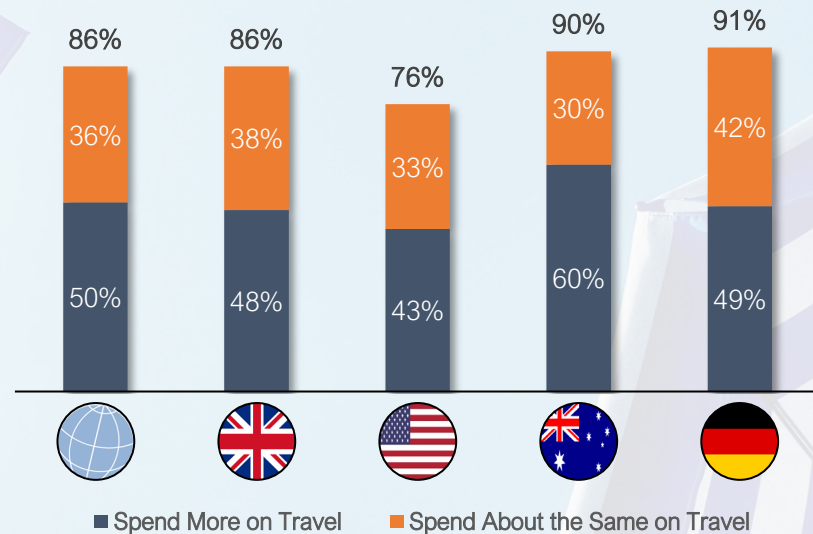


Consumers have quickly returned to long-term trends; spending more on services over goods

## Growth of Service Industry<sup>2</sup>

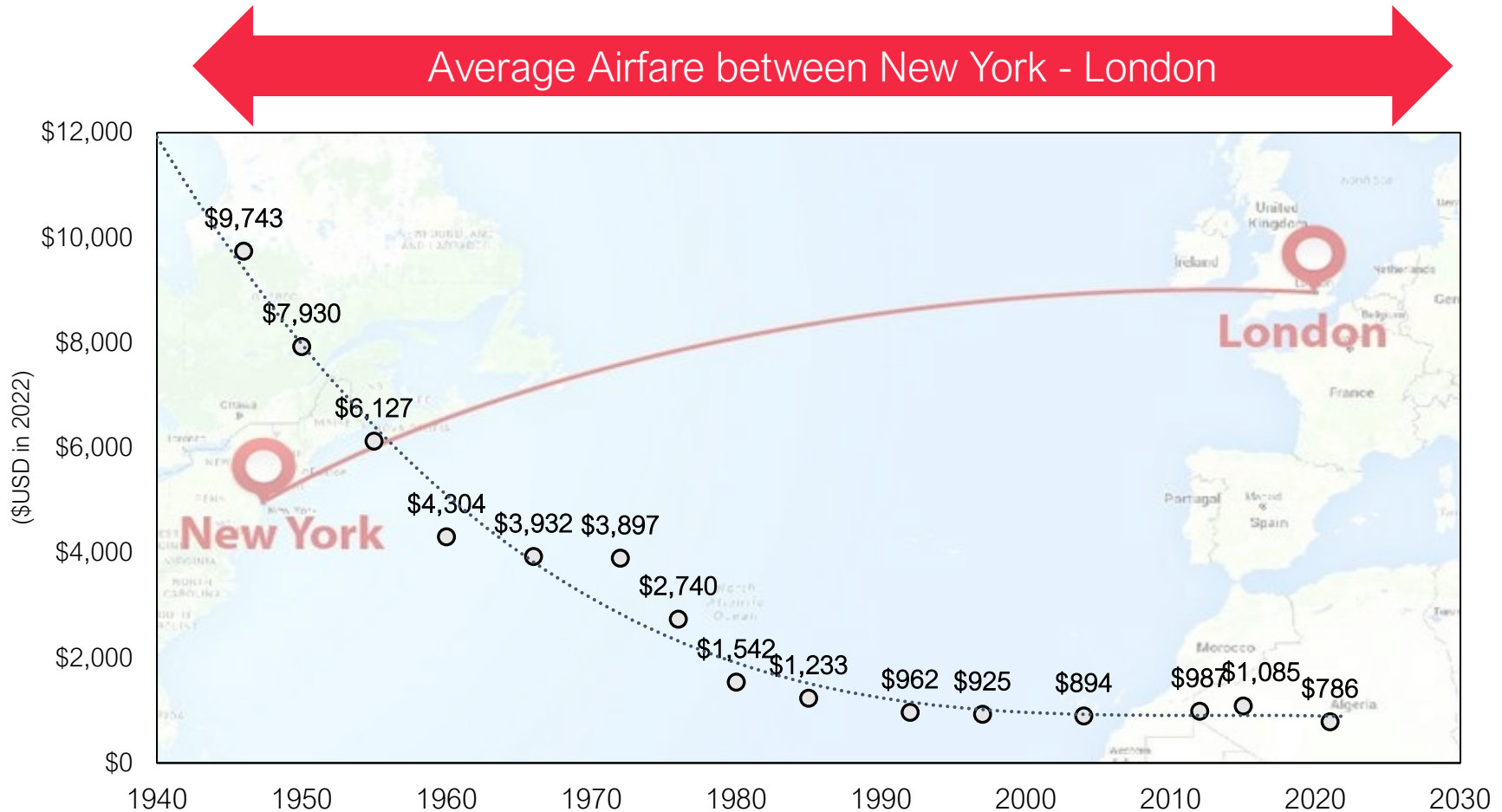


## What Percentage of Consumers Plan to Spend the Same or More on Travel, Compared to Pre-Pandemic?



Consumers prefer travel and experiences over goods<sup>1</sup>

# Air travel remains historically affordable

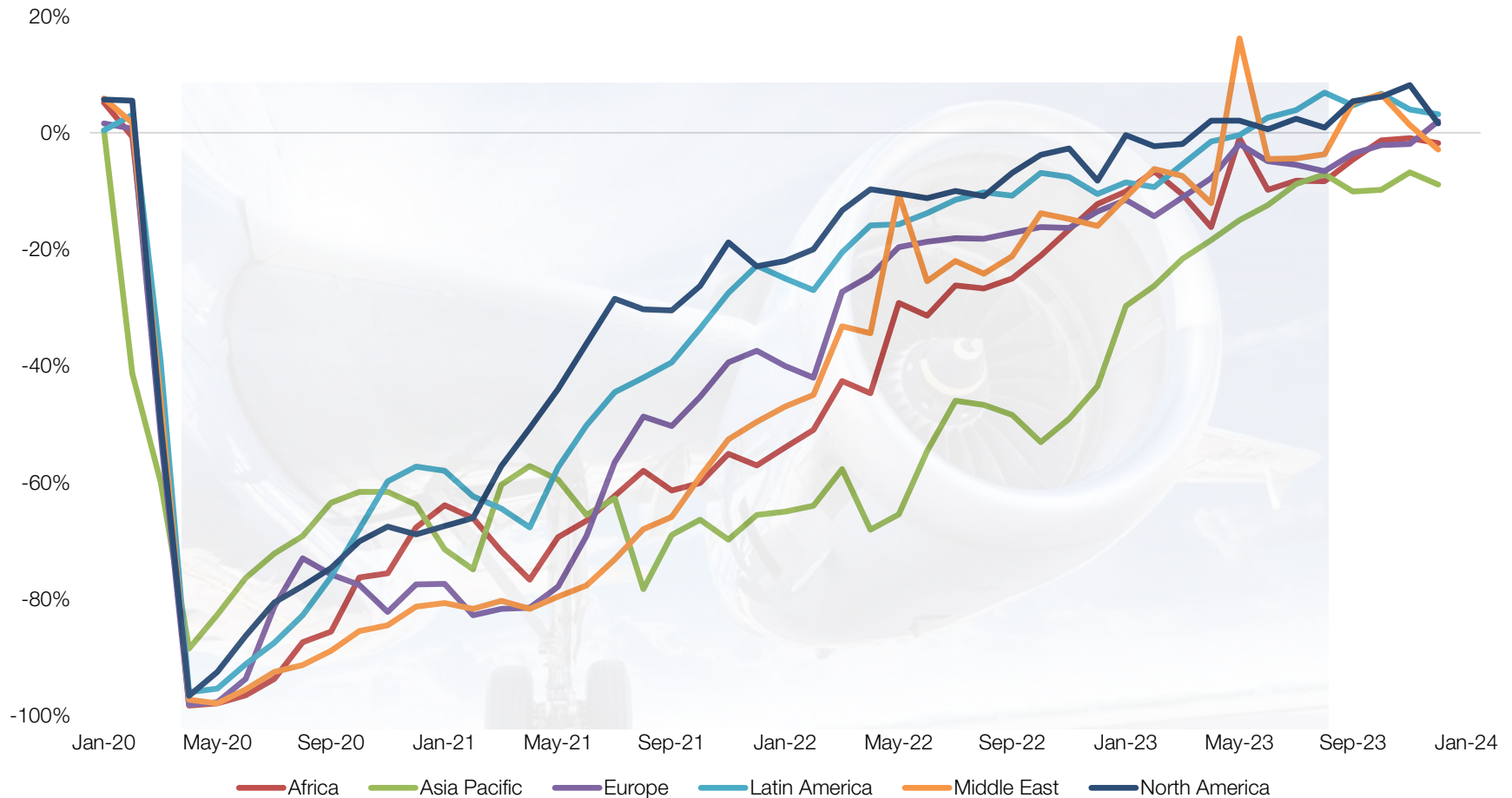


On a historical basis, current ticket prices remain a bargain



# Significant Air Travel Demand Expansion Continues

## RPK Change vs Same Period in 2019<sup>1</sup>



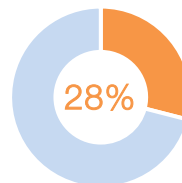
# Strong replacement cycle underway, accelerated by environmental focus

## Aircraft over 20 years old eligible for retirement<sup>1</sup>

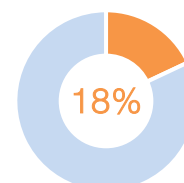
Aircraft Type	Number of Aircraft <sup>1</sup>	Number of Seats <sup>1</sup>
737 Family	1,310	183,884
A320 Family	1,103	171,789
777	264	81,493
A330/A340	184	51,637
A380 <sup>2</sup>	104	50,836
757	262	50,206
767	232	48,290
747	88	16,062
DC9/MD80/MD90/717	115	13,175
A300/A310	44	9,155
<b>Totals</b>	<b>3,706</b>	<b>676,527</b>
<b>% of Total</b>	<b>15.9%</b>	<b>15.5%</b>

## Regional Seat Capacity Removed<sup>1</sup>

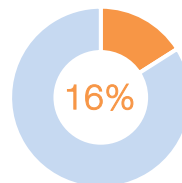
North America  
avg age: 13.8



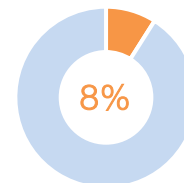
Middle East & Africa  
avg age: 13.2



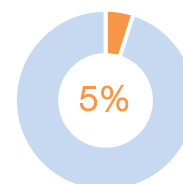
Europe  
avg age: 12.0



Latin America  
avg age: 11.0



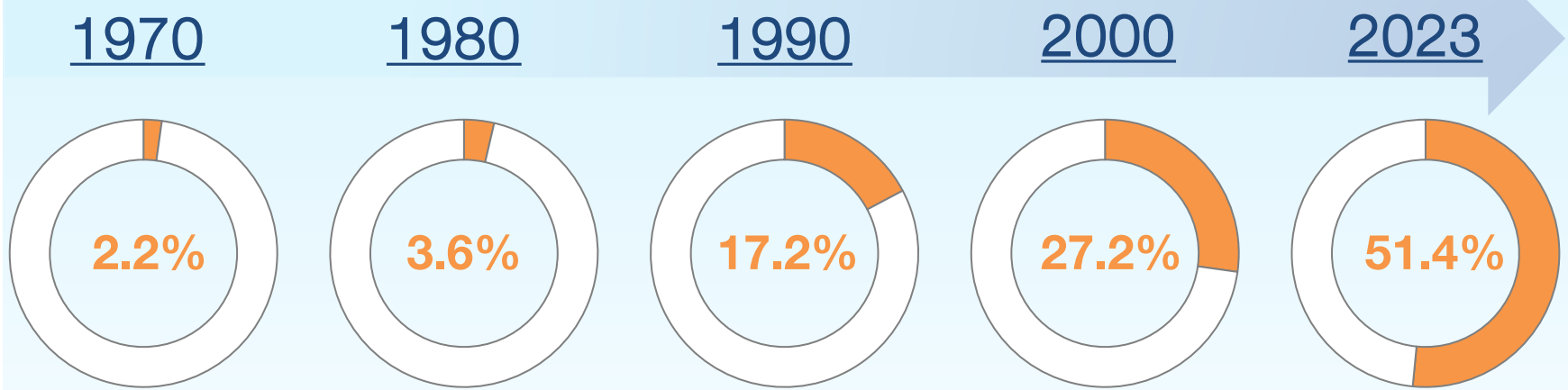
Asia & Pacific  
avg age: 9.9



~3,700 aircraft are immediately eligible for retirement based on age, potentially taking significant capacity out of regions including North America, the Middle East/Africa & Europe

# Leasing has become the favored form of aircraft financing for airlines

## Leasing Has Been Steadily Taking Market Share...



### Benefits of Leasing

Less cash & financing required

Key delivery positions

Fleet flexibility

Eliminate residual value risk for lessees

Lessors provide significant value and stability to the aviation sector

# In summary, key secular tailwinds continue to benefit ALC

Growing  
Middle Class

Experience vs.  
Goods Spending  
Habits

Gravitation  
Towards  
Leasing

Environmental  
Initiatives

*Powerful middle class growth trends: 88% of next billion middle class entrants will be in Asia<sup>(1)</sup>*

*Shifting consumer spending habits globally driven by a prioritization of experiences over goods and affordability/ease of air travel<sup>(2)</sup>*

*Leasing share of market continues to grow; lessors taking >50% of new aircraft deliveries from Boeing & Airbus<sup>(3)</sup>*

*Introduction of new, fuel-efficient aircraft critical to achieving carbon reduction initiatives*

<sup>1</sup>Brookings Institute (<https://www.brookings.edu/research/the-unprecedented-expansion-of-the-global-middle-class-2/>).

<sup>2</sup>McKinsey (<https://www.mckinsey.com/industries/private-equity-and-principal-investors/our-insights/cashing-in-on-the-us-experience-economy#>).

<sup>3</sup>Reuters (<https://www.reuters.com/business/aerospace-defense/leasing-firms-now-buy-more-planes-than-ailing-airlines-industry-pioneer-2021-09-20/>).

# Portfolio Detail

Industry Update

➤ Portfolio Detail

Financial Review and Capital Structure

Environmental Sustainability

Summary

Appendix

# Managing our assets

- Focus on young aircraft, holding an owned aircraft for the first 1/3 of its useful life
- Balanced asset mix
  - Airframe manufacturers including Airbus and Boeing
  - Engine manufacturers including General Electric, CFM, Pratt & Whitney, Rolls Royce, and International Aero Engines
  - Twin-aisle and single-aisle aircraft
- Flexibility in purchase agreements with the aforementioned airframe manufacturers
- Close monitoring of customer receivables to ensure problems are proactively addressed
- Proactive placement of aircraft 18-36 months in advance of delivery
- Staggered and balanced lease maturities by year



# Strength in manufacturer relationships

- ALC's management team has helped launch a number of aircraft types and associated engine designs
- ALC is able to drive cost advantages by negotiating with manufacturers for high quality products and competitive pricing



THE POWER  
OF FLIGHT



**Pratt & Whitney**

A United Technologies Company



**International  
Aero Engines™**

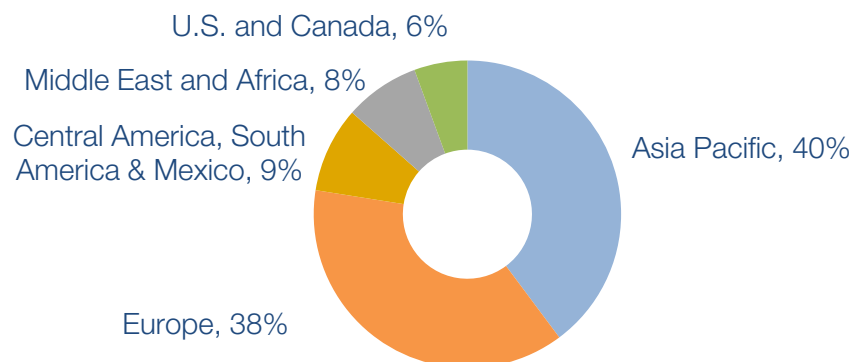


# Fleet overview

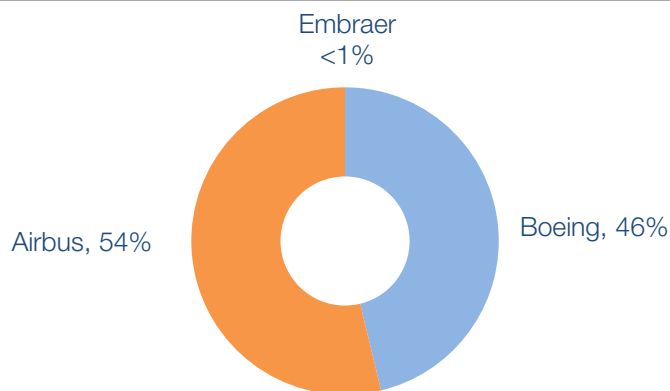
## Fleet Metrics<sup>1</sup>

- 463 owned aircraft and 78 managed aircraft
- \$26.2 billion aggregate fleet net book value
- 4.6 years weighted average fleet age<sup>2</sup>
- 7.0 years weighted average remaining lease term<sup>2</sup>
- \$31.0 billion in committed minimum future rentals<sup>3</sup>
- Diversified customer base with 119 airlines in 62 countries

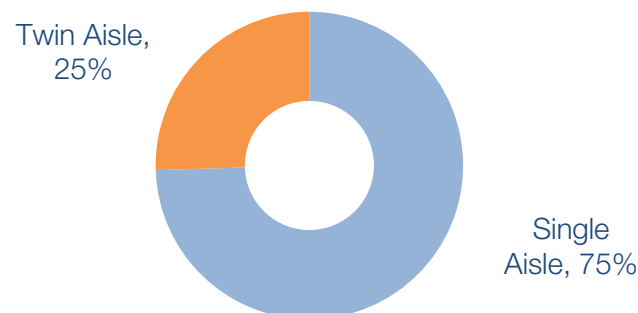
## Region<sup>4</sup>



## Manufacturers<sup>5</sup>



## Aircraft Size<sup>5</sup>



# Geographic diversity of our customers

- ALC executive management maintains long standing relationships with over 200 airlines worldwide
- Relationships span 70 countries with limited exposure to any one airline
- Globally diverse placements mitigate financial and concentration risk



# ALC builds additional safeguards into our leases to manage customer risk

## Components of typical ALC security packages

### **Cash Security Deposits**

*rent paid in advance*

### **Cash Maintenance Reserves**

*generally collected monthly based on reports of usage by the lessee or collected as fixed monthly rates*

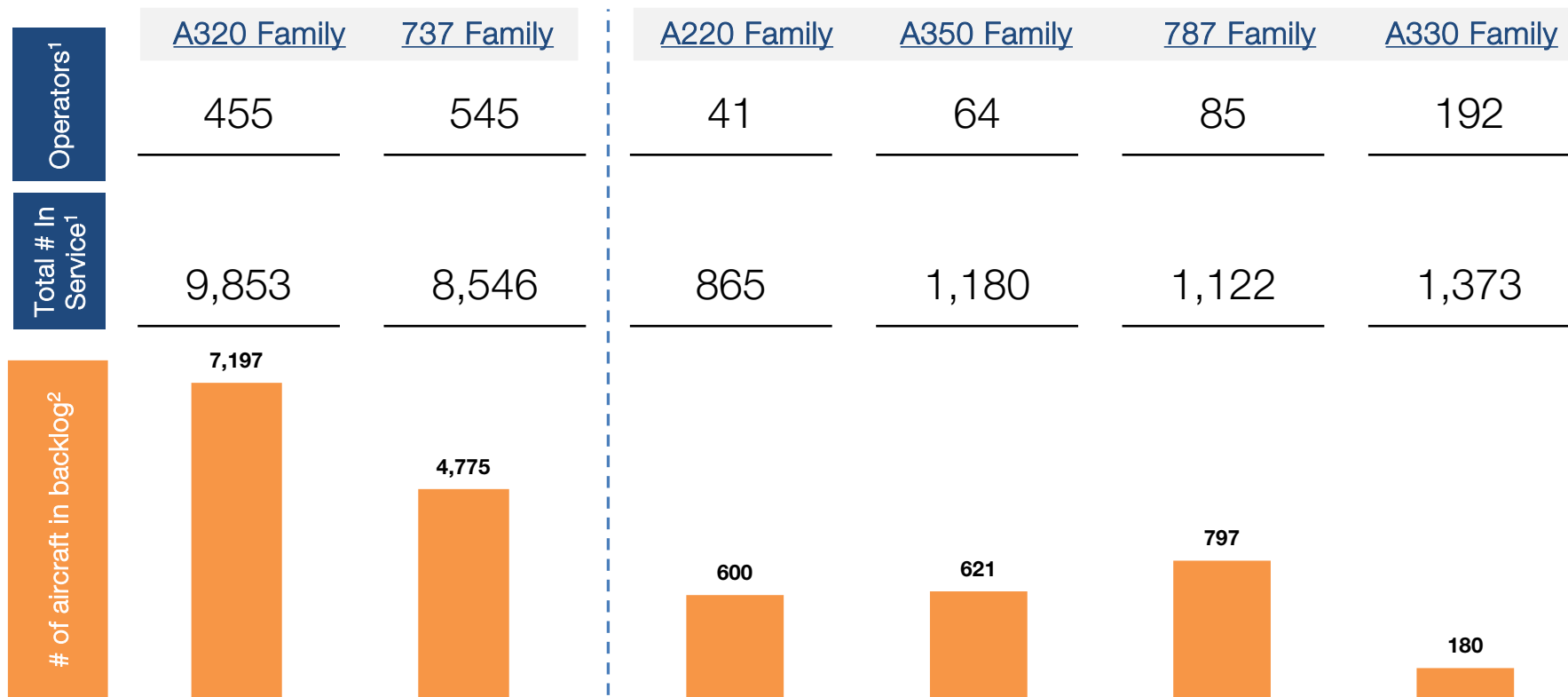
### **Triple Net Leases**

*lessee is responsible for all operating costs including taxes, insurance, and aircraft maintenance*

Security packages are a supplement to asset mobility and, in the event of an airline bankruptcy or aircraft repossession, these deposits/reserves may be recognized into income to offset any amounts in arrears

# ALC invests in the most in-demand aircraft

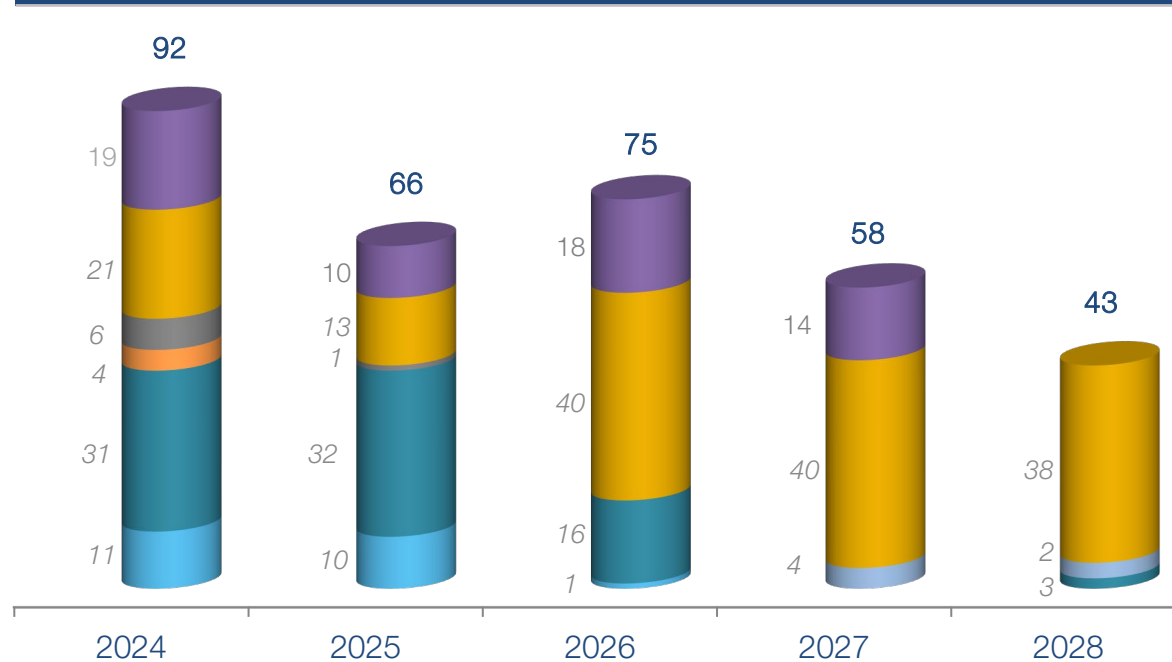
- ALC's aircraft assets have a broad installed operator base which is the basis of our asset liquidity
- Our order book of modern, fuel-efficient aircraft serves us well with our global airline customer base



# Order book provides flexible growth and a strategic advantage

- We view our order book as a source of value that provides visibility into the future
- We believe our coveted delivery positions give us a competitive advantage with airline customers
- We can exercise flexibility with delivery position commitments and timing
- We typically place aircraft 18-36 months prior to delivery and currently are 100% placed through 2025

Scheduled Aircraft Deliveries<sup>1</sup>



Total Commitments<sup>1</sup>

Airbus A220-100/300	61
Airbus A320/321neo	152
Airbus A330-900neo	7
Airbus A350-900/1000	4
Airbus A350F	7
Boeing 737 MAX	81
Boeing 787-9/10	22

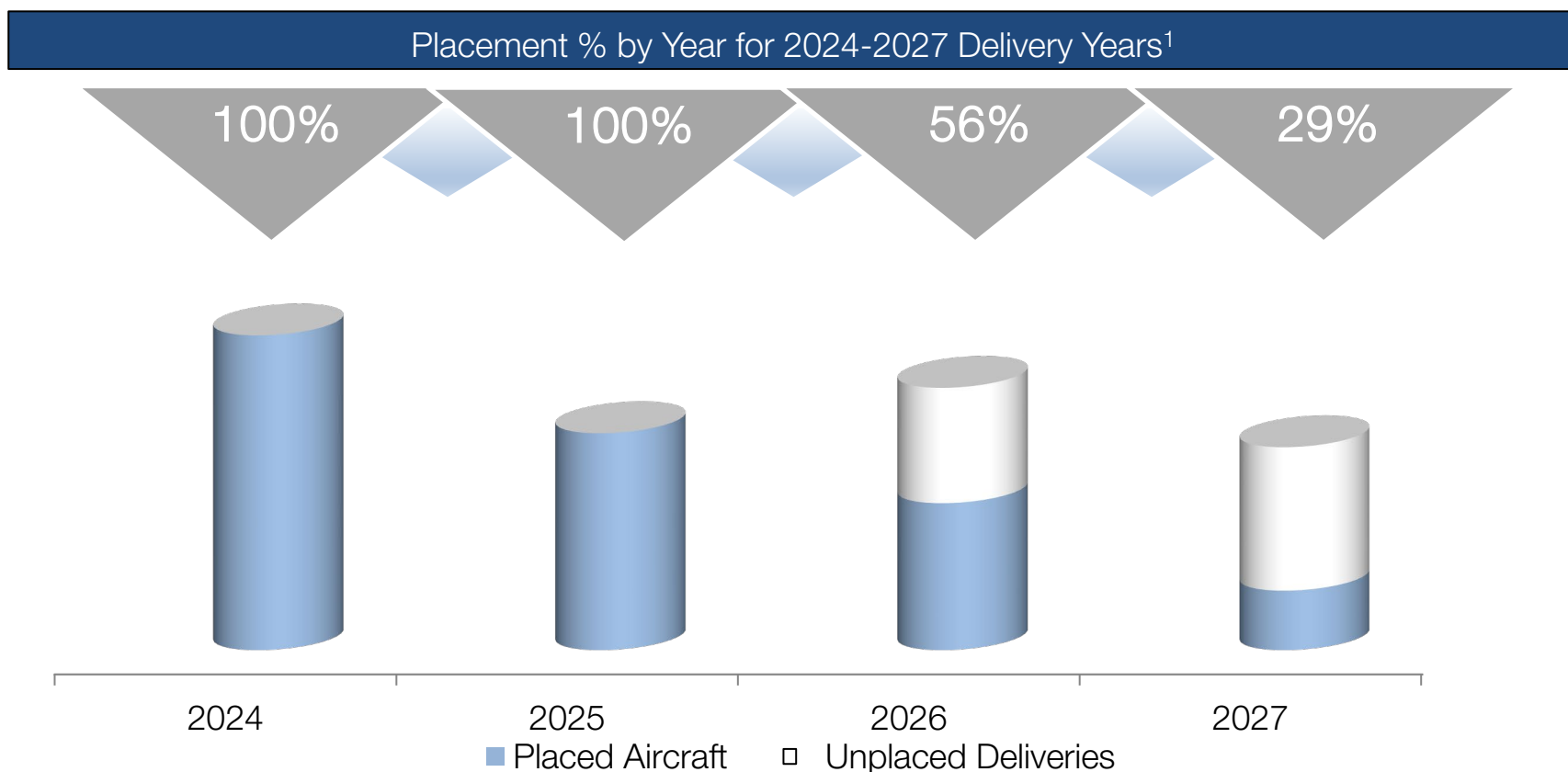
**Total 334**

<sup>1</sup>As of December 31, 2023.



# Orderbook placement is key to consistency

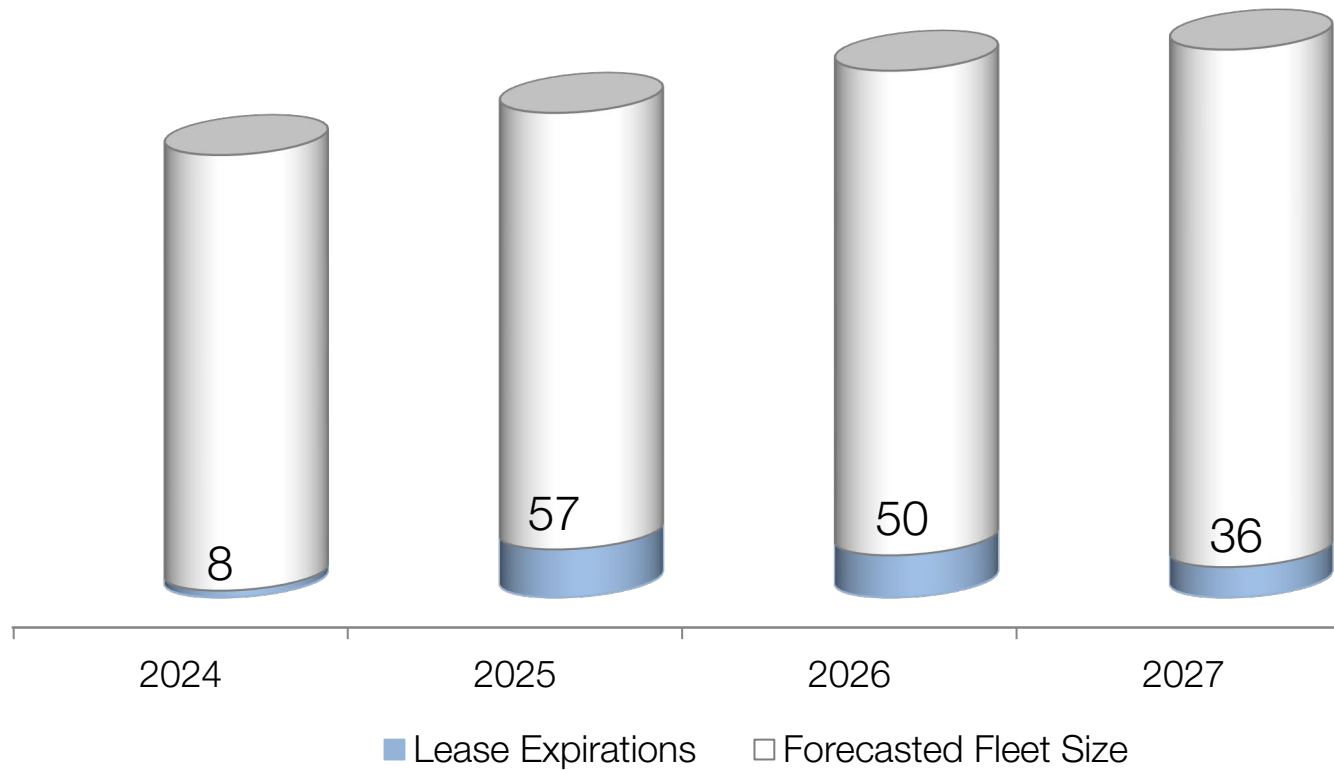
- Our orderbook remains highly in demand, resulting in 100% of aircraft delivering through 2025 placed on long-term leases



<sup>1</sup>As of December 31, 2023.

# Lease maturity profile

➤ We have minimal lease expirations over the next four years



As of December 31, 2023. Assumes no aircraft sales or exercise of contractual lease extension options.

# Financial Review and Capital Structure

Industry Update

Portfolio Detail

➤ Financial Review and Capital Structure

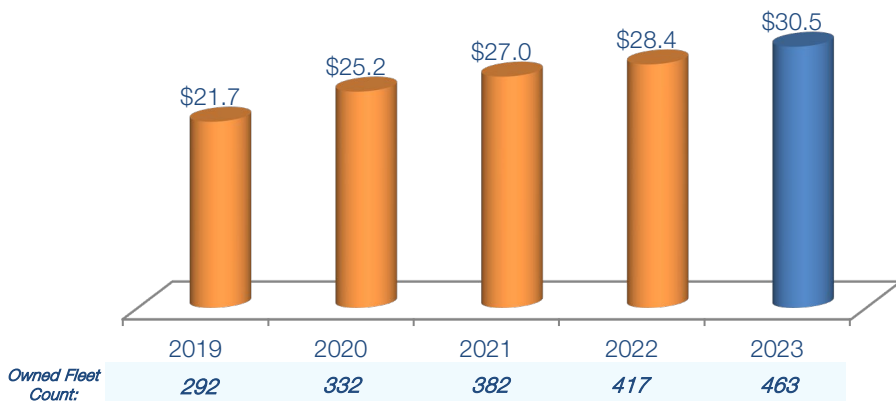
Environmental Sustainability

Summary

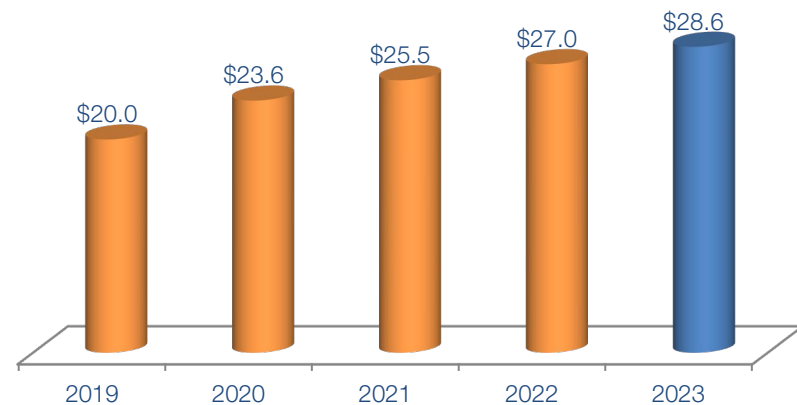
Appendix

# Track record of strong performance

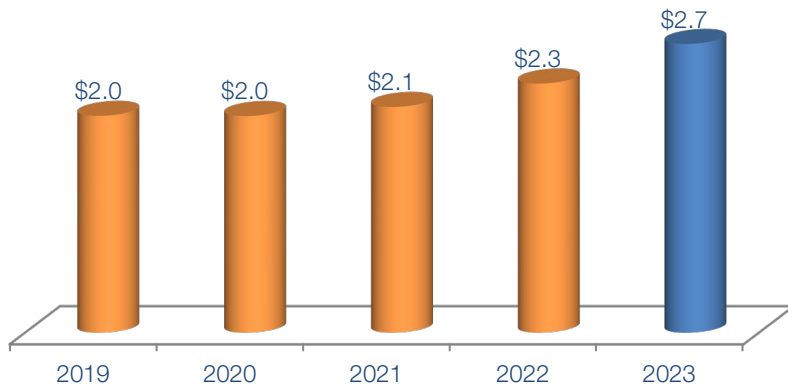
## Total Assets (\$bn)



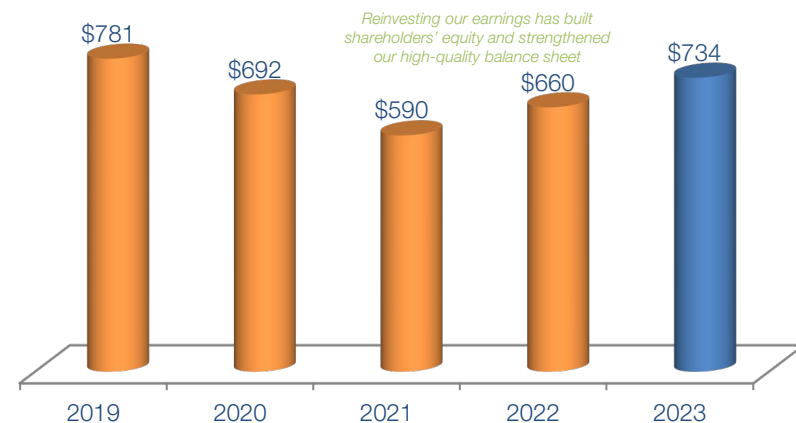
## Unencumbered Assets<sup>1</sup> (\$bn)



## Total Revenue (\$bn)



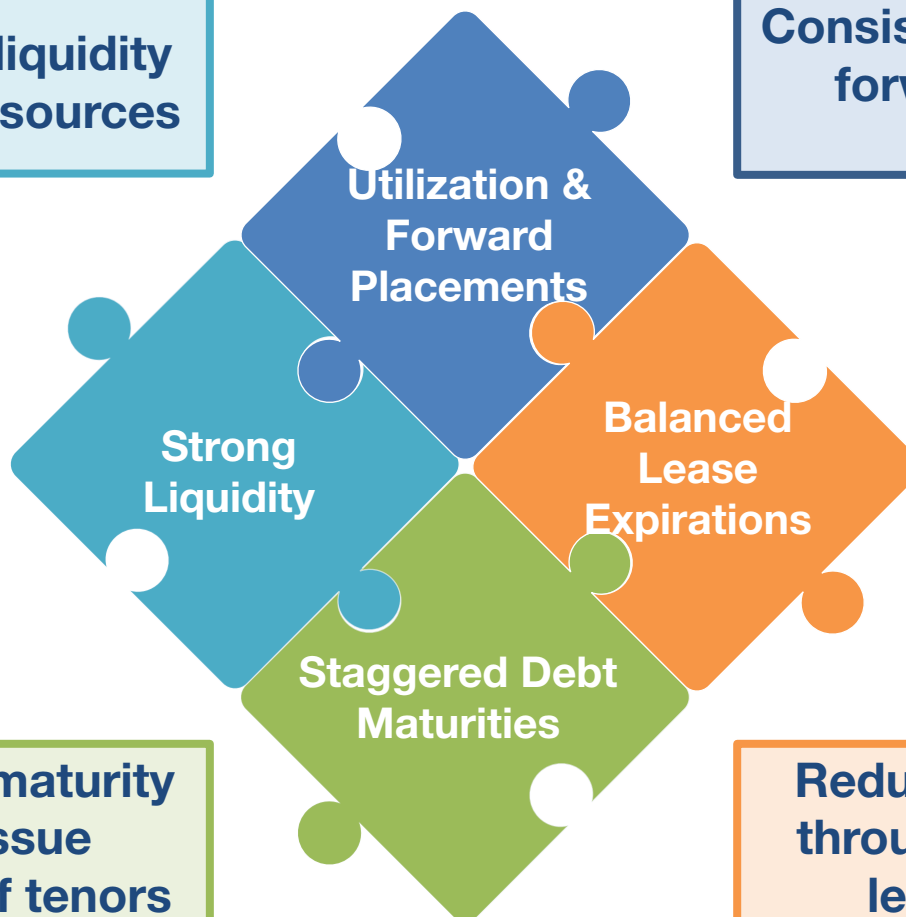
## Adjusted Net Income<sup>2</sup> (\$mm)



# Key components of ALC's consistency

**Maintain robust liquidity  
from a variety of sources**

**Consistent ~90%+ 2-year  
forward orderbook  
placement**



**Limit near-term maturity  
towers and issue  
diversified mix of tenors**

**Reduce re-pricing risk  
through well balanced  
lease maturities**

ALC's consistent financial performance is driven by several key fundamentals

# Superior track record of aircraft utilization

- ALC has averaged 99.9% utilization rate since inception in 2010
- ALC management team has maintained a superior utilization track record
  - 56 consecutive quarters of utilization above 99%
  - 32 quarters of perfect 100% utilization

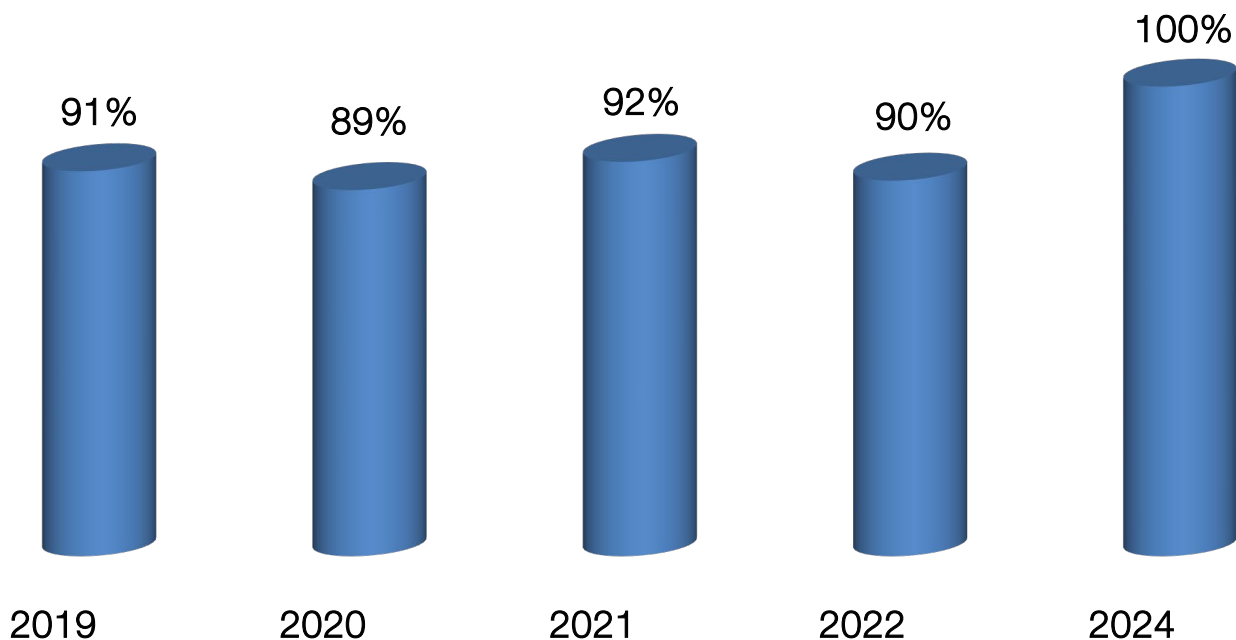


<sup>1</sup>Utilization is calculated based on the number of days each aircraft was subject to a lease or letter of intent during the period, weighted by the net book value of the aircraft.



# Historical placement experience

## Historical 2-Year Forward Placement %



# of  
Aircraft

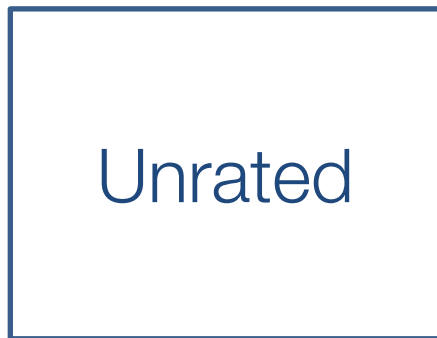


ALC has a proven ability to place aircraft ~18 – 36 months in advance of delivery with increasing scale

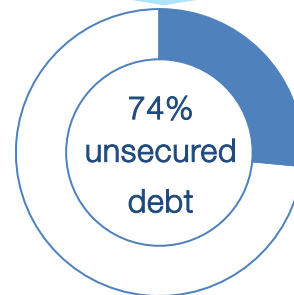
# Focus on an investment grade capital structure since inception

- Post IPO, ALC raised more than \$3.5 billion of unsecured debt as a non-rated borrower, before receiving its first IG rating in March 2013, only three years after inception
- ALC views its IG ratings and unsecured capital structure as important for ensuring maximum flexibility with aircraft as well as accessing low-cost and efficient funding

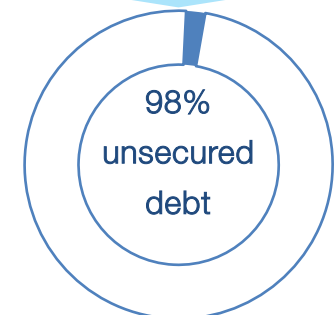
2010



2013



2023

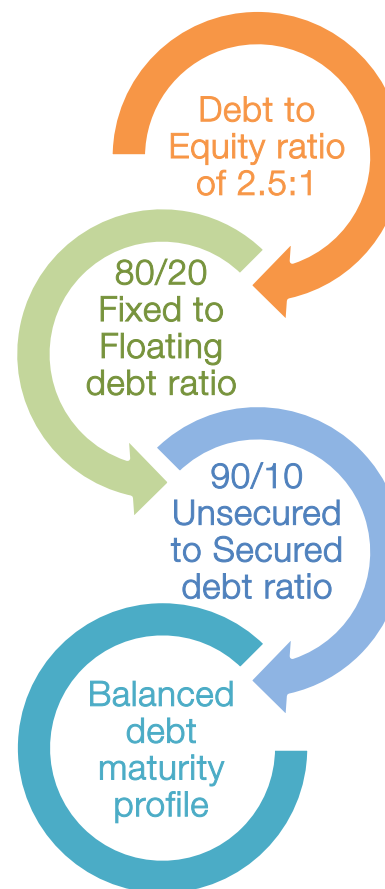


# Capital structure & financing strategy

## Capitalization – December 31, 2023

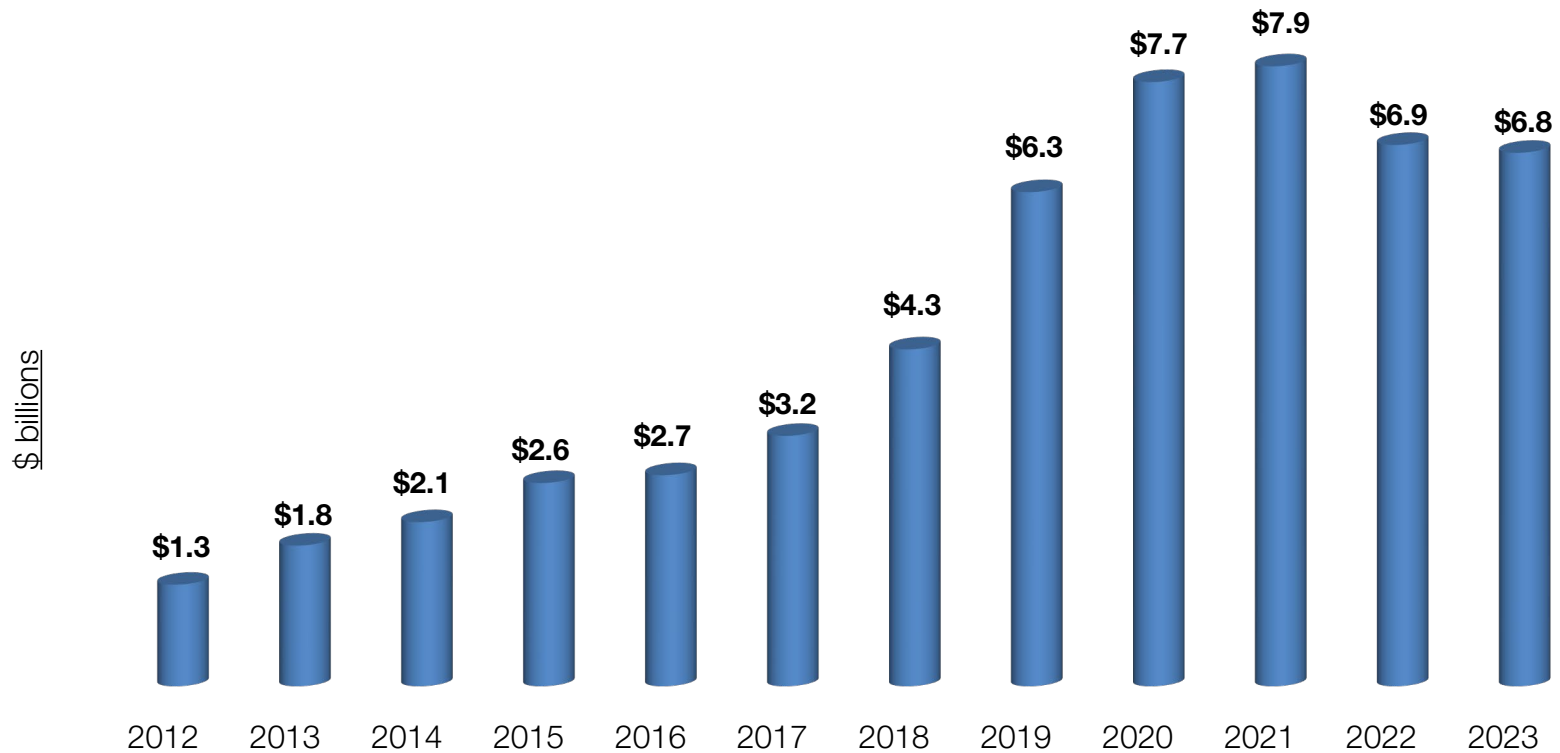
	(\$mm)	% of capitalization
Unrestricted cash	\$461	2%
Total assets	30,452	116%
<b>Unsecured debt</b>		
Senior unsecured securities	16,330	62%
Term financings	1,628	6%
Revolving credit facility	1,100	4%
<b>Total unsecured debt</b>	<b>19,058</b>	<b>72%</b>
<b>Secured debt</b>		
Export credit financing	205	0.8%
Term financings	101	0.4%
<b>Total secured debt</b>	<b>306</b>	<b>1%</b>
Less: debt discount and issuance costs	(181)	
<b>Total debt</b>	<b>19,183</b>	<b>73%</b>
Preferred Stock	850	3%
Common Stock	6,310	24%
<b>Shareholders' equity</b>	<b>7,160</b>	<b>27%</b>
<b>Total capitalization</b>	<b>\$26,343</b>	<b>100%</b>
<b>Selected credit metrics</b>		
Debt/Equity		2.68x
Net Debt/Equity		2.61x
Secured Debt/Total Assets		1.0%
Fixed Rate Debt/Debt		84.7%

## Key Debt Portfolio Targets



# ALC liquidity position

## ALC Liquidity (Cash and Undrawn Revolver Capacity)

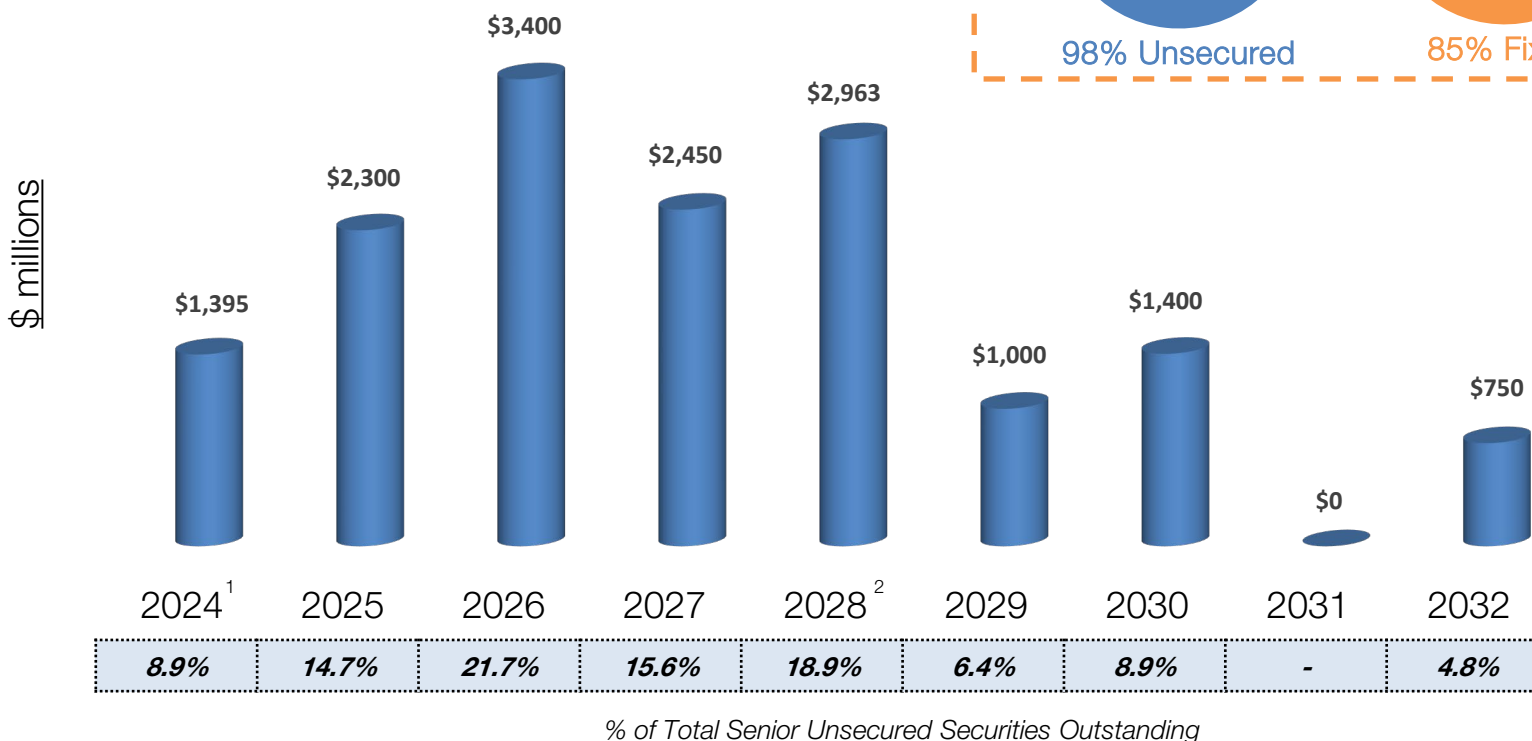


ALC maintains a significant level of liquidity

# ALC debt maturity profile

## *Well balanced, unsecured capital structure*

■ Senior unsecured securities



As of February 28, 2024. Excludes \$850 million perpetual preferred stock, as well as bank facilities and secured financings

<sup>1</sup>Includes \$400 million CAD issuance at USD equivalent of \$297 million as of exchange rates on February 28, 2024

<sup>2</sup>Includes \$900 million CAD issuance at USD equivalent of \$663 million as of exchange rates on February 28, 2024. Includes \$600 million of trust certificates due 2028 in connection with a Sukuk financing

# ALC's approach to liquidity

## Primary Sources & Uses of Liquidity

### Sources

Liquidity of \$6.8 billion:

- Cash & Cash Equivalents
  - \$0.5 billion as of 12/31/23
- \$6.3 Billion Sr. Unsecured Revolver Availability
  - \$1.1 billion outstanding as of 12/31/23

Operating Cash Flow

Expected Aircraft Sales of ~\$1.5 billion in 2024

Maintenance Reserves & Security Deposits

### Uses

Bond Maturities

- \$1.4 billion remaining maturities in 2024

Aircraft Investments<sup>1</sup>

- Expect to purchase ~\$4.5-5.5 billion in 2024

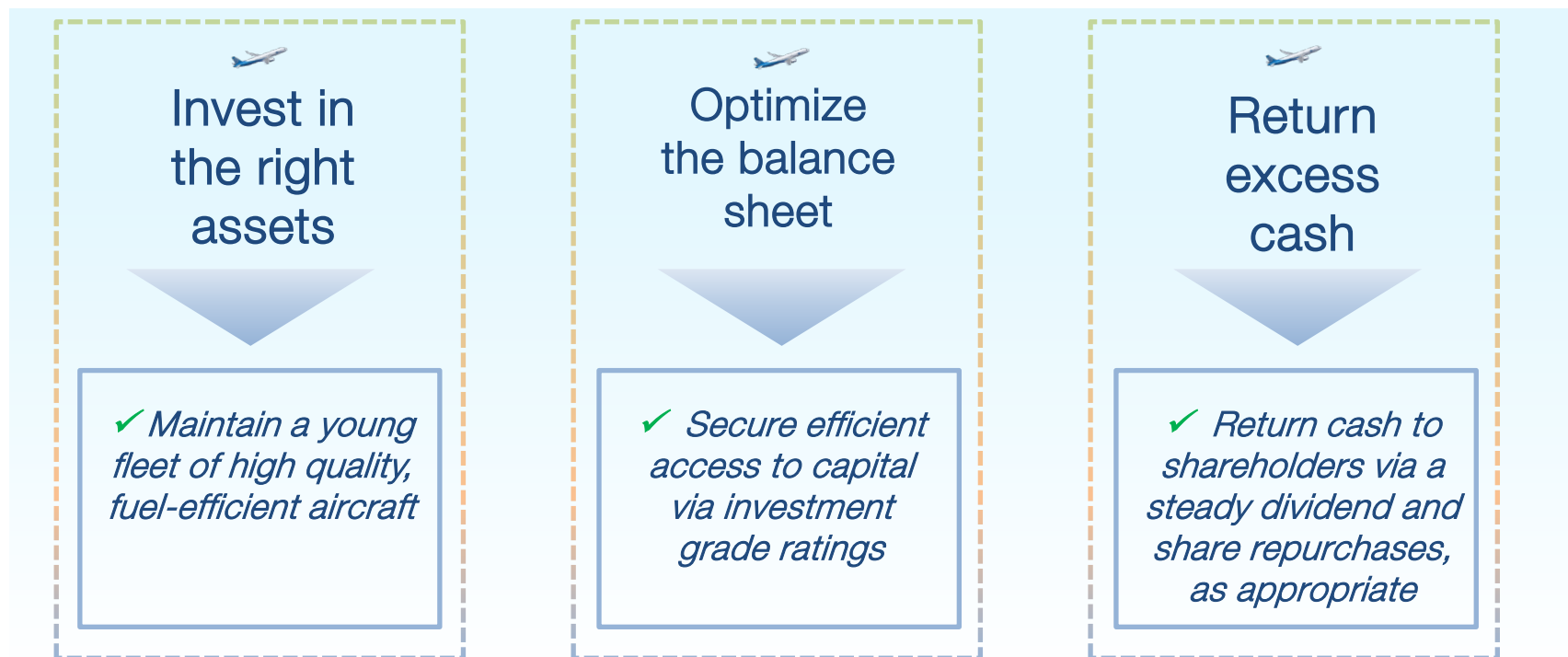
**+ \$28.6 billion of Unencumbered Assets<sup>2</sup>**

<sup>1</sup> Pursuant to our purchase agreements with Airbus and Boeing, we agree to contractual delivery dates for each aircraft ordered. These dates can change for a variety of reasons, however for the last several years, manufacturing delays have significantly impacted the planned purchases of our aircraft on order with both Airbus and Boeing.

<sup>2</sup> Comprised of unrestricted cash plus unencumbered flight equipment (calculated as flight equipment subject to operating leases (net of accumulated depreciation) less net book value of aircraft pledged as collateral) plus deposits on flight equipment purchases plus certain other assets.



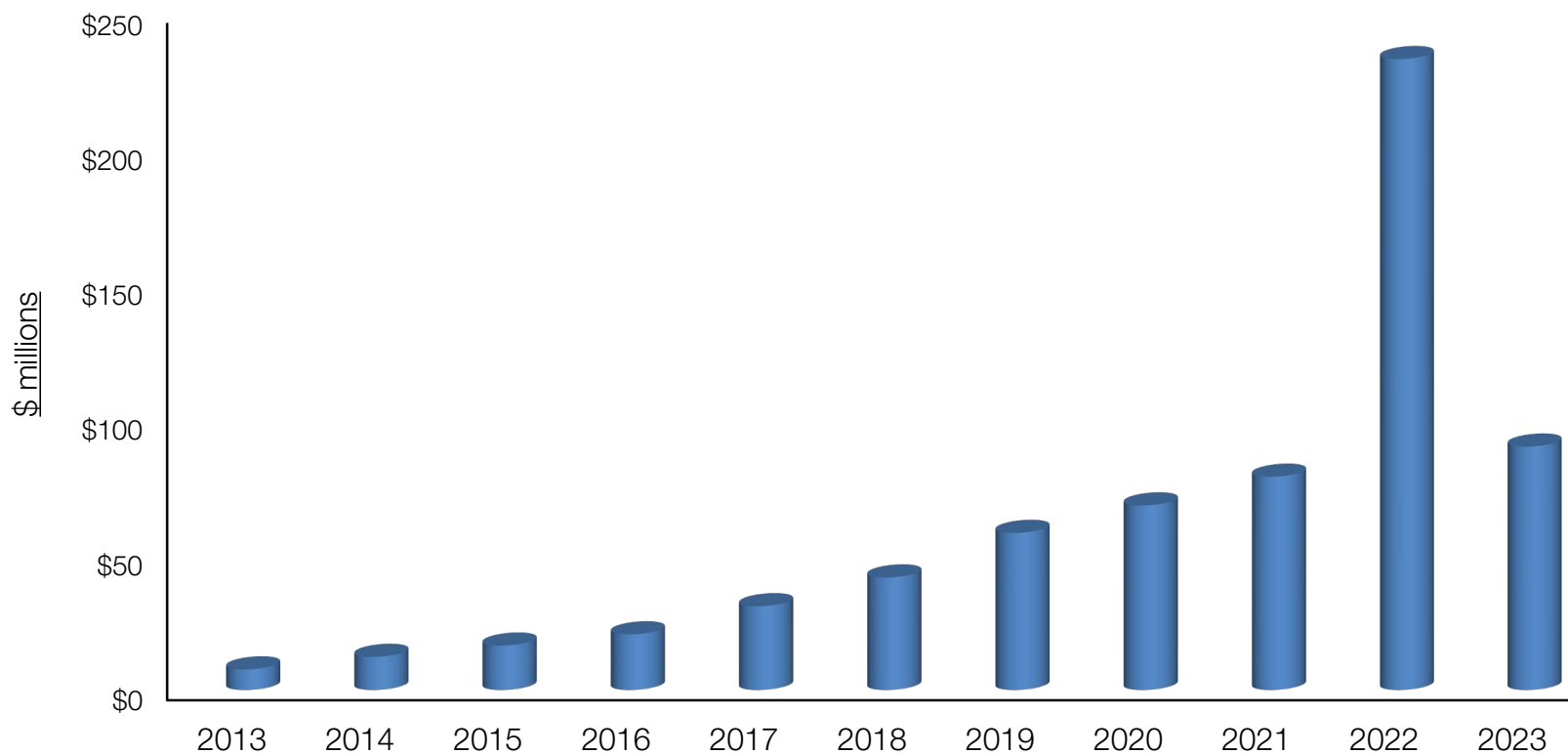
# ALC's approach to capital allocation



ALC's capital allocation strategy is designed to drive long-term shareholder value

# ALC annual return of capital

~\$680 million of capital returned to shareholders in the aggregate to date



# ..... Environmental Sustainability .....

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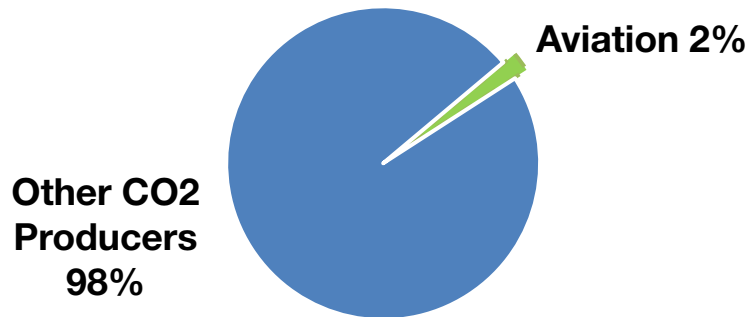
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# Aviation and environmental sustainability

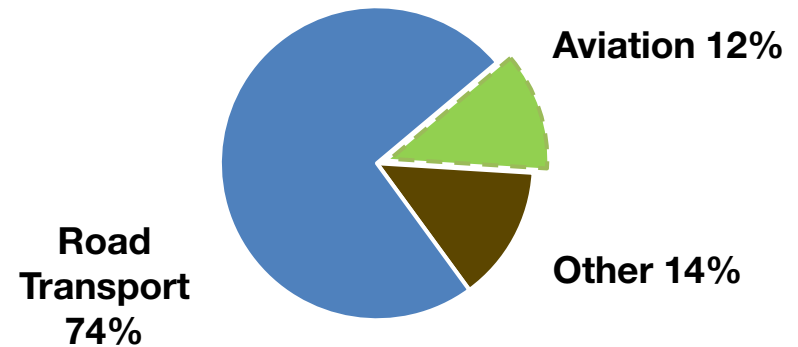
➤ While continued progress is needed, the aviation industry has not appropriately underscored the advancements made over the last few decades:

- Today's aircraft are over 80% more fuel efficient per seat km vs. those from the 1950s<sup>1</sup>
- Air transport has seen 2.2% improvement on average in fuel efficiency each year since 1990 (3x that of cars and 9x that of heavy-duty trucks)<sup>2</sup>

Global human-induced CO2 emissions<sup>1</sup>



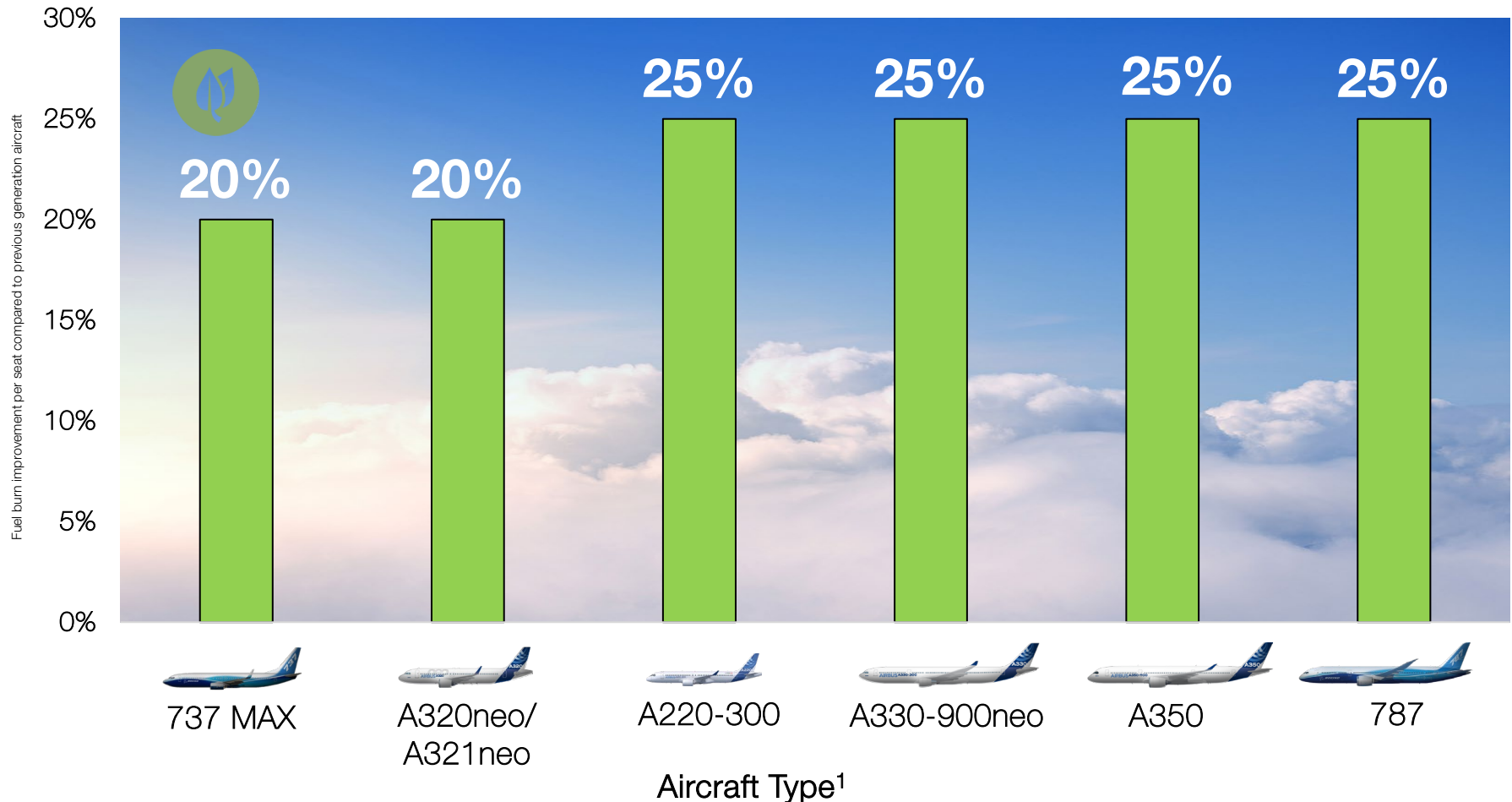
CO2 emissions from all transport<sup>1</sup>



**~80% of aviation CO2 emissions are from flights >1,500km for which there is no practical alternative mode of transport<sup>1</sup>**

# ALC's orderbook contains modern, environmentally friendly aircraft

## Approximate improvement in fuel burn vs. previous generation aircraft



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# Our business is built to be resilient and succeed long-term

Scale	✓ \$50+ billion leasing platform <sup>1</sup>
Asset Strategy	✓ Strategy focuses on young, liquid aircraft types
Clean Capital Structure	✓ \$28.6 billion of unencumbered assets
Liquidity	✓ \$6.8 billion (cash and undrawn revolver)
Ratings	✓ Investment Grade (S&P: BBB / Fitch: BBB / Kroll: A-)
Diversification	✓ 119 Airlines / 62 Countries
Concentration limits	✓ Avg. customer concentration is ~1.0% of fleet NBV
Experience	✓ ~30 Years Average commercial aviation industry experience among senior management

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# Appendix

## Non-GAAP reconciliations

(in thousands, except percentage data)	Year Ended December 31,				
	2023	2022	2021	2020	2019
<b>Reconciliation of the numerator for adjusted pre-tax return on common equity (net income/(loss) attributable to common stockholders to adjusted net income before income taxes):</b>					
Net income/(loss) available to common stockholders	\$ 572,922	\$ (138,724)	\$ 408,159	\$ 500,889	\$ 575,163
Amortization of debt discounts and issuance costs	54,053	53,254	50,620	43,025	36,691
Write-off Russian fleet, net of (recoveries)	(67,022)	771,476			
Stock-based compensation	34,615	15,603	26,516	17,628	20,745
Income tax expense/(benefit)	139,012	(41,741)	104,384	130,414	148,564
Adjusted net income before income taxes	\$ 733,580	\$ 659,868	\$ 589,679	\$ 691,956	\$ 781,163
<b>Reconciliation of denominator for pre-tax return on common equity to adjusted pretax return on common equity:</b>					
Beginning common shareholders' equity	\$ 5,796,363	\$ 6,158,568	\$ 5,822,341	\$ 5,373,544	\$ 4,127,442
Ending common shareholders' equity	\$ 6,310,038	\$ 5,796,363	\$ 6,158,568	\$ 5,822,341	\$ 5,373,544
Average common shareholders' equity	\$ 6,053,201	\$ 5,977,466	\$ 5,990,455	\$ 5,597,943	\$ 4,750,493
Adjusted pre-tax return on common equity <sup>1</sup>	12.1%	11.0%	9.8%	12.4%	15.4%

<sup>1</sup>Adjusted pre-tax return on common equity is adjusted net income before income taxes divided by average common shareholders' equity.