



## Air Lease Corporation Announces Second Quarter 2022 Results

Los Angeles, California, August 4, 2022 — Air Lease Corporation (ALC) (NYSE: AL) announces financial results for the three and six months ended June 30, 2022.

“We had a good second quarter with higher than expected aircraft deliveries and strong aircraft placements. Aircraft shortages and concerns about future new aircraft delivery delays are causing many airlines to secure lease extensions on existing aircraft, as pandemic recovery is well underway with airlines struggling to meet significant passenger demand,” said John L. Plueger, Chief Executive Officer and President.

“Passenger traffic growth remains on a very strong recovery trajectory, with international volume gaining meaningful momentum so far in 2022 – accordingly, lease placements from our orderbook are stretching further out into the future. Lease rates are strengthening, reflective of diminishing aircraft supply, increasing interest rates, and higher aircraft values,” said Steven F. Udvar-Házy, Executive Chairman of the Board.

### Second Quarter 2022 Results

The following table summarizes our operating results for the three and six months ended June 30, 2022 and 2021 (in millions, except per share amounts and percentages):

#### Operating Results

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	2021	\$ change	% change	2022	2021	\$ change	% change
Revenues	\$ 557.7	\$ 491.9	\$ 65.8	13.4 %	\$ 1,154.4	\$ 966.7	\$ 187.7	19.4 %
Operating expenses	(412.8)	(377.3)	(35.5)	9.4 %	(808.8)	(748.6)	(60.2)	8.0 %
Write-off of Russian fleet	—	—	—	— %	(802.4)	—	(802.4)	100.0 %
Income/(loss) before taxes	144.9	114.6	30.3	26.4 %	(456.8)	218.1	(674.9)	(309.4)%
Net income/(loss) attributable to common stockholders	\$ 105.9	\$ 85.6	\$ 20.3	23.7 %	\$ (373.6)	\$ 165.8	\$ (539.4)	(325.3)%
Diluted earnings/(loss) per share	\$ 0.95	\$ 0.75	\$ 0.20	26.7 %	\$ (3.32)	\$ 1.45	\$ (4.77)	(329.0)%
Adjusted net income before income taxes <sup>(1)</sup>	\$ 154.5	\$ 125.9	\$ 28.6	22.7 %	\$ 355.4	\$ 243.1	\$ 112.3	46.2 %
Adjusted diluted earnings per share before income taxes <sup>(1)</sup>	\$ 1.39	\$ 1.10	\$ 0.29	26.4 %	\$ 3.15	\$ 2.13	\$ 1.02	47.9 %

#### Key Financial Ratios

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Pre-tax margin	26.0%	23.3%	(39.6)%	22.6%
Pre-tax return on common equity (trailing twelve months)	(3.0)%	8.5%	(3.0)%	8.5%
Adjusted pre-tax margin <sup>(1)</sup>	27.7%	25.6%	30.8%	25.1%
Adjusted pre-tax return on common equity (trailing twelve months) <sup>(1)</sup>	12.2%	9.6%	12.2%	9.6%

- (1) Adjusted net income before income taxes, adjusted diluted earnings per share before income taxes, adjusted pre-tax margin and adjusted pre-tax return on common equity have been adjusted to exclude the effects of certain non-cash items, one-time or non-recurring items, such as write-offs of our Russian fleet, that are not expected to continue in the future and certain other items. See note 1 under the Consolidated Statements of Operations included in this earnings release for a discussion of the non-GAAP measures and a reconciliation to their most comparable GAAP financial measures.

## Highlights

- Took delivery of 21 aircraft from our new order pipeline and one new incremental aircraft, representing approximately \$1.4 billion in aircraft investments.
- As of June 30, 2022, we had 392 aircraft in our owned fleet, with a net book value of \$23.5 billion, a weighted average age of 4.4 years and a weighted average lease term remaining of 7.1 years.
- Placed 99% of our contracted orderbook positions on long-term leases for aircraft delivering through the end of 2023 and have placed 58% of our entire orderbook.
- Ended the quarter with \$31.3 billion in committed minimum future rental payments consisting of \$15.0 billion in contracted minimum rental payments on the aircraft in our existing fleet and \$16.3 billion in minimum future rental payments related to aircraft on order.
- On August 3, 2022, our board of directors declared a quarterly cash dividend of \$0.185 per share on our outstanding common stock. The dividend will be paid on October 7, 2022 to holders of record of our common stock as of September 12, 2022.

## Financial Overview

Our total revenues for the three months ended June 30, 2022 increased by 13.4% to \$557.7 million as compared to the three months ended June 30, 2021. The increase in total revenues was primarily driven by the continued growth in our fleet and the recognition of cash basis revenue of \$8.7 million as compared to \$41.6 million of cash basis losses in the three months ended June 30, 2021. This increase was partially offset by the loss of rental revenue from the termination of our leasing activities in Russia during the first quarter of 2022 and lower aircraft sales, trading and other revenue. Lower aircraft sales, trading and other revenue was driven by \$34.0 million in revenue recognized in the prior year related to the sale to a third party of certain unsecured claims related to Aeromexico's insolvency proceedings. Our net income attributable to common stockholders for the three months ended June 30, 2022 was \$105.9 million, or \$0.95 per diluted share compared to \$85.6 million, or \$0.75 per diluted share, for the three months ended June 30, 2021. We recorded adjusted net income before income taxes during the three months ended June 30, 2022 of \$154.5 million or \$1.39 per adjusted diluted share, an increase of approximately 22.7% and 26.4% as compared to \$125.9 million or \$1.10 per adjusted diluted share for the three months ended June 30, 2021, respectively. The increase in net income attributable to common stockholders and adjusted net income before income taxes was primarily driven by the increase in revenues as discussed above.

## Flight Equipment Portfolio

As of June 30, 2022 the net book value of our fleet increased to \$23.5 billion, compared to \$22.9 billion as of December 31, 2021. As of June 30, 2022, we owned 392 aircraft in our aircraft portfolio, comprised of 287 narrowbody aircraft and 105 widebody aircraft, and we managed 89 aircraft. The weighted average fleet age and weighted average remaining lease term of our fleet as of June 30, 2022 was 4.4 years and 7.1 years, respectively. We have a globally diversified customer base of 116 airlines in 62 countries.

The following table summarizes the key portfolio metrics of our fleet as of June 30, 2022 and December 31, 2021:

	June 30, 2022	December 31, 2021
Net book value of flight equipment subject to operating lease	\$ 23.5 billion	\$ 22.9 billion
Weighted-average fleet age <sup>(1)</sup>	4.4 years	4.4 years
Weighted-average remaining lease term <sup>(1)</sup>	7.1 years	7.2 years
Owned fleet	392	382
Managed fleet	89	92
Aircraft on order	430	431
Total	911	905
Current fleet contracted rentals	\$ 15.0 billion	\$ 14.8 billion
Committed fleet rentals	\$ 16.3 billion	\$ 16.1 billion
Total committed rentals	\$ 31.3 billion	\$ 30.9 billion

(1) Weighted-average fleet age and remaining lease term calculated based on net book value of our flight equipment subject to operating lease.

The following table details the regional concentration of our flight equipment subject to operating leases:

Region	June 30, 2022	December 31, 2021
	% of Net Book Value	% of Net Book Value
Europe	31.3 %	32.5 %
Asia (excluding China)	28.2 %	26.0 %
China	12.2 %	12.8 %
The Middle East and Africa	10.1 %	10.7 %
Central America, South America, and Mexico	7.3 %	6.8 %
U.S. and Canada	7.1 %	7.2 %
Pacific, Australia, and New Zealand	3.8 %	4.0 %
Total	100.0 %	100.0 %

The following table details the composition of our flight equipment subject to operating leases by aircraft type:

Aircraft type	June 30, 2022		December 31, 2021	
	Number of Aircraft	% of Total	Number of Aircraft	% of Total
Airbus A319-100	1	0.3 %	1	0.3 %
Airbus A320-200	28	7.1 %	31	8.1 %
Airbus A320-200neo	26	6.6 %	23	6.0 %
Airbus A321-200	24	6.1 %	26	6.8 %
Airbus A321-200neo	70	17.9 %	69	18.1 %
Airbus A330-200	13	3.3 %	13	3.4 %
Airbus A330-300	5	1.3 %	8	2.1 %
Airbus A330-900neo	11	2.8 %	9	2.4 %
Airbus A350-900	13	3.3 %	12	3.1 %
Airbus A350-1000	6	1.5 %	5	1.3 %
Boeing 737-700	4	1.0 %	4	1.0 %
Boeing 737-800	84	21.4 %	88	23.0 %
Boeing 737-8 MAX	39	9.9 %	28	7.3 %
Boeing 737-9 MAX	10	2.7 %	7	1.8 %
Boeing 777-200ER	1	0.3 %	1	0.3 %
Boeing 777-300ER	24	6.1 %	24	6.3 %
Boeing 787-9	26	6.6 %	26	6.8 %
Boeing 787-10	6	1.5 %	6	1.6 %
Embraer E190	1	0.3 %	1	0.3 %
Total <sup>(1)</sup>	392	100.0 %	382	100.0 %

(1) As of June 30, 2022, we had six aircraft classified as flight equipment held for sale. As of December 31, 2021, we did not have any flight equipment classified as held for sale.

## Debt Financing Activities

We ended the second quarter of 2022 with total debt financing, net of discounts and issuance costs, of \$18.3 billion. As of June 30, 2022, 92.4% of our total debt financing was at a fixed rate and 99.3% was unsecured. As of June 30, 2022, our composite cost of funds was 2.81%. We ended the second quarter with total liquidity of \$7.6 billion.

As of the end of the periods presented, our debt portfolio was comprised of the following components (dollars in millions):

	June 30, 2022	December 31, 2021
<b>Unsecured</b>		
Senior notes	\$ 17,686	\$ 16,892
Revolving credit facility	520	—
Term financings	190	167
Total unsecured debt financing	18,396	17,059
<b>Secured</b>		
Term financings	120	127
Export credit financing	15	18
Total secured debt financing	135	145
Total debt financing	18,531	17,204
Less: Debt discounts and issuance costs	(195)	(182)
<b>Debt financing, net of discounts and issuance costs</b>	<b>\$ 18,336</b>	<b>\$ 17,022</b>
<b>Selected interest rates and ratios:</b>		
Composite interest rate <sup>(1)</sup>	2.81 %	2.79 %
Composite interest rate on fixed-rate debt <sup>(1)</sup>	2.85 %	2.90 %
Percentage of total debt at a fixed-rate	92.4 %	94.8 %

(1) This rate does not include the effect of upfront fees, facility fees, undrawn fees or amortization of debt discounts and issuance costs.

## **Conference Call**

In connection with this earnings release, Air Lease Corporation will host a conference call on August 4, 2022 at 4:30 PM Eastern Time to discuss the Company's financial results for the second quarter of 2022.

Investors can participate in the conference call by dialing 1 (833) 634-2156 domestic or 1 (412) 902-4142 international. Please request to be joined into the Air Lease Corporation call.

The conference call will also be broadcast live through a link on the Investor Relations page of the Air Lease Corporation website at [www.airleasecorp.com](http://www.airleasecorp.com). Please visit the website at least 15 minutes prior to the call to register, download and install any necessary audio software. A replay of the broadcast will be available on the Investor Relations page of the Air Lease Corporation website.

For your convenience, the conference call can be replayed in its entirety beginning at 7:30 PM ET on August 4, 2022 until 7:30 PM ET on August 11, 2022. If you wish to listen to the replay of this conference call, please dial 1 (877) 344-7529 domestic or 1 (412) 317-0088 international and enter passcode 3322431.

## **About Air Lease Corporation (NYSE: AL)**

Air Lease Corporation is a leading aircraft leasing company based in Los Angeles, California that has airline customers throughout the world. Air Lease Corporation and its team of dedicated and experienced professionals are principally engaged in purchasing commercial aircraft and leasing them to its airline customers worldwide through customized aircraft leasing and financing solutions. Air Lease Corporation routinely posts information that may be important to investors in the "Investors" section of Air Lease Corporation's website at [www.airleasecorp.com](http://www.airleasecorp.com). Investors and potential investors are encouraged to consult the Air Lease Corporation website regularly for important information about Air Lease Corporation. The information contained on, or that may be accessed through, Air Lease Corporation's website is not incorporated by reference into, and is not a part of, this press release.

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## Forward-Looking Statements

This press release contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Those statements appear in a number of places in this press release and include statements regarding, among other matters, the state of the airline industry, including the impact of Russia's invasion of Ukraine and the impact of sanctions imposed on Russia, our access to the capital markets, the impact of lease deferrals and other accommodations, aircraft delivery delays and other factors affecting our financial condition or results of operations. Words such as "can," "could," "may," "predicts," "potential," "will," "projects," "continuing," "ongoing," "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and "should," and variations of these words and similar expressions, are used in many cases to identify these forward-looking statements. Any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and other factors that may cause our actual results, performance or achievements, or industry results to vary materially from our future results, performance or achievements, or those of our industry, expressed or implied in such forward-looking statements. Such factors include, among others:

- 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 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 manufacturers to meet its delivery obligations to us, including or as a result of technical or other difficulties with aircraft before or after delivery;
- the extent to which the Russian invasion of Ukraine and the impact of sanctions imposed by the United States, European Union, United Kingdom and others affect our business, including our efforts to pursue insurance claims to recover losses related to aircraft that remain in Russia, the exclusion of Russia, Ukraine and Belarus from the insurance policies that we separately purchase for our owned fleet, and the ability of our lessees to comply with their obligations to maintain insurance policies that cover their operations;
- the extent to which the COVID-19 pandemic impacts our business;
- 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, rising inflation, appreciation of the U.S. Dollar, 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;
- 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, 2021, "Part II — Item 1A. Risk Factors," in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 and other SEC filings, including future SEC filings.

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. You are therefore cautioned not to place undue reliance on such statements. 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.

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**Air Lease Corporation and Subsidiaries**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share and par value amounts)

	June 30, 2022	December 31, 2021
	(unaudited)	
<b>Assets</b>		
Cash and cash equivalents	\$ 1,012,779	\$ 1,086,500
Restricted cash	21,069	21,792
Flight equipment subject to operating leases	27,969,301	27,101,808
Less accumulated depreciation	(4,501,559)	(4,202,804)
	23,467,742	22,899,004
Deposits on flight equipment purchases	1,618,687	1,508,892
Other assets	1,526,180	1,452,534
<b>Total assets</b>	<b>\$ 27,646,457</b>	<b>\$ 26,968,722</b>
<b>Liabilities and Shareholders' Equity</b>		
Accrued interest and other payables	\$ 628,526	\$ 611,757
Debt financing, net of discounts and issuance costs	18,336,075	17,022,480
Security deposits and maintenance reserves on flight equipment leases	1,186,442	1,173,831
Rentals received in advance	147,127	138,816
Deferred tax liability	908,653	1,013,270
<b>Total liabilities</b>	<b>\$ 21,206,823</b>	<b>\$ 19,960,154</b>
<b>Shareholders' Equity</b>		
Preferred Stock, \$0.01 par value; 50,000,000 shares authorized; 10,600,000 (aggregate liquidation preference of \$850,000) shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	\$ 106	\$ 106
Class A common stock, \$0.01 par value; 500,000,000 shares authorized; 110,892,097 and 113,987,154 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	1,109	1,140
Class B Non-Voting common stock, \$0.01 par value; authorized 10,000,000 shares; no shares issued or outstanding	—	—
Paid-in capital	3,244,282	3,399,245
Retained earnings	3,194,672	3,609,885
Accumulated other comprehensive loss	(535)	(1,808)
<b>Total shareholders' equity</b>	<b>\$ 6,439,634</b>	<b>\$ 7,008,568</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 27,646,457</b>	<b>\$ 26,968,722</b>

**Air Lease Corporation and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except share, per share amounts and percentages)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(unaudited)			
Revenues				
Rental of flight equipment	\$ 545,271	\$ 452,044	\$ 1,111,825	\$ 920,139
Aircraft sales, trading and other	12,425	39,833	42,533	46,565
Total revenues	557,696	491,877	1,154,358	966,704
Expenses				
Interest	118,997	113,598	236,274	231,584
Amortization of debt discounts and issuance costs	13,413	12,513	26,610	24,538
Interest expense	132,410	126,111	262,884	256,122
Depreciation of flight equipment	235,284	217,817	470,591	426,782
Write-off of Russian fleet	—	—	802,352	—
Selling, general and administrative	38,512	26,687	71,277	53,601
Stock-based compensation expense	6,558	6,700	4,035	12,108
Total expenses	412,764	377,315	1,611,139	748,613
Income/(loss) before taxes	144,932	114,562	(456,781)	218,091
Income tax (expense)/benefit	(28,655)	(21,140)	104,065	(40,577)
Net income/(loss)	\$ 116,277	\$ 93,422	\$ (352,716)	\$ 177,514
Preferred stock dividends	(10,425)	(7,835)	(20,850)	(11,679)
Net income/(loss) attributable to common stockholders	\$ 105,852	\$ 85,587	\$ (373,566)	\$ 165,835
Earnings/(Loss) per share of common stock:				
Basic	\$ 0.95	\$ 0.75	\$ (3.32)	\$ 1.45
Diluted	\$ 0.95	\$ 0.75	\$ (3.32)	\$ 1.45
Weighted-average shares outstanding				
Basic	110,868,040	114,133,135	112,373,092	114,046,252
Diluted	111,043,836	114,377,965	112,373,092	114,373,576
Other financial data				
Pre-tax margin	26.0 %	23.3 %	(39.6)%	22.6 %
Pre-tax return on common equity (trailing twelve months)	(3.0)%	8.5 %	(3.0)%	8.5 %
Adjusted net income before income taxes <sup>(1)</sup>	\$ 154,478	\$ 125,940	\$ 355,366	\$ 243,058
Adjusted diluted earnings per share before income taxes <sup>(1)</sup>	\$ 1.39	\$ 1.10	\$ 3.15	\$ 2.13
Adjusted pre-tax margin <sup>(1)</sup>	27.7%	25.6%	30.8%	25.1%
Adjusted pre-tax return on common equity (trailing twelve months) <sup>(1)</sup>	12.2 %	9.6 %	12.2 %	9.6 %

- (1) Adjusted net income before income taxes (defined as net income/(loss) attributable to common stockholders excluding the effects of certain non-cash items, one-time or non-recurring items, such as write-offs of our Russian fleet, that are not expected to continue in the future and certain other items), adjusted pre-tax margin (defined as adjusted net income before income taxes divided by total revenues), adjusted diluted earnings per share before income taxes (defined as adjusted net income before income taxes divided by the weighted average diluted common shares outstanding) and adjusted pre-tax return on common equity (defined as adjusted net income before income taxes divided by average common shareholders' equity) are measures of operating performance that are not defined by GAAP and should not be considered as an alternative to net income/(loss)



**Air Lease Corporation and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except share, per share amounts and percentages)

attributable to common stockholders, pre-tax margin, earnings/(loss) per share, diluted earnings/(loss) per share and pre-tax return on common equity, or any other performance measures derived in accordance with GAAP. Adjusted net income before income taxes, adjusted pre-tax margin, adjusted diluted earnings per share before income taxes and adjusted pre-tax return on common equity are presented as supplemental disclosure because management believes they provide useful information on our earnings from ongoing operations.

Management and our board of directors use adjusted net income before income taxes, adjusted pre-tax margin, adjusted diluted earnings per share before income taxes and adjusted pre-tax return on common equity to assess our consolidated financial and operating performance. Management believes these measures are helpful in evaluating the operating performance of our ongoing operations and identifying trends in our performance, because they remove the effects of certain non-cash items, one-time or non-recurring items that are not expected to continue in the future and certain other items from our operating results. Adjusted net income before income taxes, adjusted pre-tax margin, adjusted diluted earnings per share before income taxes and adjusted pre-tax return on common equity, however, should not be considered in isolation or as a substitute for analysis of our operating results or cash flows as reported under GAAP. Adjusted net income before income taxes, adjusted pre-tax margin, adjusted diluted earnings per share before income taxes and adjusted pre-tax return on common equity do not reflect our cash expenditures or changes in our cash requirements for our working capital needs. In addition, our calculation of adjusted net income before income taxes, adjusted pre-tax margin, adjusted diluted earnings per share before income taxes and adjusted pre-tax return on common equity may differ from the adjusted net income before income taxes, adjusted pre-tax margin, adjusted diluted earnings per share before income taxes and adjusted pre-tax return on common equity or analogous calculations of other companies in our industry, limiting their usefulness as a comparative measure.

The following table shows the reconciliation of the numerator for adjusted pre-tax margin (in thousands, except percentages):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(unaudited)			
Reconciliation of the numerator for adjusted pre-tax margin (net income/(loss) attributable to common stockholders to adjusted net income before income taxes):				
Net income/(loss) attributable to common stockholders	\$ 105,852	\$ 85,587	\$ (373,566)	\$ 165,835
Amortization of debt discounts and issuance costs	13,413	12,513	26,610	24,538
Write-off of Russian fleet	—	—	802,352	—
Stock-based compensation expense	6,558	6,700	4,035	12,108
Income tax expense/(benefit)	28,655	21,140	(104,065)	40,577
Adjusted net income before income taxes	<u>\$ 154,478</u>	<u>\$ 125,940</u>	<u>\$ 355,366</u>	<u>\$ 243,058</u>
Denominator for adjusted pre-tax margin:				
Total revenues	\$ 557,696	\$ 491,877	\$ 1,154,358	\$ 966,704
Adjusted pre-tax margin <sup>(a)</sup>	<u>27.7 %</u>	<u>25.6 %</u>	<u>30.8 %</u>	<u>25.1 %</u>

(a) Adjusted pre-tax margin is adjusted net income before income taxes divided by total revenues

**Air Lease Corporation and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except share, per share amounts and percentages)

The following table shows the reconciliation of the numerator for adjusted diluted earnings per share before income taxes (in thousands, except share and per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(unaudited)			
Reconciliation of the numerator for adjusted diluted earnings per share (net income/(loss) attributable to common stockholders to adjusted net income before income taxes):				
Net income/(loss) attributable to common stockholders	\$ 105,852	\$ 85,587	\$ (373,566)	\$ 165,835
Amortization of debt discounts and issuance costs	13,413	12,513	26,610	24,538
Write-off of Russian fleet	—	—	802,352	—
Stock-based compensation expense	6,558	6,700	4,035	12,108
Income tax expense/(benefit)	28,655	21,140	(104,065)	40,577
Adjusted net income before income taxes	\$ 154,478	\$ 125,940	\$ 355,366	\$ 243,058
Denominator for adjusted diluted earnings per share:				
Weighted-average diluted common shares outstanding	111,043,836	114,377,965	112,373,092	114,373,576
Potentially dilutive securities, whose effect would have been anti-dilutive	—	—	301,279	—
Adjusted weighted-average diluted common shares outstanding	111,043,836	114,377,965	112,674,371	114,373,576
Adjusted diluted earnings per share before income taxes <sup>(b)</sup>	\$ 1.39	\$ 1.10	\$ 3.15	\$ 2.13

(b) Adjusted diluted earnings per share before income taxes is adjusted net income before income taxes divided by adjusted weighted-average diluted common shares outstanding

The following table shows the reconciliation of pre-tax return on common equity to adjusted pre-tax return on common equity (in thousands, except percentages):

	Trailing Twelve Months Ended June 30,	
	2022	2021
	(unaudited)	
Reconciliation of the numerator for adjusted pre-tax return on common equity (net (loss)/income attributable to common stockholders to adjusted net income before income taxes):		
Net (loss)/income attributable to common stockholders	\$ (131,242)	\$ 389,636
Amortization of debt discounts and issuance costs	52,693	46,802
Write-off of Russian fleet	802,352	—
Stock-based compensation expense	18,443	21,415
Income tax (benefit)/expense	(40,258)	100,165
Adjusted net income before income taxes	\$ 701,988	\$ 558,018
Reconciliation of denominator for pre-tax return on common equity to adjusted pre-tax return on common equity:		
Common shareholders' equity as of beginning of the period	\$ 5,951,715	\$ 5,619,801
Common shareholders' equity as of end of the period	\$ 5,589,634	\$ 5,951,715
Average common shareholders' equity	\$ 5,770,675	\$ 5,785,758
Adjusted pre-tax return on common equity <sup>(c)</sup>		
	12.2 %	9.6 %

(c) Adjusted pre-tax return on common equity is adjusted net income before income taxes divided by average common shareholders' equity

**Air Lease Corporation and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)

	Six Months Ended June 30,	
	2022	2021
	(unaudited)	
<b>Operating Activities</b>		
Net (loss)/income	\$ (352,716)	\$ 177,514
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:		
Depreciation of flight equipment	470,591	426,782
Write-off of Russian fleet	802,352	—
Stock-based compensation expense	4,035	12,108
Deferred taxes	(104,963)	38,985
Amortization of discounts and debt issuance costs	26,610	24,538
Amortization of prepaid lease costs	23,355	22,267
Gain on aircraft sales, trading and other activity	(71,753)	(1,245)
Changes in operating assets and liabilities:		
Other assets	(147,685)	(96,234)
Accrued interest and other payables	26,590	4,751
Rentals received in advance	12,423	(6,801)
Net cash provided by operating activities	688,839	602,665
<b>Investing Activities</b>		
Acquisition of flight equipment under operating lease	(1,569,310)	(1,098,174)
Payments for deposits on flight equipment purchases	(345,643)	(202,938)
Proceeds from aircraft sales, trading and other activity	1,166	2,042
Acquisition of aircraft furnishings, equipment and other assets	(106,655)	(102,303)
Net cash used in investing activities	(2,020,442)	(1,401,373)
<b>Financing Activities</b>		
Issuance of common stock upon exercise of options	—	1,439
Cash dividends paid on Class A common stock	(42,223)	(36,475)
Common shares repurchased	(150,000)	—
Net proceeds from preferred stock issuance	—	295,428
Cash dividends paid on preferred stock	(20,850)	(11,679)
Tax withholdings on stock-based compensation	(9,027)	(7,442)
Net change in unsecured revolving facilities	520,000	—
Proceeds from debt financings	1,497,615	2,574,089
Payments in reduction of debt financings	(718,687)	(2,576,841)
Debt issuance costs	(5,613)	(7,937)
Security deposits and maintenance reserve receipts	198,763	67,289
Security deposits and maintenance reserve disbursements	(12,819)	(24,170)
Net cash provided by financing activities	1,257,159	273,701
Net decrease in cash	(74,444)	(525,007)
Cash, cash equivalents and restricted cash at beginning of period	1,108,292	1,757,767
Cash, cash equivalents and restricted cash at end of period	\$ 1,033,848	\$ 1,232,760
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid during the period for interest, including capitalized interest of \$19,127 and \$26,116 at June 30, 2022 and 2021, respectively	\$ 254,349	\$ 262,949
Cash paid for income taxes	\$ 3,557	\$ 2,491
<b>Supplemental Disclosure of Noncash Activities</b>		
Buyer furnished equipment, capitalized interest and deposits on flight equipment purchases applied to acquisition of flight equipment	\$ 343,794	\$ 449,486
Cash dividends declared, not yet paid	\$ 20,511	\$ 18,263