



Air Lease Corporation Announces Fourth Quarter & Fiscal Year 2022 Results

Los Angeles, California, February 16, 2023 — Air Lease Corporation (ALC) (NYSE: AL) announces financial results for the three months and year ended December 31, 2022.

"Aircraft demand is bolstering lease rates, accelerating our orderbook placements, and intensifying lease extension requests. Airline industry recovery with constrained balance sheets, drive for environmental sustainability, and lack of available delivery slots from the OEMs continues to favor ALC's business model of providing new aircraft from our orderbook," said John L. Plueger, Chief Executive Officer and President.

"High quality commercial aircraft are increasingly in limited supply given strong airline need for capacity – exacerbated by ongoing delivery delays at both Boeing and Airbus, which we do not see abating. We expect to see continued growth and strength in global air traffic and airline yields in 2023, offering a counterbalance to global macroeconomic cross-currents," said Steven F. Udvar-Házy, Executive Chairman of the Board.

Fourth Quarter and Fiscal Year 2022 Results

The following table summarizes our operating results for the three months and year ended December 31, 2022 and 2021 (in millions, except per share amounts and percentages):

Operating Results

	Three Months Ended December 31,				Year Ended December 31,			
	2022	2021	\$ change	% change	2022	2021	\$ change	% change
Revenues	\$ 601.6	\$ 597.2	\$ 4.4	0.7 %	\$ 2,317.3	\$ 2,088.4	\$ 228.9	11.0 %
Operating expenses	(452.3)	(408.8)	(43.5)	10.6 %	(1,684.6)	(1,547.4)	(137.2)	8.9 %
Recovery/(write-off) of Russian fleet	30.9	—	30.9	100.0 %	(771.5)	—	(771.5)	100.0 %
Income/(loss) before taxes	180.2	188.4	(8.2)	(4.4)%	(138.8)	541.0	(679.8)	(125.7)%
Net income/(loss) attributable to common stockholders	\$ 134.9	\$ 142.3	\$ (7.4)	(5.2)%	\$ (138.7)	\$ 408.2	\$ (546.9)	(134.0)%
Diluted earnings/(loss) per share	\$ 1.21	\$ 1.24	\$ (0.03)	(2.4)%	\$ (1.24)	\$ 3.57	\$ (4.81)	(134.7)%
Adjusted net income before income taxes ⁽¹⁾	\$ 158.2	\$ 200.1	\$ (41.9)	(20.9)%	\$ 659.9	\$ 589.7	\$ 70.2	11.9 %
Adjusted diluted earnings per share before income taxes ⁽¹⁾	\$ 1.42	\$ 1.75	\$ (0.33)	(18.9)%	\$ 5.89	\$ 5.15	\$ 0.74	14.4 %

Key Financial Ratios

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Pre-tax margin	29.9%	31.5%	(6.0)%	25.9%
Adjusted pre-tax margin ⁽¹⁾	26.3%	33.5%	28.5%	28.2%
Pre-tax return on common equity (trailing twelve months)			(3.0)%	8.6%
Adjusted pre-tax return on common equity (trailing twelve months) ⁽¹⁾			11.0%	9.8%

(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

- As of December 31, 2022, we had 417 aircraft in our owned fleet, with a net book value of \$24.5 billion, a weighted average age of 4.5 years and a weighted average lease term remaining of 7.1 years. During the fourth quarter, we took delivery of 16 aircraft from our order book, representing approximately \$1.0 billion in aircraft investments, ending the period with over \$28 billion in total assets.
- Sold five aircraft during the quarter for approximately \$211 million in proceeds.
- In October 2022, we recovered one Boeing 737-8 MAX aircraft previously detained in Russia, resulting in an approximately \$31 million offset to the write-off line item in our income statement.
- Placed 90% of our contracted orderbook positions on long-term leases for aircraft delivering through the end of 2024 and have placed 60% of our entire orderbook.
- Ended the year with \$31.4 billion in committed minimum future rental payments consisting of \$15.6 billion in contracted minimum rental payments on the aircraft in our existing fleet and \$15.8 billion in minimum future rental payments related to aircraft on order.
- Issued \$2.2 billion of senior unsecured Medium-Term Notes in 2022 with a weighted average interest rate of 3.59% and ended the year with total liquidity of \$6.9 billion.
- On February 14, 2023, our board of directors declared a quarterly cash dividend of \$0.20 per share on our outstanding common stock. The next quarterly dividend of \$0.20 per share will be paid on April 12, 2023 to holders of record of our common stock as of March 16, 2023.

Financial Overview

Our total revenues for the year ended December 31, 2022 increased by 11% to \$2.3 billion as compared to the year ended December 31, 2021. The increase in total revenues was primarily driven by the continued growth in our fleet and significantly lower COVID-19 related lease restructuring and cash basis losses.

Our net loss attributable to common stockholders for the year ended December 31, 2022 was \$138.7 million, or net loss of \$1.24 per diluted share compared to net income of \$408.2 million, or \$3.57 per diluted share, for the year ended December 31, 2021. Despite the growth of our fleet, the decrease was due to the net impact of the write-off of our Russian fleet, which totaled approximately \$771.5 million as of December 31, 2022.

Our adjusted net income before income taxes during the year ended December 31, 2022 was \$659.9 million or \$5.89 per adjusted diluted share as compared to \$589.7 million or \$5.15 per adjusted diluted share for the year ended December 31, 2021. The increase for the year ended December 31, 2022 as compared to 2021, was primarily due to the continued growth of our fleet and the increase in revenues as discussed above.

Flight Equipment Portfolio

As of December 31, 2022 the net book value of our fleet increased to \$24.5 billion, compared to \$22.9 billion as of December 31, 2021. As of December 31, 2022, we owned 417 aircraft in our aircraft portfolio, comprised of 306 narrowbody aircraft and 111 widebody aircraft, and we managed 85 aircraft. The weighted average fleet age and weighted average remaining lease term of our fleet as of December 31, 2022 was 4.5 years and 7.1 years, respectively. We have a globally diversified customer base of 117 airlines in 62 countries as of December 31, 2022.

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

	December 31, 2022	December 31, 2021
Net book value of flight equipment subject to operating lease	\$ 24.5 billion	\$ 22.9 billion
Weighted-average fleet age ⁽¹⁾	4.5 years	4.4 years
Weighted-average remaining lease term ⁽¹⁾	7.1 years	7.2 years
Owned fleet	417	382
Managed fleet	85	92
Aircraft on order	398	431
Total	900	905
Current fleet contracted rentals	\$ 15.6 billion	\$ 14.8 billion
Committed fleet rentals	\$ 15.8 billion	\$ 16.1 billion
Total committed rentals	\$ 31.4 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	December 31, 2022 % of Net Book Value	December 31, 2021 % of Net Book Value
Europe	32.5 %	32.5 %
Asia (excluding China)	29.1 %	26.0 %
China	11.4 %	12.8 %
The Middle East and Africa	9.3 %	10.7 %
Central America, South America, and Mexico	7.8 %	6.8 %
U.S. and Canada	6.3 %	7.2 %
Pacific, Australia, and New Zealand	3.6 %	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	December 31, 2022		December 31, 2021	
	Number of Aircraft	% of Total	Number of Aircraft	% of Total
Airbus A220-300	4	1.0 %	—	— %
Airbus A319-100	1	0.2 %	1	0.3 %
Airbus A320-200	28	6.7 %	31	8.1 %
Airbus A320-200neo	23	5.5 %	23	6.0 %
Airbus A321-200	23	5.5 %	26	6.8 %
Airbus A321-200neo	78	18.7 %	69	18.1 %
Airbus A330-200	13	3.1 %	13	3.4 %
Airbus A330-300	5	1.2 %	8	2.1 %
Airbus A330-900neo	16	3.8 %	9	2.4 %
Airbus A350-900	13	3.1 %	12	3.1 %
Airbus A350-1000	6	1.4 %	5	1.3 %
Boeing 737-700	4	1.0 %	4	1.0 %
Boeing 737-800	82	19.7 %	88	23.0 %
Boeing 737-8 MAX	47	11.3 %	28	7.3 %
Boeing 737-9 MAX	15	3.7 %	7	1.8 %
Boeing 777-200ER	1	0.2 %	1	0.3 %
Boeing 777-300ER	24	5.8 %	24	6.3 %
Boeing 787-9	27	6.5 %	26	6.8 %
Boeing 787-10	6	1.4 %	6	1.6 %
Embraer E190	1	0.2 %	1	0.3 %
Total ⁽¹⁾	417	100.0 %	382	100.0 %

(1) As of December 31, 2022, we had four 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 fourth quarter of 2022 with total debt financing, net of discounts and issuance costs, of \$18.6 billion. As of December 31, 2022, 91.3% of our total debt financing was at a fixed rate and 99.3% was unsecured. As of December 31, 2022, our composite cost of funds was 3.07%. We ended the fourth quarter with total liquidity of \$6.9 billion.

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

	December 31, 2022	December 31, 2021
Unsecured		
Senior notes	\$ 17,095	\$ 16,892
Revolving credit facility	1,020	—
Term financings	583	167
Total unsecured debt financing	18,698	17,059
Secured		
Term financings	114	127
Export credit financing	11	18
Total secured debt financing	125	145
Total debt financing	18,823	17,204
Less: Debt discounts and issuance costs	(182)	(182)
Debt financing, net of discounts and issuance costs	\$ 18,641	\$ 17,022
Selected interest rates and ratios:		
Composite interest rate ⁽¹⁾	3.07 %	2.79 %
Composite interest rate on fixed-rate debt ⁽¹⁾	2.98 %	2.90 %
Percentage of total debt at a fixed-rate	91.3 %	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 February 16, 2023 at 4:30 PM Eastern Time to discuss the Company's financial results for the fourth quarter and year end 2022.

Investors can participate in the conference call by dialing 1 (888) 660-6652 domestic or 1 (646) 960-0554 international. The passcode for the call is 5952437.

The conference call will also be broadcast live through a link on the Investors page of the Air Lease Corporation website at 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 Investors 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 February 16, 2023 until 7:30 PM ET on February 23, 2023. If you wish to listen to the replay of this conference call, please dial 1 (800) 770-2030 domestic or 1 (647) 362-9199 international and enter passcode 5952437.

About Air Lease Corporation (NYSE: AL)

Air Lease Corporation is a leading global 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 new 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 its website at www.airleasecorp.com. Investors and potential investors are encouraged to consult Air Lease Corporation's website regularly for important information. 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, our access to the capital markets, the impact of Russia's invasion of Ukraine and the impact of sanctions imposed on Russia, 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 manufacturer to meet its delivery obligations to us, including or as a result of technical or other difficulties with aircraft before or after delivery;
- our ability to pursue insurance claims to recover losses related to aircraft detained in Russia;
- 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, 2022, "Part II — Item 1A. Risk Factors," 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)

	December 31, 2022	December 31, 2021
Assets		
Cash and cash equivalents	\$ 766,418	\$ 1,086,500
Restricted cash	13,599	21,792
Flight equipment subject to operating leases	29,466,888	27,101,808
Less accumulated depreciation	(4,928,503)	(4,202,804)
	24,538,385	22,899,004
Deposits on flight equipment purchases	1,344,973	1,508,892
Other assets	1,733,330	1,452,534
Total assets	\$ 28,396,705	\$ 26,968,722
Liabilities and Shareholders' Equity		
Accrued interest and other payables	\$ 696,899	\$ 611,757
Debt financing, net of discounts and issuance costs	18,641,063	17,022,480
Security deposits and maintenance reserves on flight equipment leases	1,293,929	1,173,831
Rentals received in advance	147,654	138,816
Deferred tax liability	970,797	1,013,270
Total liabilities	\$ 21,750,342	\$ 19,960,154
Shareholders' Equity		
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 December 31, 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 December 31, 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	3,255,973	3,399,245
Retained earnings	3,386,820	3,609,885
Accumulated other comprehensive income/(loss)	2,355	(1,808)
Total shareholders' equity	\$ 6,646,363	\$ 7,008,568
Total liabilities and shareholders' equity	\$ 28,396,705	\$ 26,968,722

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

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
	(unaudited)			
Revenues				
Rental of flight equipment	\$ 561,285	\$ 563,663	\$ 2,214,508	\$ 2,003,337
Aircraft sales, trading and other	40,325	33,513	102,794	85,052
Total revenues	601,610	597,176	2,317,302	2,088,389
Expenses				
Interest	134,303	116,152	492,924	462,396
Amortization of debt discounts and issuance costs	13,482	13,511	53,254	50,620
Interest expense	147,785	129,663	546,178	513,016
Depreciation of flight equipment	252,860	230,819	965,955	882,562
(Recovery)/write-off of Russian fleet	(30,877)	—	771,476	—
Selling, general and administrative	45,862	40,598	156,855	125,279
Stock-based compensation expense	5,804	7,716	15,603	26,516
Total expenses	421,434	408,796	2,456,067	1,547,373
Income/(loss) before taxes	180,176	188,380	(138,765)	541,016
Income tax (expense)/benefit	(34,865)	(36,599)	41,741	(104,384)
Net income/(loss)	\$ 145,311	\$ 151,781	\$ (97,024)	\$ 436,632
Preferred stock dividends	(10,425)	(9,463)	(41,700)	(28,473)
Net income/(loss) attributable to common stockholders	\$ 134,886	\$ 142,318	\$ (138,724)	\$ 408,159
Earnings/(Loss) per share of common stock:				
Basic	\$ 1.22	\$ 1.25	\$ (1.24)	\$ 3.58
Diluted	\$ 1.21	\$ 1.24	\$ (1.24)	\$ 3.57
Weighted-average shares of common stock outstanding				
Basic	110,892,097	113,987,154	111,626,508	114,050,578
Diluted	111,162,063	114,332,498	111,626,508	114,446,093
Other financial data				
Pre-tax margin	29.9 %	31.5 %	(6.0)%	25.9 %
Pre-tax return on common equity (trailing twelve months)	(3.0)%	8.6 %	(3.0)%	8.6 %
Adjusted net income before income taxes ⁽¹⁾	\$ 158,160	\$ 200,144	\$ 659,868	\$ 589,679
Adjusted diluted earnings per share before income taxes ⁽¹⁾	\$ 1.42	\$ 1.75	\$ 5.89	\$ 5.15
Adjusted pre-tax margin ⁽¹⁾	26.3%	33.5%	28.5%	28.2%
Adjusted pre-tax return on common equity (trailing twelve months) ⁽¹⁾	11.0 %	9.8 %	11.0 %	9.8 %

- (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

Air Lease Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS

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

operating performance that are not defined by GAAP and should not be considered as an alternative to net income/(loss) 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 December 31,		Year Ended December 31,	
	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	\$ 134,886	\$ 142,318	\$ (138,724)	\$ 408,159
Amortization of debt discounts and issuance costs	13,482	13,511	53,254	50,620
(Recovery)/write-off of Russian fleet	(30,877)	—	771,476	—
Stock-based compensation expense	5,804	7,716	15,603	26,516
Income tax expense/(benefit)	34,865	36,599	(41,741)	104,384
Adjusted net income before income taxes	<u>\$ 158,160</u>	<u>\$ 200,144</u>	<u>\$ 659,868</u>	<u>\$ 589,679</u>
Denominator for adjusted pre-tax margin:				
Total revenues	<u>\$ 601,610</u>	<u>\$ 597,176</u>	<u>\$ 2,317,302</u>	<u>\$ 2,088,389</u>
Adjusted pre-tax margin ^(a)	<u>26.3 %</u>	<u>33.5 %</u>	<u>28.5 %</u>	<u>28.2 %</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 December 31,		Year Ended December 31,	
	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	\$ 134,886	\$ 142,318	\$ (138,724)	\$ 408,159
Amortization of debt discounts and issuance costs	13,482	13,511	53,254	50,620
(Recovery)/write-off of Russian fleet	(30,877)	—	771,476	—
Stock-based compensation expense	5,804	7,716	15,603	26,516
Income tax expense/(benefit)	34,865	36,599	(41,741)	104,384
Adjusted net income before income taxes	\$ 158,160	\$ 200,144	\$ 659,868	\$ 589,679
Denominator for adjusted diluted earnings per share:				
Weighted-average diluted common shares outstanding	111,162,063	114,332,498	111,626,508	114,446,093
Potentially dilutive securities, whose effect would have been anti-dilutive	—	—	361,186	—
Adjusted weighted-average diluted common shares outstanding	111,162,063	114,332,498	111,987,694	114,446,093
Adjusted diluted earnings per share before income taxes ^(b)	\$ 1.42	\$ 1.75	\$ 5.89	\$ 5.15

(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):

	Year Ended December 31,	
	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	\$ (138,724)	\$ 408,159
Amortization of debt discounts and issuance costs	53,254	50,620
Write-off of Russian fleet, net of recoveries	771,476	—
Stock-based compensation expense	15,603	26,516
Income tax (benefit)/expense	(41,741)	104,384
Adjusted net income before income taxes	\$ 659,868	\$ 589,679
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	\$ 6,158,568	\$ 5,822,341
Common shareholders' equity as of end of the period	\$ 5,796,363	\$ 6,158,568
Average common shareholders' equity	\$ 5,977,466	\$ 5,990,455
Adjusted pre-tax return on common equity ^(c)	11.0 %	9.8 %

(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)

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Operating Activities		
Net (loss)/income	\$ (97,024)	\$ 436,632
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:		
Depreciation of flight equipment	965,955	882,562
Write-off of Russian fleet, net of recoveries	771,476	—
Stock-based compensation expense	15,603	26,516
Deferred taxes	(43,492)	97,446
Amortization of prepaid lease costs	47,849	46,547
Amortization of discounts and debt issuance costs	53,254	50,620
Gain on aircraft sales, trading and other activity	(113,103)	(46,109)
Changes in operating assets and liabilities:		
Other assets	(232,613)	(176,391)
Accrued interest and other payables	255	63,112
Rentals received in advance	13,990	(4,099)
Net cash provided by operating activities	<u>1,382,150</u>	<u>1,376,836</u>
Investing Activities		
Acquisition of flight equipment under operating lease	(2,904,723)	(2,506,175)
Payments for deposits on flight equipment purchases	(518,270)	(496,838)
Proceeds from aircraft sales, trading and other activity	235,424	137,887
Acquisition of aircraft furnishings, equipment and other assets	(216,635)	(229,654)
Net cash used in investing activities	<u>(3,404,204)</u>	<u>(3,094,780)</u>
Financing Activities		
Issuance of common stock upon exercise of options	—	1,438
Net proceeds from preferred stock issuance	—	591,340
Cash dividends paid on Class A common stock	(83,253)	(73,001)
Common shares repurchased	(150,000)	(5,780)
Cash dividends paid on preferred stock	(41,700)	(28,473)
Tax withholdings on stock-based compensation	(8,903)	(7,441)
Net change in unsecured revolving facilities	1,020,000	—
Proceeds from debt financings	2,659,996	3,655,830
Payments in reduction of debt financings	(2,085,898)	(3,194,482)
Debt issuance costs	(6,827)	(10,245)
Security deposits and maintenance reserve receipts	417,224	174,521
Security deposits and maintenance reserve disbursements	(26,860)	(35,238)
Net cash provided by financing activities	<u>1,693,779</u>	<u>1,068,469</u>
Net decrease in cash	(328,275)	(649,475)
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	<u>\$ 780,017</u>	<u>\$ 1,108,292</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for interest, including capitalized interest of \$39,655 and \$49,070 at December 31, 2022 and 2021, respectively	\$ 533,897	\$ 508,616
Cash paid for income taxes	\$ 6,362	\$ 5,734
Supplemental Disclosure of Noncash Activities		
Buyer furnished equipment, capitalized interest and deposits on flight equipment purchases applied to acquisition of flight equipment	\$ 914,501	\$ 1,009,554
Cash dividends declared on common stock, not yet paid	\$ 22,178	\$ 21,088