



Airline Economics Growth Frontiers New York 2019



October 18, 2019

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CEO & President

Forward Looking Statements

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:

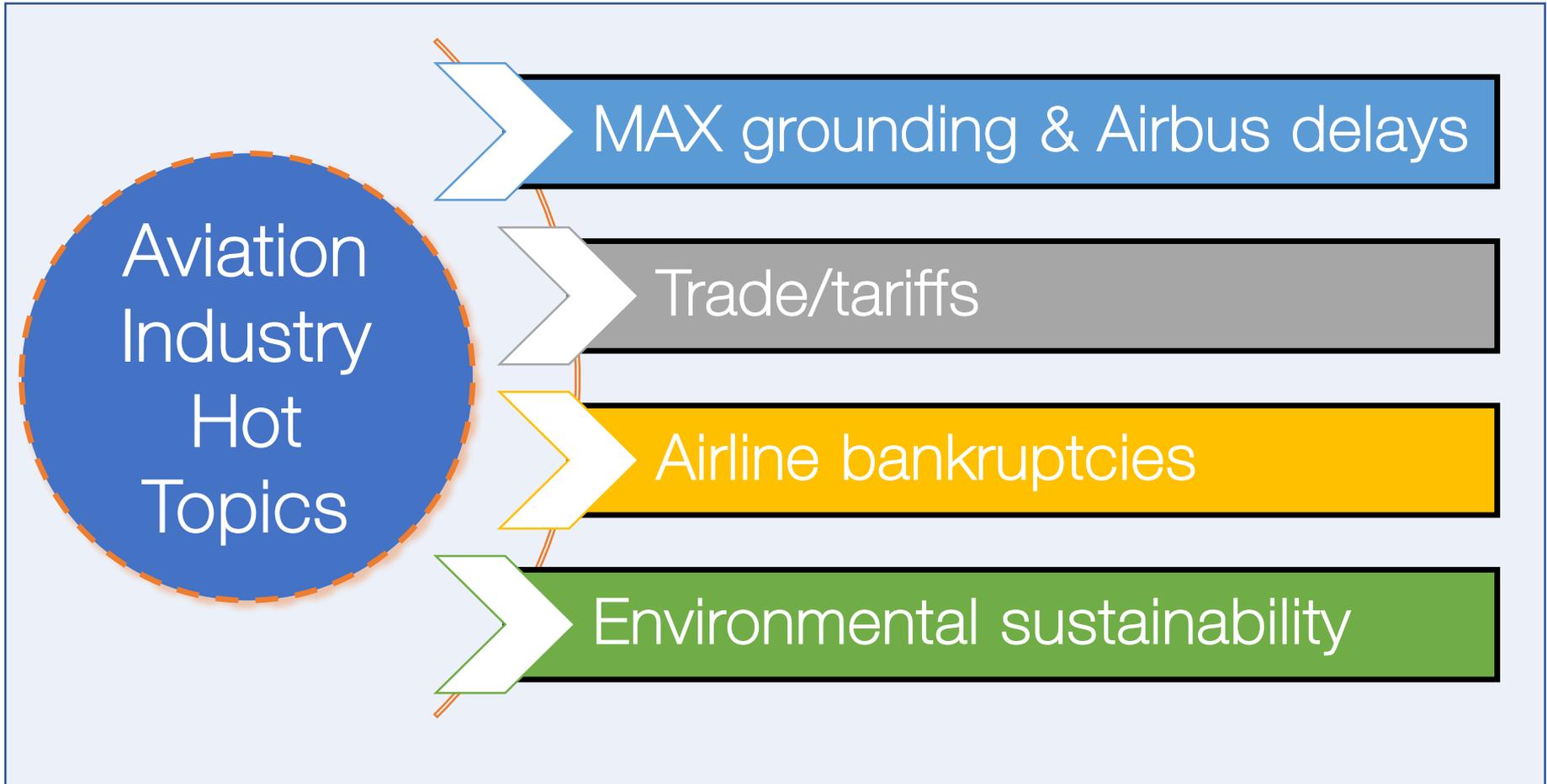
- our inability to obtain additional financing on favorable terms, if required, to complete the acquisition of sufficient aircraft as currently contemplated or to fund the operations and growth of our business;
- our inability to obtain refinancing prior to the time our debt matures;
- our inability to make acquisitions of, or lease, aircraft on favorable terms;
- our inability to sell aircraft on favorable terms or to predict the timing of such sales;
- impaired financial condition and liquidity of our lessees;
- changes in overall demand for commercial aircraft leasing and aircraft management services;
- deterioration of economic conditions in the commercial aviation industry generally;
- potential natural disasters and terrorist attacks and the amount of our insurance coverage, if any, relating thereto;
- increased maintenance, operating or other expenses or changes in the timing thereof;
- changes in the regulatory environment, including tariffs and other restrictions on trade;
- our inability to effectively oversee our managed fleet; and
- the failure of any manufacturer to meet its contractual aircraft delivery obligations to us, including or as a result of technical or other difficulties with aircraft before or after delivery, resulting in our inability to deliver the aircraft to our lessees.

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, 2018 and the Company’s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2019 and June 30, 2019, which contain and identify 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 undertake no obligation to update any forward-looking statement to reflect 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. 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.

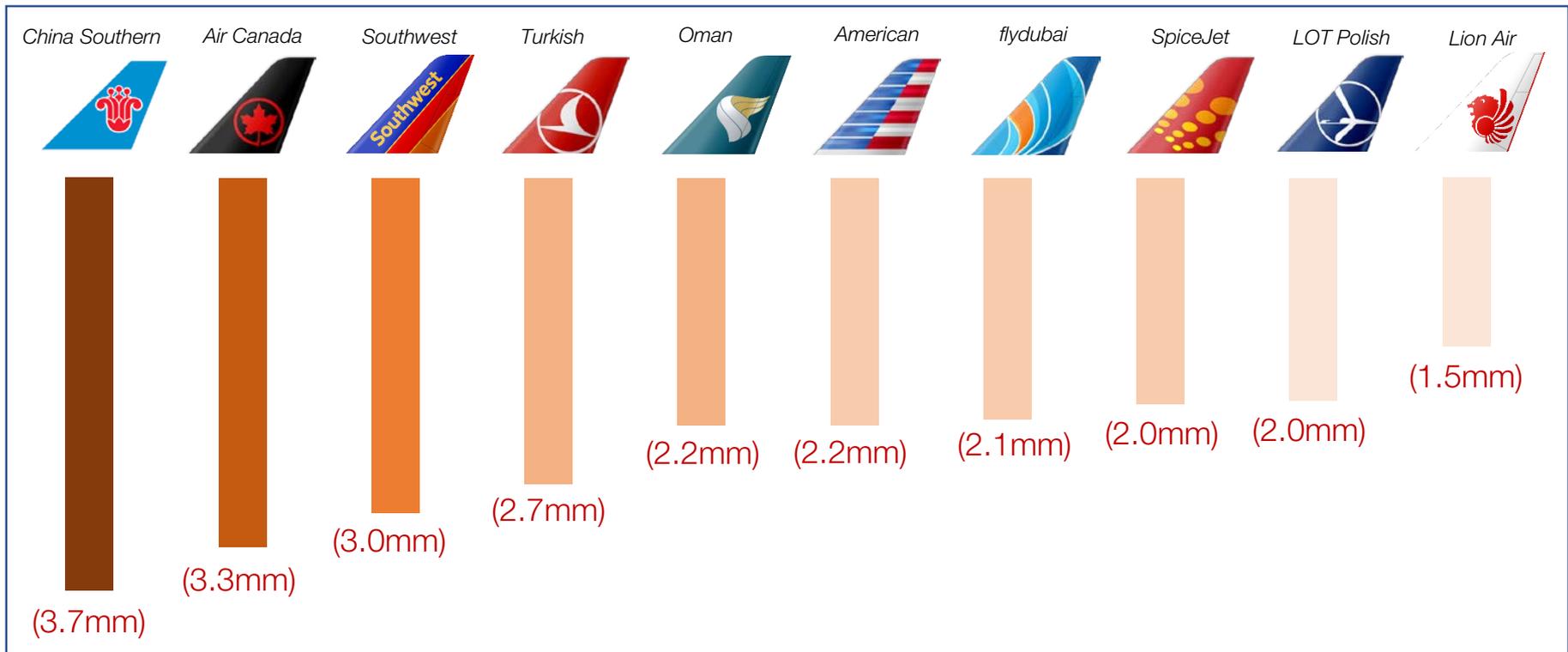
ALC routinely posts information that may be important to investors in the “Investors” section of ALC’s website at www.airleasecorp.com. Investors and potential investors are encouraged to consult the ALC website regularly for important information about ALC. The information contained on, or that may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

Four hot topics



Significant capacity lost due to MAX grounding

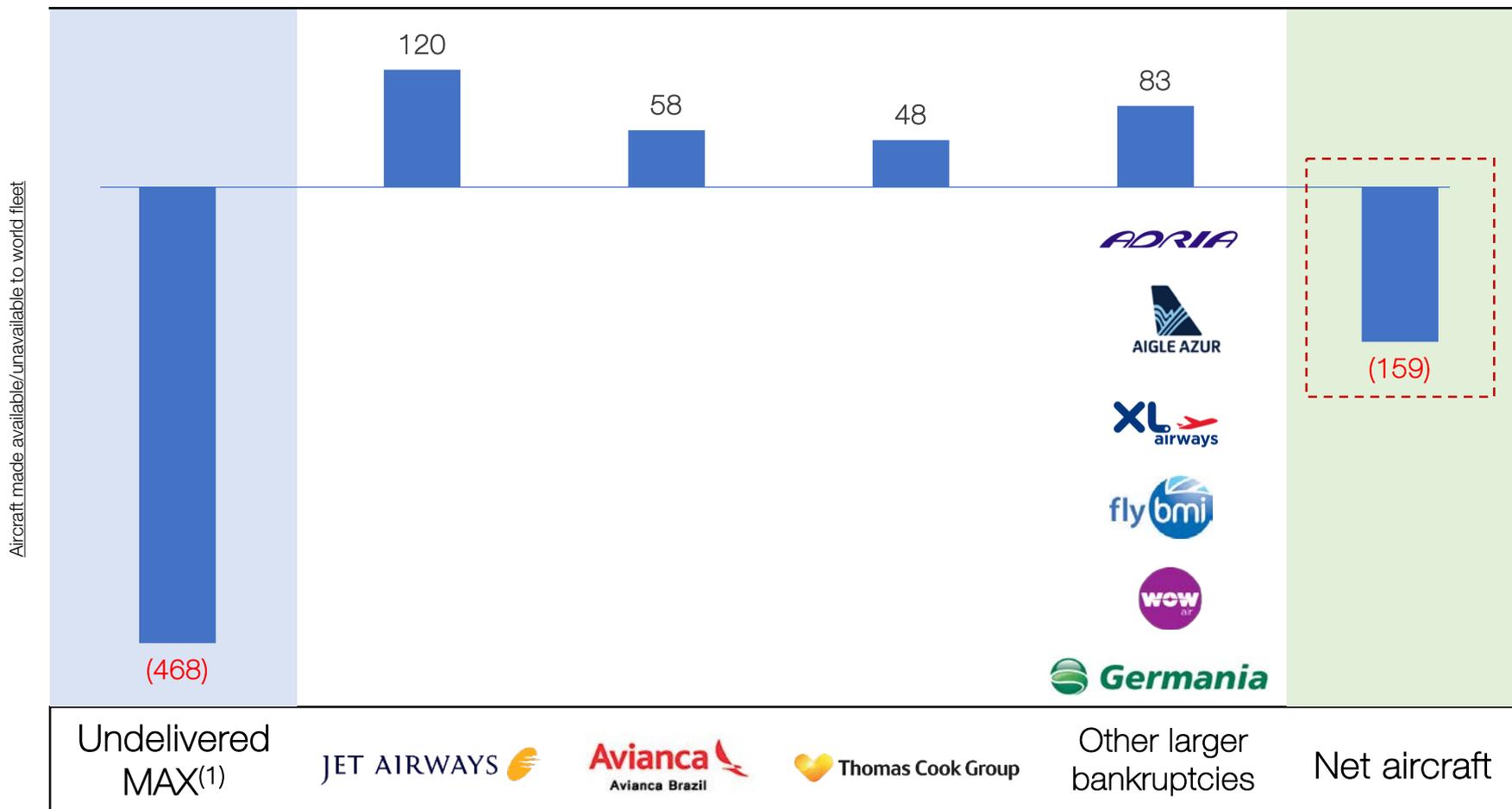
MAX grounding resulted in a reduction of ~25mm seats alone across these top MAX operators from February to August 2019



Evaluating aircraft supply dynamics

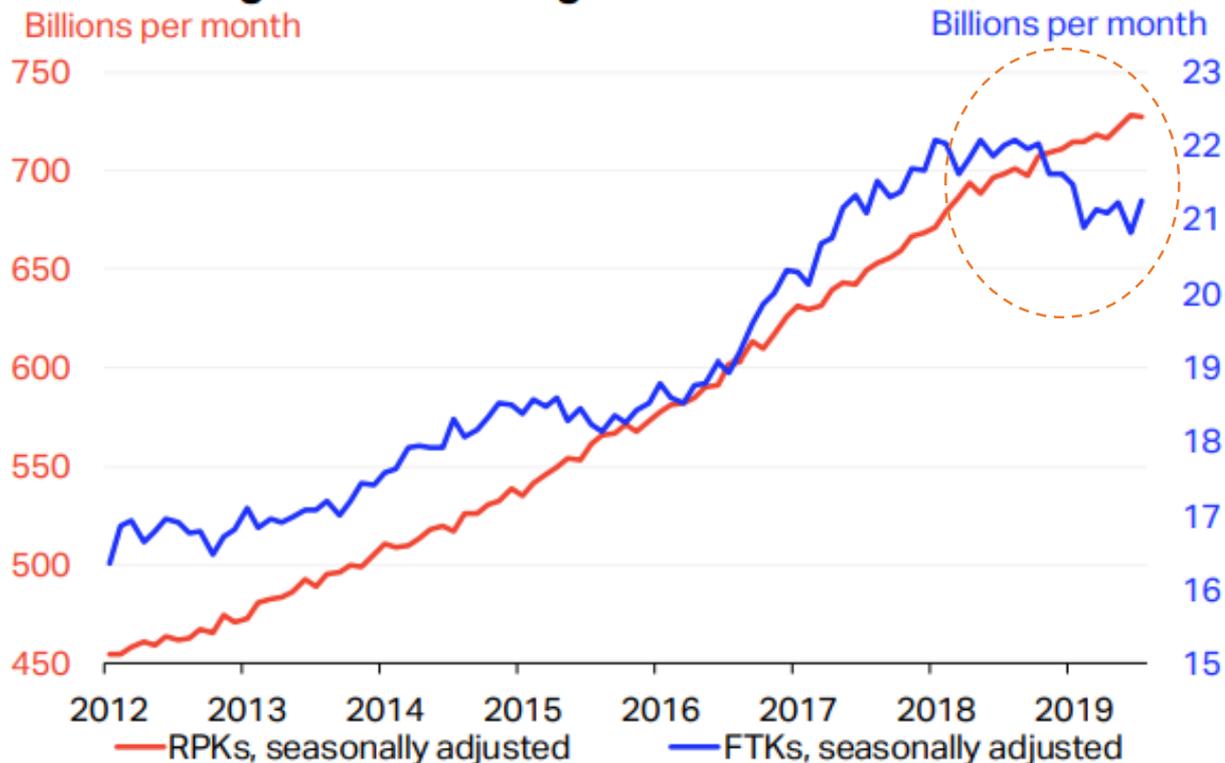
Aircraft available due to larger airline events have not compensated for unavailable MAX

Net Aircraft Supply Available YTD



Trade has weighed more on freight volumes than passenger traffic

Air Passenger and Air Freight Volumes

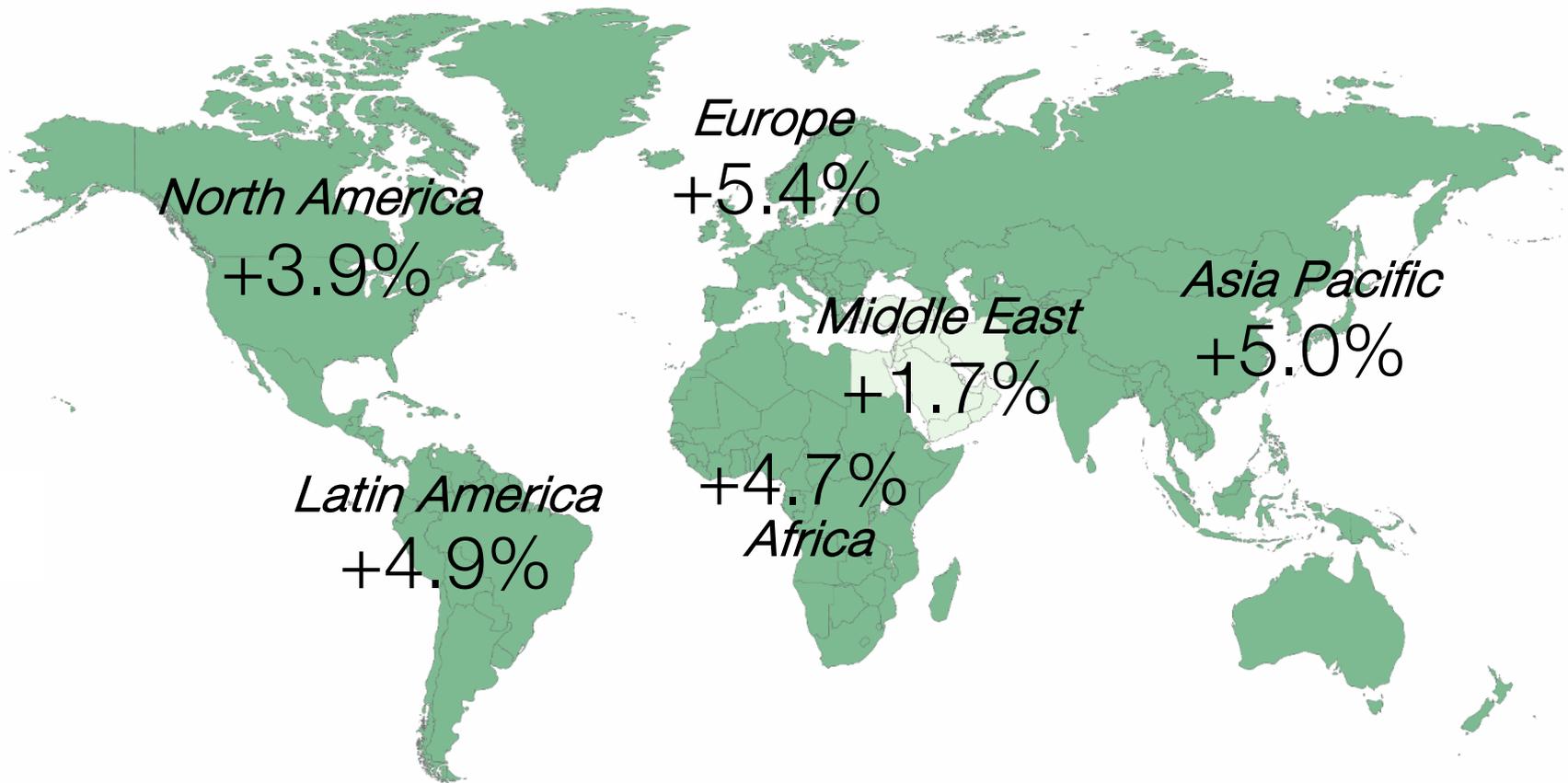


Passenger traffic continues to post solid year-on-year growth

Meanwhile, August was the tenth consecutive month of year-on-year decline in freight volumes

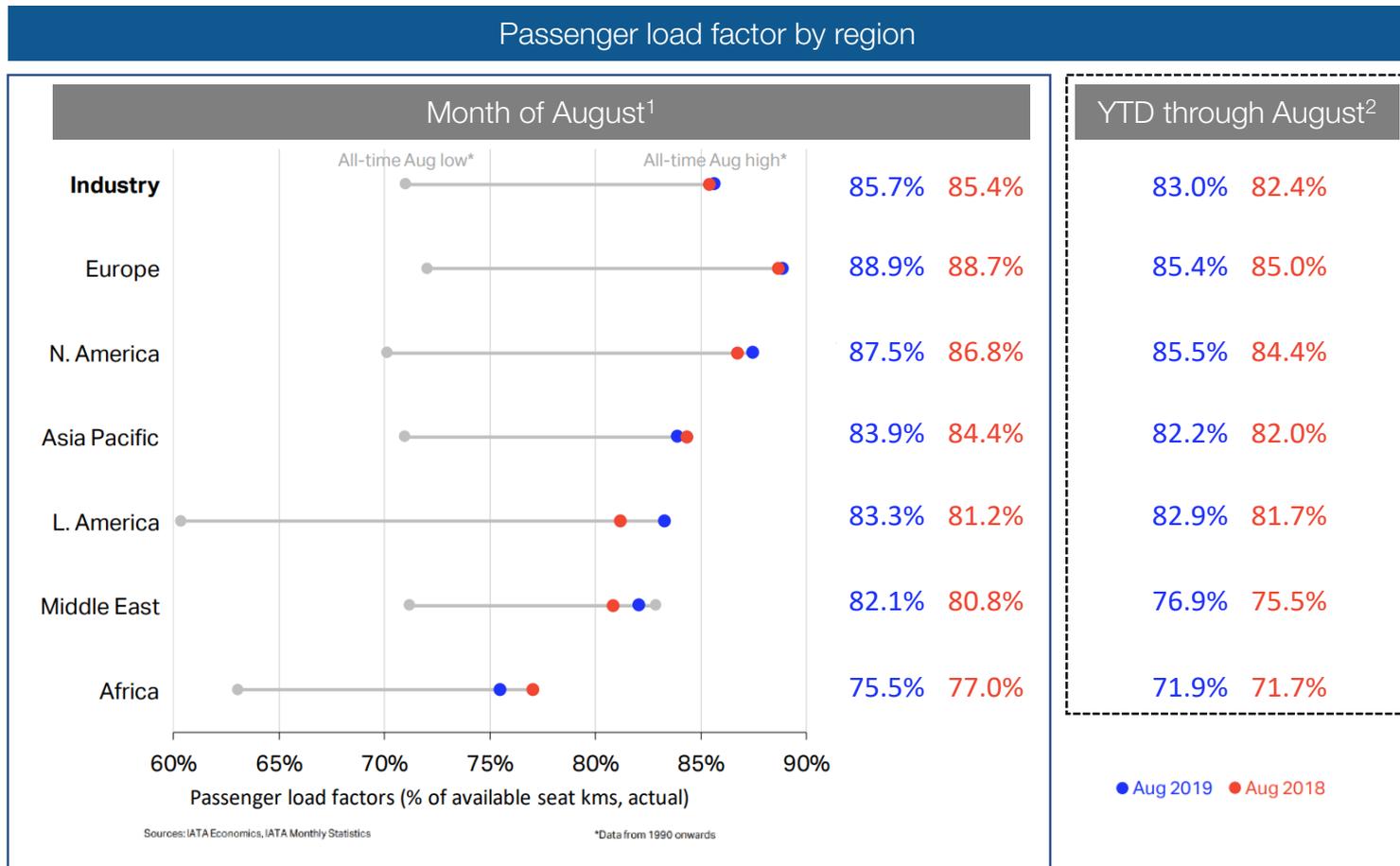
Passenger traffic growth continues

Total Market RPK Growth +4.5% YTD through August 2019



Load factors reached all time highs again in August

85.7% industry-wide load factor in August was another monthly record



A global shift to travel by air



Global Population¹

7.6 Billion

Change
Since 2011

+8.4%



Global Rail Traffic in
Passenger Kilometers²

3.9 Trillion

+17.5%



Global Air Traffic in Revenue
Passenger Kilometers³

8.2 Trillion

+67.9%



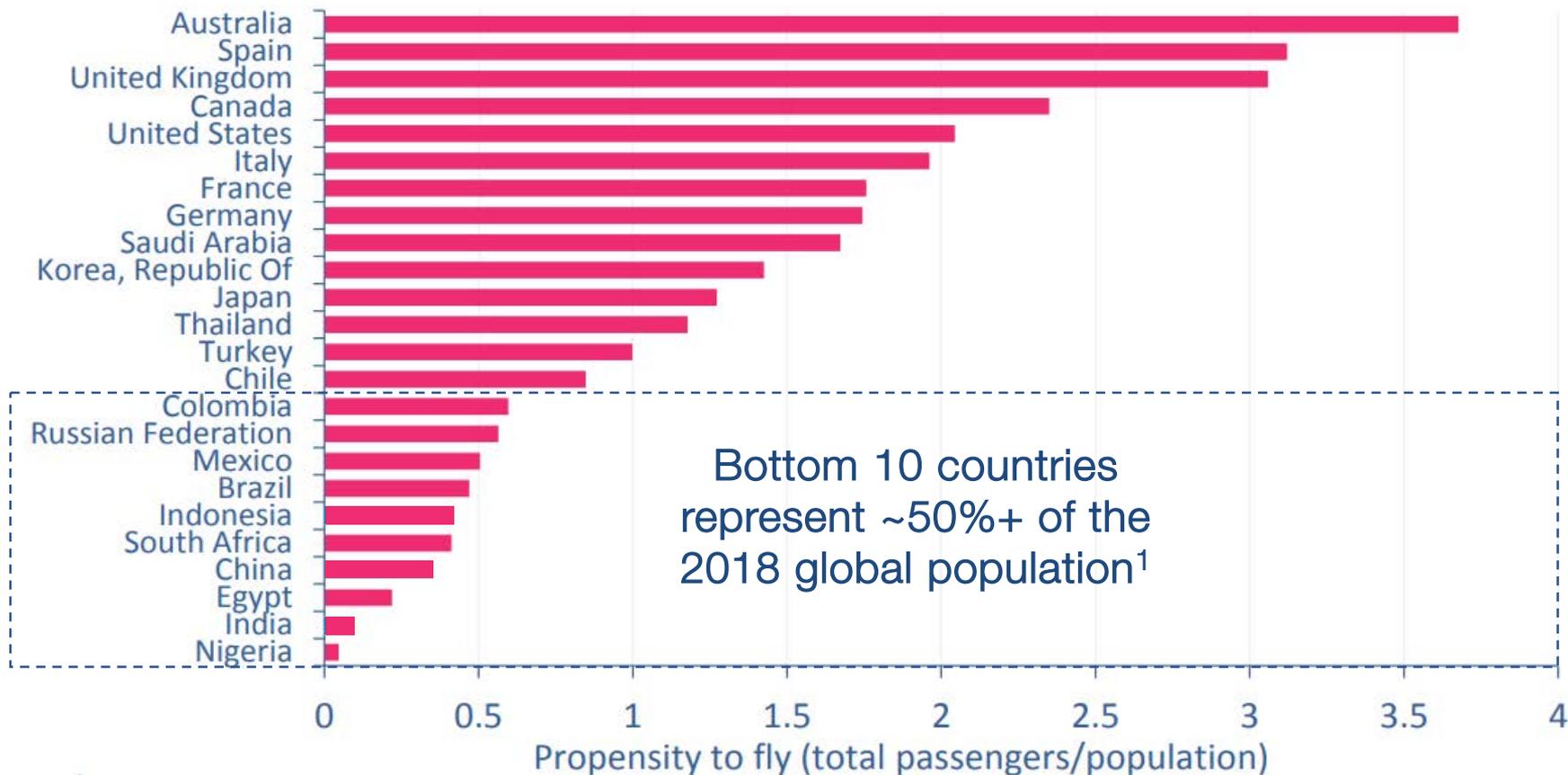
Marine Transportation⁴

Transatlantic ocean liners as the predominant mode of crossing the Atlantic was curtailed by rise in air travel in the mid 20th century

Emerging middle class

Significant opportunity for continued air travel expansion

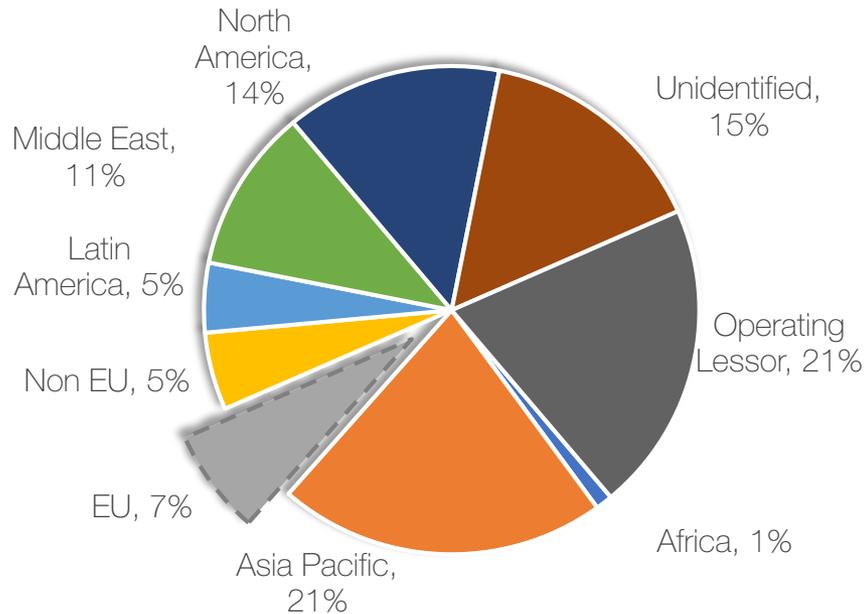
- A convergence between air travel and population should occur over time as developing countries gain economic strength



In tit-for-tat tariffs, no one will win

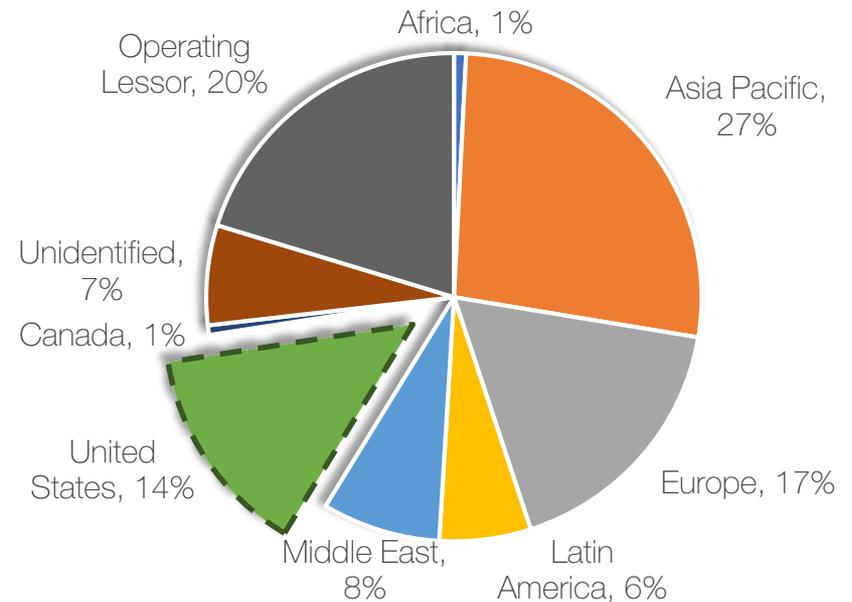
Boeing Backlog

(5,581 aircraft)



Airbus Backlog

(7,102 aircraft)



As of 2018, ~25% of Boeing airplane deliveries went to Chinese customers, either through direct purchase or through lease¹

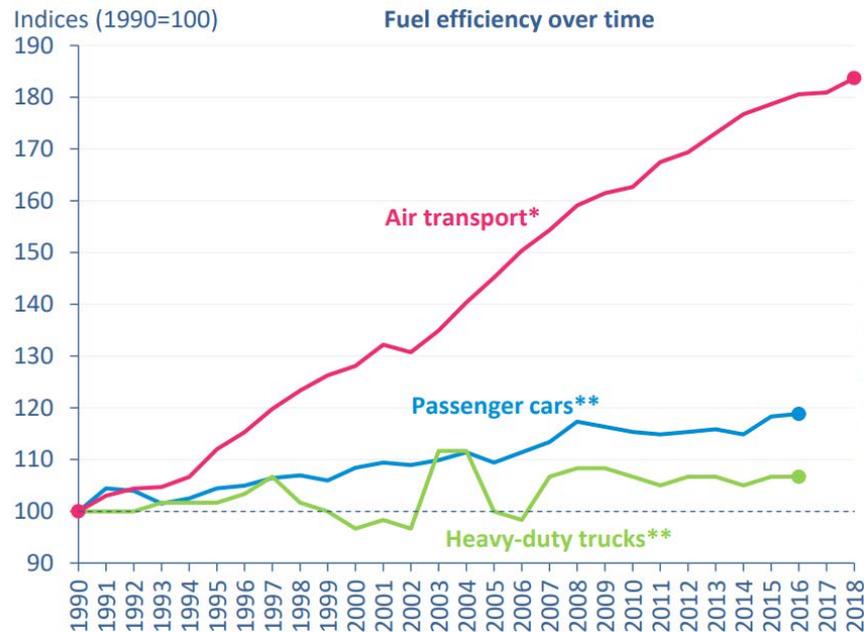
Recent airline events not due to lack of passenger traffic

Selected 2019 airline failures

	Airline (Country)	Fleet Size ⁽¹⁾	Sector	Bankruptcy Reason					Failed
				Pax Demand	Fuel	Strategy	Competition	Other	
 JET AIRWAYS	Jet Airways (India)	120	Mainline		✓	✓	✓	✓	Q2
 Thomas Cook Group	Thomas Cook Airlines (UK)	48	Leisure			✓	✓	✓	Q3
 Germania	Germania (Germany)	30	Leisure		✓	✓	✓	✓	Q1
 Avianca Avianca Brazil	Avianca Brazil (Brazil)	58	Mainline			✓		✓	Q2
 WOW air	WOW air (Iceland)	11	LCC			✓		✓	Q1

Climate change initiatives becoming increasingly important

Airlines compare favorably as a mode of transportation when it comes to fuel efficiency gains



➤ Air travel's rate of improvement is 3x the average increase in car fuel efficiency and 9x the annual improvement seen in heavy-duty trucks

On average, air transport has seen a 2.2% improvement in fuel efficiency each year since 1990



Still, air transport accounts for 2% of global man-made CO2 emissions

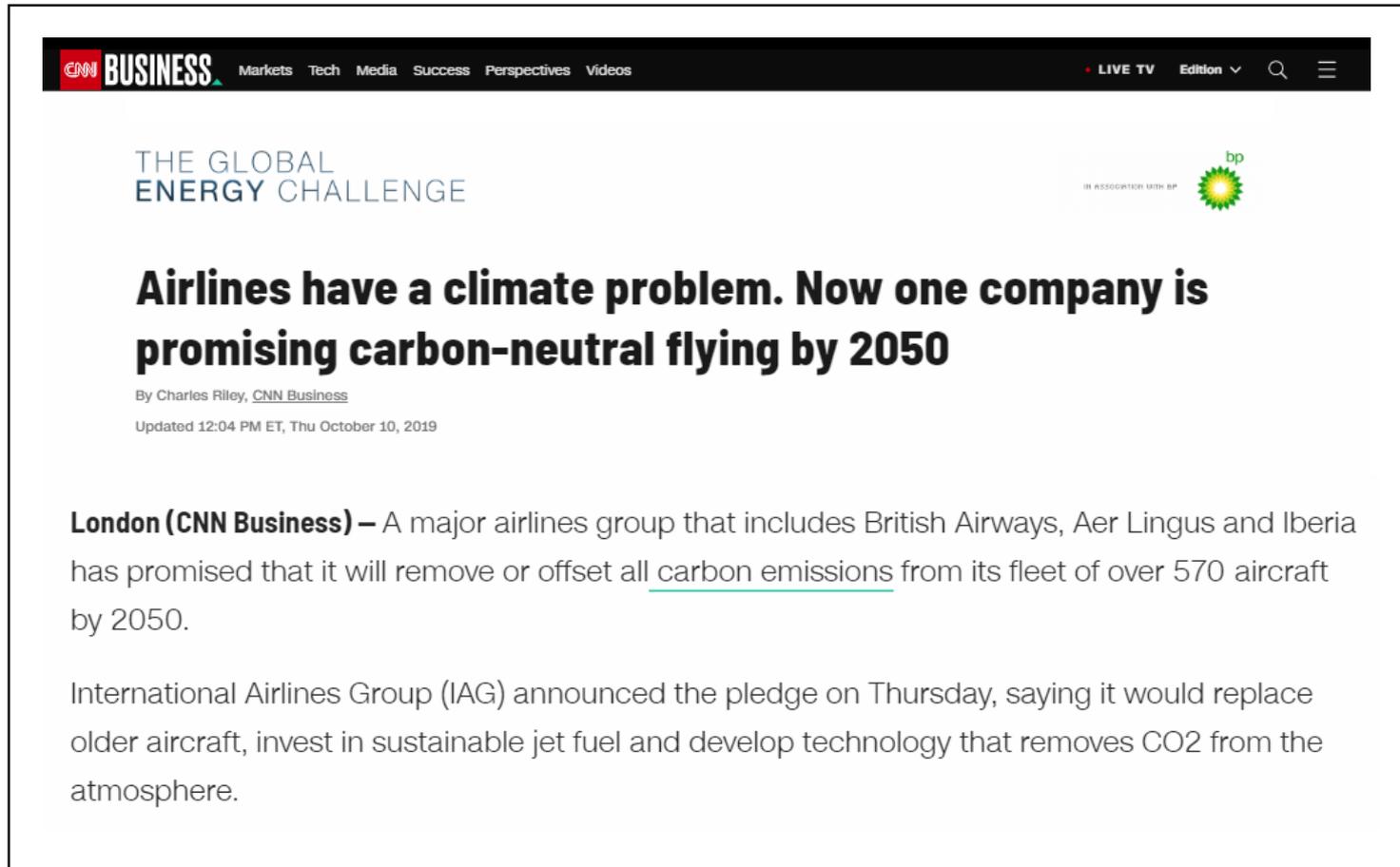


CORSIA aims to stabilize CO2 emissions by 2020 and halve net aviation CO2 emissions in 2050 relative to 2005 levels

How is the industry addressing these concerns?



Recent airline initiatives



The screenshot shows the top portion of a CNN Business article. The header includes the CNN Business logo, navigation links for Markets, Tech, Media, Success, Perspectives, and Videos, and options for LIVE TV, Edition, search, and a menu icon. The article is part of 'THE GLOBAL ENERGY CHALLENGE' in association with BP. The main headline is 'Airlines have a climate problem. Now one company is promising carbon-neutral flying by 2050'. The byline is 'By Charles Riley, CNN Business' and the update time is 'Updated 12:04 PM ET, Thu October 10, 2019'. The first paragraph states that a major airlines group (IAG) has promised to remove or offset all carbon emissions from its fleet of over 570 aircraft by 2050. The second paragraph explains that IAG announced this pledge on Thursday, committing to replace older aircraft, invest in sustainable jet fuel, and develop CO2 removal technology.

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THE GLOBAL ENERGY CHALLENGE 
IN ASSOCIATION WITH BP

Airlines have a climate problem. Now one company is promising carbon-neutral flying by 2050

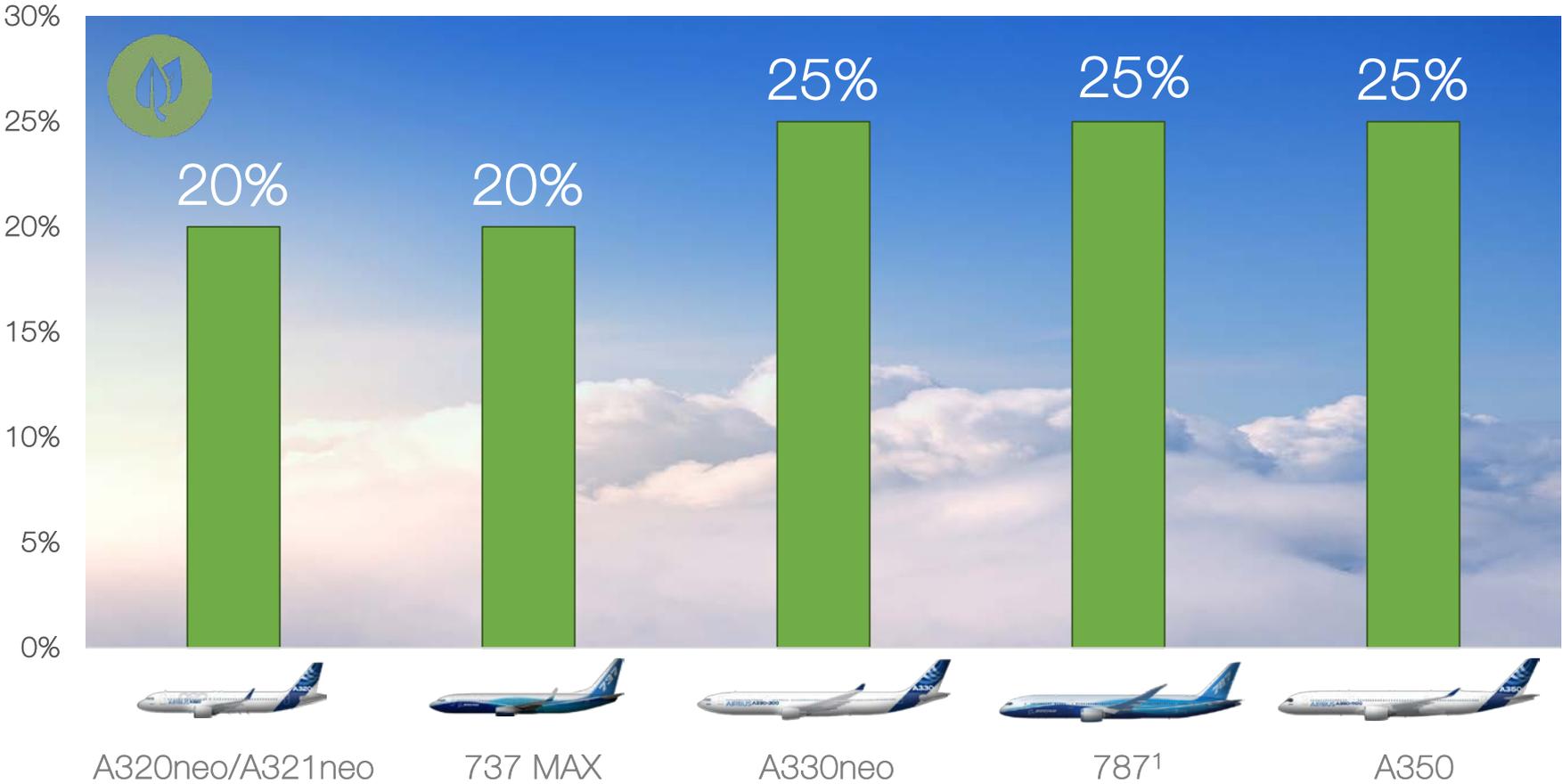
By Charles Riley, [CNN Business](#)
Updated 12:04 PM ET, Thu October 10, 2019

London (CNN Business) – A major airlines group that includes British Airways, Aer Lingus and Iberia has promised that it will remove or offset all carbon emissions from its fleet of over 570 aircraft by 2050.

International Airlines Group (IAG) announced the pledge on Thursday, saying it would replace older aircraft, invest in sustainable jet fuel and develop technology that removes CO2 from the atmosphere.

Newest technology aircraft are 20-25% more fuel efficient than predecessors and constitute ALC's order book

Approximate fuel burn and emission improvement vs. old generation aircraft



In summary...

- Passenger traffic continues to grow, with air travel the most utilized form of mass transportation
- Tariffs impacting freight more than passenger traffic
- Airline bankruptcies are a natural evolution of the airline landscape as business models evolve
- New aircraft vital for growth/replacement of global fleet and for achieving industry goals related to environmental sustainability

Questions?

