



10th Annual Deutsche Bank Aircraft Finance & Leasing Conference



Gregory B. Willis
Executive Vice President &
Chief Financial Officer

September 9, 2020

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:

- the extent to which the coronavirus (“COVID-19”) pandemic and measures taken to contain its spread ultimately impact our business, results of operation and financial condition;
- 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;
- 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 and;
- other factors affecting our business or the business of our lessees and aircraft manufacturers or their suppliers that are beyond our or their control, including natural disasters, pandemics (such as COVID-19) and measures taken to contain its spread and governmental actions.

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, 2019 and Quarterly Report on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020 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. The factors noted above and the risks included in our other SEC filings may be increased or intensified as a result of the COVID-19 pandemic, including if there is a resurgence of the COVID-19 virus after the initial outbreak subsides. The extent to which the COVID-19 pandemic ultimately impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted. See the risk factor in “Part II -- Item 1A. Risk Factors” in our Quarterly Report on Form 10-Q, “The coronavirus (COVID-19) pandemic and related efforts to mitigate the pandemic have impacted our business, and the extent to which the COVID-19 pandemic and measures taken to contain its spread ultimately impact our business will depend on future developments, which are highly uncertain and are difficult to predict.” 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.

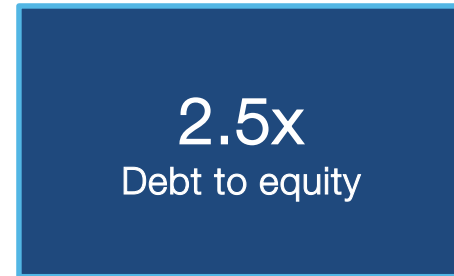
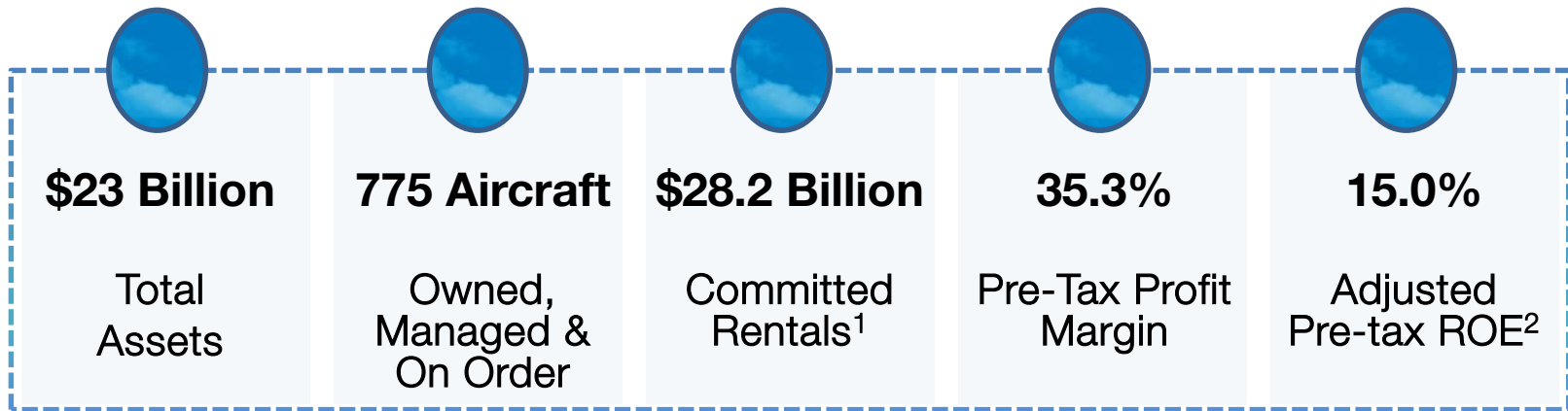
The Company has an effective registration statement (including a prospectus) with the SEC. Before you invest in any offering of the Company’s securities, you should read the prospectus in that registration statement and other documents the Company has filed with the SEC for more complete information 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.

The Company routinely posts information that may be important to investors in the “Investors” section of the Company’s website at 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.

Air Lease Corporation snapshot

Air Lease is a \$50 billion aircraft leasing platform



Strong second quarter results and focus on liquidity

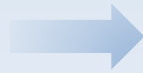
Revenue growth	Total revenues +11% vs. 2Q19
Earnings growth	Diluted EPS +15% vs. 2Q19
Strong profitability	35.3% pre-tax margin 15.0% adjusted pre-tax ROE¹
Collection rate ²	91% in 2Q
Lease utilization rate ³	99.6% in 2Q
Demonstrated capital markets access	~\$3 billion investment grade bonds issued year-to-date



All information as of June 30, 2020 unless noted otherwise. (1) Adjusted Pre-Tax Return on Common Equity is calculated as the 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 its most directly comparable GAAP measure. (2) Collection rate is defined as the sum of cash collected from lease rentals and maintenance reserves, and includes cash recovered from outstanding receivables from previous periods, as a percentage of the total contracted receivables due for the period. The collection rate is calculated after giving effect to lease deferral arrangements made as of August 6, 2020. (3) Lease Utilization Rate 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.

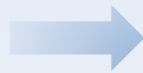
ALC is committed to managing customer risk

➤ **Customer concentrations monitored closely**



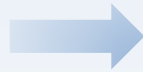
Average customer represents ~1.1% of our fleet NBV

➤ **Committed to security packages**



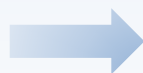
~\$1 billion of security deposits and maintenance reserves on balance sheet

➤ **Focus on systemically important airlines**



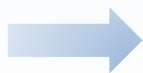
~75% of NBV of fleet leased to flag carriers or airlines that have some form of government ownership

➤ **Minimal exposure to U.S. and Latin American carriers**



U.S. airlines represent ~2% of fleet NBV
Latin America airlines represent 5.7% of fleet NBV

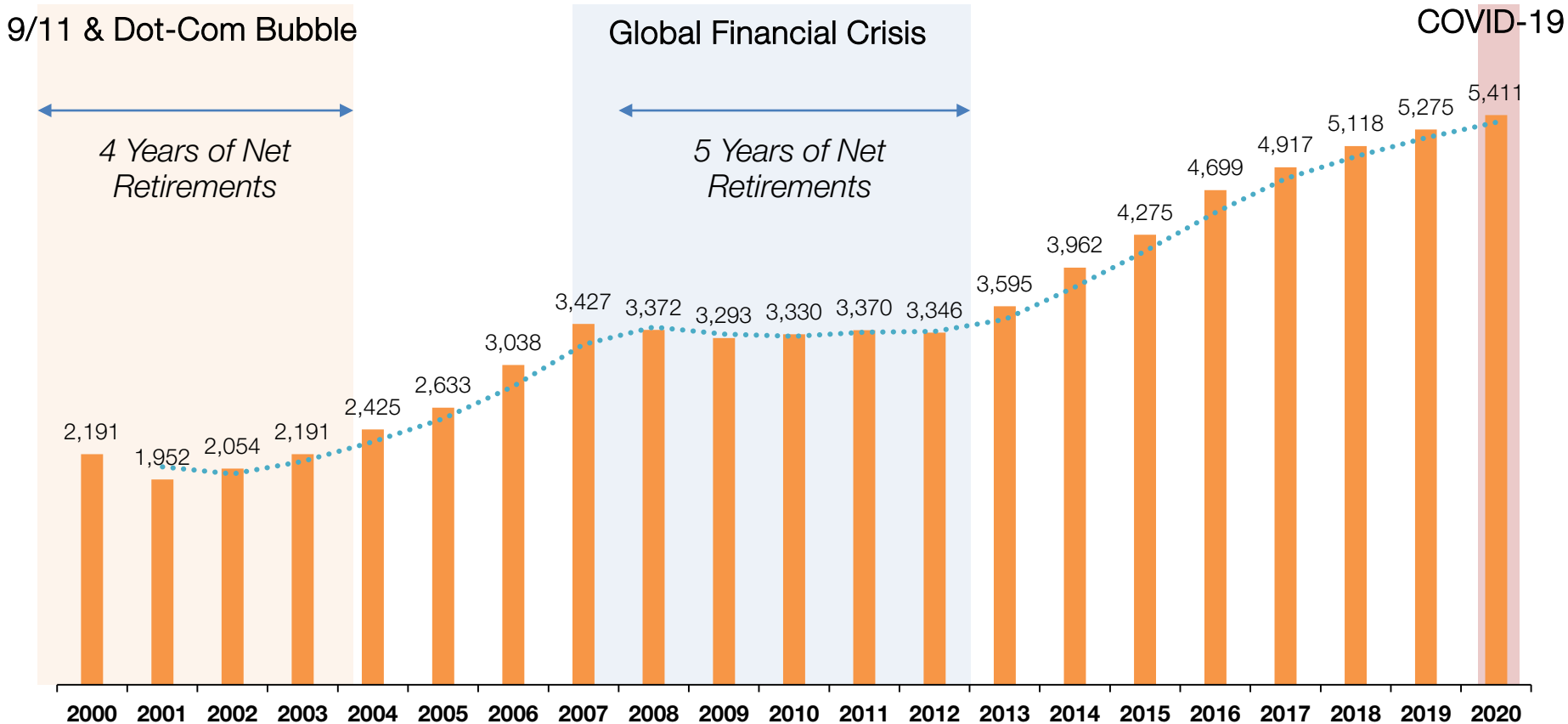
➤ **No exposure to a number of the airline events occurring so far this year**



✗ Norwegian ✗ Avianca
✗ LATAM ✗ Virgin Australia
✗ Thai Airways

Historical strength of passenger traffic resulted in airlines keeping aging aircraft longer

Number of Commercial Aircraft In-Service Over 15 Years Old¹



The global fleet has been steadily growing with aircraft over the age of 15 remaining in-service longer to meet historical record passenger demand

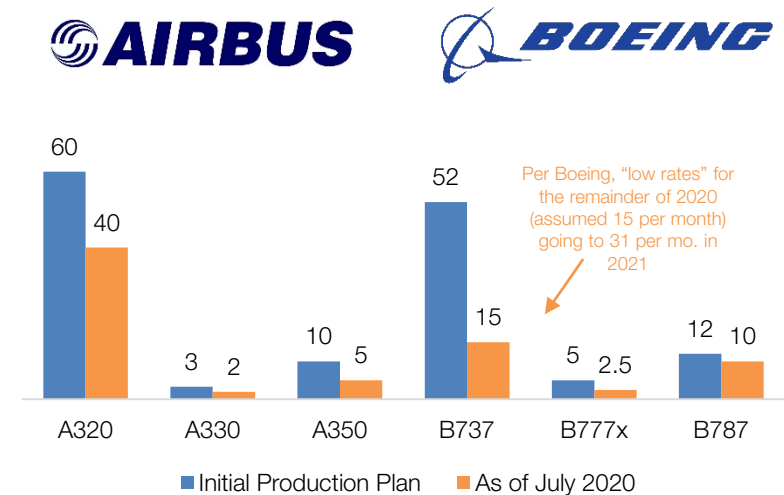
Elective retirements combined with production cuts & potential conversions will help balance near-term supply

Forecasting the 2020 Year End Global Fleet

	# of Aircraft	# of Seats
Airbus Production Cuts¹	(234)	(48,927)
Boeing Production Cuts²	(39)	(13,590)
Parked/Unbuilt MAX ('19 – '20)³	(1,530)	(283,050)
Potential Early Retirements⁴	(3,056)	(648,321)
Potential Cargo Conversions⁵	(319)	(53,079)
Total	(5,178)	(1.05mm)

2020 Aircraft Production Cuts

Monthly Production Plan for 2020⁶ (AC/mo)



>5,000 aircraft could be removed from the market, representing over 1 million seats

Industry headwinds from COVID-19 impact are redirecting airline strategy and priorities

Gravitation
Towards
Leasing

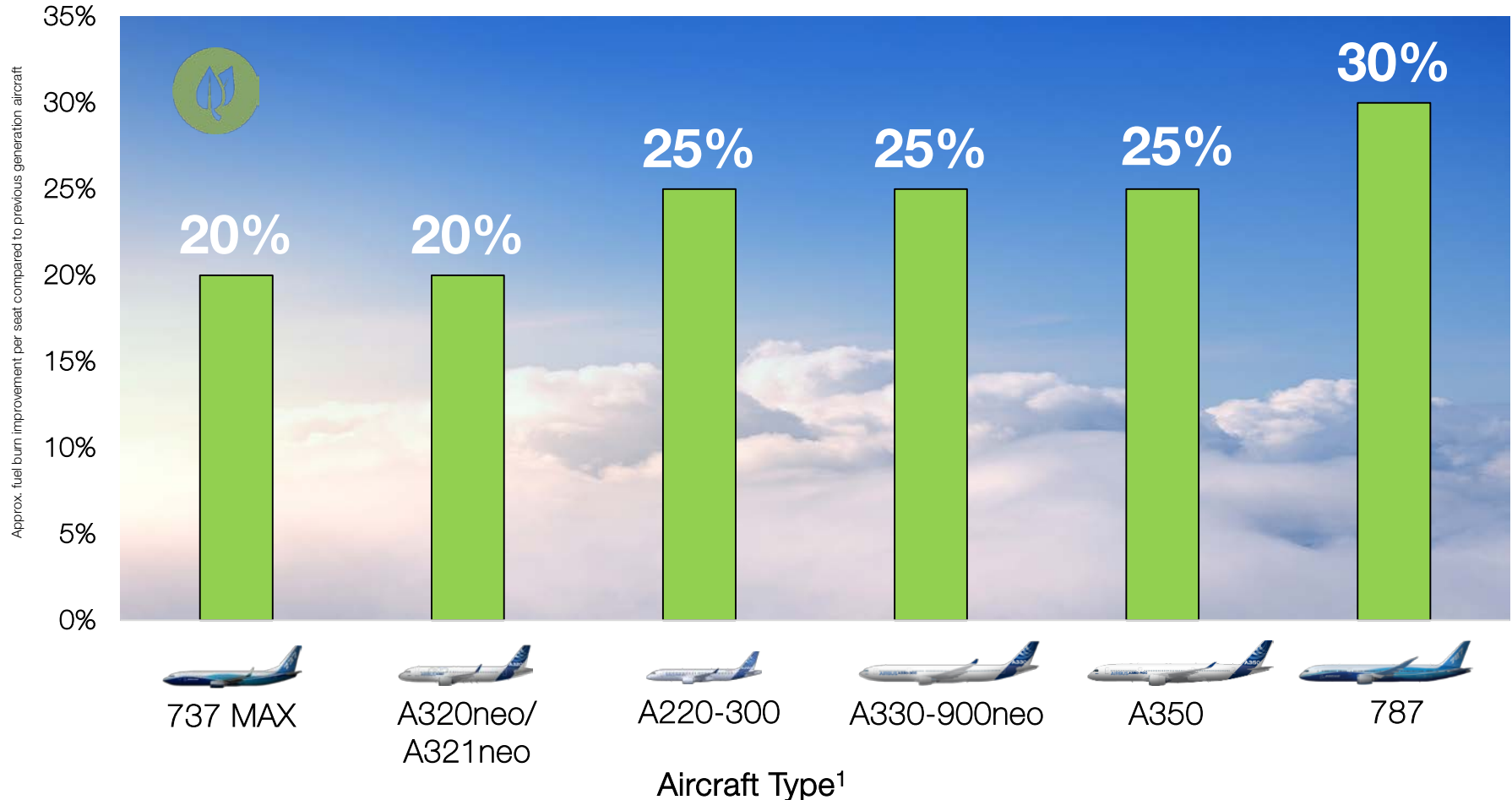
Accelerating
Environmental
Initiatives

Limited financing options for global airlines may result in a higher reliance on leasing product

Retirement of older, less fuel efficient aircraft accelerates ESG trends; ALC's new generation orderbook to benefit

ALC's orderbook contains modern, environmentally friendly aircraft

Approximate fuel burn vs. previous generation aircraft



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

Management Experience	✓ ~30 Years: Average commercial aviation industry experience among senior management
Asset Strategy	✓ Focus on young, fuel-efficient, liquid aircraft types
Customer Diversification	✓ Avg. customer concentration is ~1.1% of fleet NBV
Clean Capital Structure	✓ 2.5x debt to equity; 98% unsecured debt
Substantial Liquidity	✓ \$7 billion
Credit Ratings	✓ Investment Grade (S&P: BBB / Fitch: BBB / Kroll: A-)
Result	✓ Over the past decade, our team has built a leading aircraft leasing platform with a strong balance sheet, enabling us to be a trusted partner to the airline industry for the long-term



Questions?

Appendix

Non-GAAP reconciliation

(in thousands, except percentage data)

	<u>TTM ended</u>	
	<u>6/30/2020</u>	
Reconciliation of net income available to common stockholders to adjusted net income before income taxes:		
Net income available to common stockholders	\$	590,123
Amortization of debt discounts and issuance costs		40,200
Stock-based compensation		19,029
Settlement		-
Insurance recovery on settlement		-
Provision for income taxes		<u>150,309</u>
Adjusted net income before income taxes	\$	799,661

Reconciliation of denominator of adjusted pre-tax return on common equity:

Beginning common shareholders' equity	\$	5,049,884
Ending common shareholders' equity	\$	5,619,801
Average common shareholders' equity	\$	5,334,843
Adjusted pre-tax return on common equity ¹		15.0%