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## **AerCap Holdings N.V. Reports Financial Results for the Second Quarter 2021**

- **Net income for the second quarter of 2021 was \$250 million, or \$1.92 per share, as compared to net income of \$246 million, or \$1.92 per share, for the same period of 2020.**
- **Excluding expenses related to the GECAS transaction, net income for the second quarter of 2021 was \$310 million, or \$2.39 per share.**
- **The airline industry is witnessing a massive and rapid recovery in air travel in many of the world's major markets.**

DUBLIN – July 29, 2021 – AerCap Holdings N.V. (NYSE: AER), the global leader in aircraft leasing, today reported financial results for the second quarter of 2021 ended June 30, 2021.

Aengus Kelly, Chief Executive Officer of AerCap, said, "AerCap generated strong results for the second quarter of 2021. The airline industry is witnessing an unprecedented and rapid recovery in air travel in the world's major markets. For AerCap, this resulted in increased demand for our aircraft and a significant increase in our cash flows. With solid earnings, a strong balance sheet, and an improving leasing environment, we are excited about AerCap's future.

"We continue to work hard and make good progress on the regulatory approvals and integration workstreams for the GECAS transaction," said Mr. Kelly. "As the recovery gathers pace, we are even more enthusiastic about the transaction today than we were when we announced it."

### **Highlights:**

- Signed lease agreements for 51 aircraft, including 13 widebody aircraft, in the second quarter of 2021. In addition, signed an agreement for the long-term lease of seven A350 aircraft.
- Received regulatory approvals for the GECAS transaction from the U.S., the E.U. and a number of other jurisdictions. We continue to expect to close the transaction in the fourth quarter of 2021.
- Significant improvements in cash collections, trade receivables and deferral requests.
- Adjusted debt/equity ratio of 2.4 to 1, which is a record for the company, and well below the company's target of 2.7 to 1.
- 100% of new aircraft order book placed through 2022, and only 5% of the company's fleet scheduled to come off lease through the end of 2022.
- New technology aircraft comprise 65% of AerCap's fleet, one of the highest percentages in the industry, and our average remaining contracted lease term is 7.2 years.

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## Revenue and Net Spread

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% increase/ (decrease)	2021	2020	% increase/ (decrease)
	(U.S. Dollars in millions)			(U.S. Dollars in millions)		
Lease revenue:						
Basic lease rents.....	\$871	\$948	(8 %)	\$1,760	\$1,979	(11 %)
Maintenance rents and other receipts .....	131	224	(42 %)	314	359	(12 %)
Total lease revenue.....	1,002	1,172	(15 %)	2,074	2,337	(11 %)
Net gain on sale of assets .....	22	10	125 %	27	68	(60 %)
Other income .....	207	15	1,292 %	226	30	661 %
<b>Total Revenues and other income .....</b>	<b>\$1,232</b>	<b>\$1,197</b>	<b>3 %</b>	<b>\$2,327</b>	<b>\$2,436</b>	<b>(4 %)</b>

Basic lease rents were \$871 million for the second quarter of 2021, compared with \$948 million for the same period in 2020. The decrease was primarily due to lease restructurings, transitions and the impact of airline bankruptcies.

Maintenance rents and other receipts were \$131 million for the second quarter of 2021, compared with \$224 million for the same period in 2020. The decrease was primarily due to lower maintenance revenue recognized as a result of lease terminations during the second quarter of 2021.

Net gain on sale of assets for the second quarter of 2021 was \$22 million, relating to 12 aircraft sold for \$139 million, compared with \$10 million for the same period in 2020, relating to nine aircraft sold for \$188 million. The increase was primarily due to the composition of asset sales.

Other income for the second quarter of 2021 was \$207 million, compared with \$15 million for the same period in 2020. The increase was driven by \$193 million of proceeds from unsecured claims in the second quarter of 2021.

	Three months ended June 30,			Six months ended June 30,		
	2021	2020	% increase/ (decrease)	2021	2020	% increase/ (decrease)
	(U.S. Dollars in millions)			(U.S. Dollars in millions)		
<b>Basic lease rents .....</b>	<b>\$871</b>	<b>\$948</b>	<b>(8 %)</b>	<b>\$1,760</b>	<b>\$1,979</b>	<b>(11 %)</b>
Interest expense .....	293	312	(6 %)	574	630	(9 %)
Adjusted for:						
Mark-to-market of interest rate caps and swaps.....	0	(2)	(97 %)	10	(15)	NA
Interest expense excluding mark-to-market of interest rate caps and swaps .....	293	310	(5 %)	584	616	(5 %)
<b>Net interest margin (*) .....</b>	<b>\$578</b>	<b>\$638</b>	<b>(9 %)</b>	<b>\$1,177</b>	<b>\$1,363</b>	<b>(14 %)</b>
Depreciation and amortization, including maintenance rights expense .....	(394)	(424)	(7 %)	(795)	(856)	(7 %)
<b>Net interest margin, less depreciation and amortization.....</b>	<b>\$184</b>	<b>\$215</b>	<b>(14 %)</b>	<b>\$382</b>	<b>\$508</b>	<b>(25 %)</b>
Average lease assets (*).....	\$36,023	\$37,342	(4 %)	\$36,190	\$37,506	(4 %)
Annualized net spread (*).....	6.4 %	6.8 %		6.5 %	7.3 %	
<b>Annualized net spread less depreciation and amortization (*).....</b>	<b>2.0 %</b>	<b>2.3 %</b>		<b>2.1 %</b>	<b>2.7 %</b>	

(\*) Refer to "Notes Regarding Financial Information Presented in This Press Release" for details relating to these non-GAAP measures

Interest expense excluding mark-to-market of interest rate caps and swaps was \$293 million for the second quarter of 2021, compared with \$310 million for the same period in 2020. AerCap's average cost of debt was 3.8% for the second quarter of 2021, compared with 3.7% for the same period in 2020, excluding debt issuance costs, upfront fees and other impacts.

**Selling, General and Administrative Expenses**

	<u>Three months ended June 30.</u>			<u>Six months ended June 30.</u>		
	<u>2021</u>	<u>2020</u>	<u>% increase/ (decrease)</u>	<u>2021</u>	<u>2020</u>	<u>% increase/ (decrease)</u>
	<u>(U.S. Dollars in millions)</u>			<u>(U.S. Dollars in millions)</u>		
Selling, general and administrative expenses.....	\$47	\$38	23 %	\$88	\$85	4 %
Share-based compensation expenses.....	26	15	77 %	42	33	29 %
<b>Total selling, general and administrative expenses .....</b>	<b>\$73</b>	<b>\$53</b>	<b>38 %</b>	<b>\$130</b>	<b>\$118</b>	<b>11 %</b>

Total selling, general and administrative expenses increased primarily due to the timing of compensation-related expenses.

**Other Expenses**

Asset impairment charges were \$57 million for the second quarter of 2021, compared to \$73 million for the same period in 2020. Asset impairment charges recorded in the second quarter of 2021 related to lease terminations and sales transactions and were more than offset by maintenance releases. Leasing expenses were \$59 million for the second quarter of 2021, compared with \$78 million for the same period in 2020. The decrease in leasing expenses was primarily due to a lower provision for expected credit losses recognized during the second quarter of 2021, as well as a decrease in maintenance rights expense as a result of lower maintenance activity during the period and the lower maintenance rights asset balance.

**Effective Tax Rate**

AerCap’s effective tax rate for the full year 2021 is expected to be 14.5%, compared to an effective tax rate of 5.5% for the full year 2020. The effective tax rate is impacted by the source and amount of earnings among our different tax jurisdictions as well as the amount of permanent tax differences relative to pre-tax income.

The company’s effective tax rate was 14% for the second quarter of 2021, compared to 13.5% for the second quarter of 2020. Our effective tax rate in any quarter can be impacted by revisions to the estimated full-year rate.

**Other Assets**

Other assets increased from \$1,229 million as of December 31, 2020 to \$1,603 million as of June 30, 2021, primarily due to receivables related to proceeds from unsecured claims that were received in July 2021 and unamortized debt issuance costs related to the bridge financing for the GECAS transaction.

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### Book Value Per Share

	June 30, 2021	June 30, 2020
	(U.S. Dollars in millions, except share and per share data)	
Total AerCap Holdings N.V. shareholders' equity.....	\$9,384	\$9,634
Ordinary shares outstanding .....	133,378,888	129,672,783
Unvested restricted stock .....	(5,254,512)	(2,087,383)
Ordinary shares outstanding (excl. unvested restricted stock) .....	<u>128,124,376</u>	<u>127,585,400</u>
Book value per ordinary share outstanding (excl. unvested restricted stock) .....	<u>\$73.24</u>	<u>\$75.51</u>

### Financial Position

	June 30, 2021	December 31, 2020	% increase/ (decrease) over December 31, 2020
	(U.S. Dollars in millions)		
Total cash, cash equivalents and restricted cash.....	\$1,593	\$1,495	7 %
Total lease assets (*) .....	36,217	36,642	(1 %)
Total assets.....	41,824	42,048	(1 %)
Debt.....	28,099	28,742	(2 %)
Total liabilities .....	32,373	33,116	(2 %)
Total AerCap Holdings N.V. shareholders' equity .....	9,384	8,864	6 %
Total equity.....	9,451	8,932	6 %

(\*) Refer to "Notes Regarding Financial Information Presented in This Press Release" for details relating to this non-GAAP measure

### Aircraft Portfolio

As of June 30, 2021, AerCap's portfolio consisted of 1,319 aircraft that were owned, on order or managed. The average age of the company's owned fleet as of June 30, 2021 was 6.6 years (3.4 years for new technology aircraft, 12.5 years for current technology aircraft) and the average remaining contracted lease term was 7.2 years.

**Notes Regarding Financial Information Presented in This Press Release**

The financial information presented in this press release is not audited.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The following are definitions of non-GAAP measures used in this press release. We believe these measures may further assist investors in their understanding of our operational performance.

*Net income / earnings per share excluding GECAS transaction-related expenses*

Net income excluding GECAS transaction-related expenses is calculated as net income excluding the after-tax impact of transaction-related expenses. Earnings per share excluding GECAS transaction-related expenses is calculated by dividing net income excluding GECAS transaction-related expenses by the weighted average of our ordinary shares outstanding. Given the relative significance of this item during 2021, we have chosen to present this measure in order to assist investors in their understanding of the changes and trends related to our earnings.

	Three months ended June 30, 2021		Six months ended June 30, 2021	
	Net income	Earnings per share	Net income	Earnings per share
	(U.S. Dollars in millions, except per share data)			
<b>Net income / earnings per share .....</b>	<b>\$250</b>	<b>\$1.92</b>	<b>\$478</b>	<b>\$3.68</b>
Transaction-related expenses .....	69	0.53	95	0.73
Income tax benefit .....	(9)	(0.07)	(12)	(0.09)
<b>Net income / earnings per share excluding GECAS transaction-related expenses...</b>	<b>\$310</b>	<b>\$2.39</b>	<b>\$561</b>	<b>\$4.32</b>

*Adjusted debt/equity ratio*

This measure is the ratio obtained by dividing adjusted debt by adjusted equity.

- Adjusted debt means consolidated total debt less cash and cash equivalents, and less a 50% equity credit with respect to certain long-term subordinated debt.
- Adjusted equity means total equity, plus the 50% equity credit relating to the long-term subordinated debt.

Adjusted debt and adjusted equity are adjusted by the 50% equity credit to reflect the equity nature of those financing arrangements and to provide information that is consistent with definitions under certain of our debt covenants. We believe this measure may further assist investors in their understanding of our capital structure and leverage.

	June 30, 2021	December 31, 2020
	(U.S. Dollars in millions, except debt/equity ratio)	
<b>Debt</b> .....	<b>\$28,099</b>	<b>\$28,742</b>
Adjusted for:		
Cash and cash equivalents .....	(1,403)	(1,249)
50% credit for long-term subordinated debt .....	(1,125)	(1,125)
<b>Adjusted debt</b> .....	<b>\$25,571</b>	<b>\$26,368</b>
<b>Equity</b> .....	<b>\$9,451</b>	<b>\$8,932</b>
Adjusted for:		
50% credit for long-term subordinated debt .....	1,125	1,125
<b>Adjusted equity</b> .....	<b>\$10,576</b>	<b>\$10,057</b>
<b>Adjusted debt/equity ratio</b> .....	<b>2.4 to 1</b>	<b>2.6 to 1</b>

*Net interest margin, annualized net spread, annualized net spread less depreciation and amortization and average cost of debt*

Net interest margin is calculated as the difference between basic lease rents and interest expense, excluding the impact of the mark-to-market of interest rate caps and swaps. Annualized net spread is net interest margin expressed as a percentage of average lease assets. Annualized net spread less depreciation and amortization is net interest margin less depreciation and amortization, including maintenance rights expense, expressed as a percentage of average lease assets. Average cost of debt is calculated as interest expense, excluding mark-to-market on interest rate caps and swaps, debt issuance costs, upfront fees and other impacts, divided by average debt balance. We believe these measures may further assist investors in their understanding of the changes and trends related to the earnings of our leasing activities. These measures reflect the impact from changes in the number of aircraft leased, lease rates and utilization rates, as well as the impact from changes in the amount of debt and interest rates.

*Lease assets*

Lease assets include flight equipment held for operating leases, flight equipment held for sale, net investment in finance and sales-type leases and maintenance rights assets.

## Conference Call

In connection with its report of second quarter 2021 results, management will host a conference call with members of the investment community today, Thursday, July 29, 2021, at 8:30 am Eastern Time. The call can be accessed live by dialing (U.S./Canada) +1 929 477 0448 or (International) +353 1 246 5638 and referencing code 6121606 at least 5 minutes before start time, or by visiting AerCap's website at [www.aercap.com](http://www.aercap.com) under "Investors".

The webcast replay will be archived in the "Investors" section of the company's website for one year.

For further information, contact Joseph McGinley: +353 1 418 0428 ([jmcginley@aercap.com](mailto:jmcginley@aercap.com)).

## About AerCap

AerCap is the global leader in aircraft leasing. AerCap serves approximately 200 customers in approximately 80 countries with comprehensive fleet solutions. AerCap is listed on the New York Stock Exchange (AER) and has its headquarters in Dublin with offices in Shannon, Los Angeles, Singapore, Amsterdam, Shanghai, Abu Dhabi, Seattle and Toulouse.

## Forward-Looking Statements

This press release contains certain statements, estimates and forecasts with respect to future performance and events. These statements, estimates and forecasts are "forward-looking statements". In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "may," "might," "should," "expect," "plan," "intend," "estimate," "anticipate," "believe," "predict," "potential" or "continue" or the negatives thereof or variations thereon or similar terminology. All statements other than statements of historical fact included in this press release are forward-looking statements and are based on various underlying assumptions and expectations and are subject to known and unknown risks, uncertainties and assumptions, and may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors, including the impacts of, and associated responses to, the Covid-19 pandemic, that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied in the forward-looking statements. As a result, we cannot assure you that the forward-looking statements included in this press release will prove to be accurate or correct. In light of these risks, uncertainties and assumptions, the future performance or events described in the forward-looking statements in this press release might not occur. Accordingly, you should not rely upon forward-looking statements as a prediction of actual results and we do not assume any responsibility for the accuracy or completeness of any of these forward-looking statements. Except as required by applicable law, we do not undertake any obligation to, and will not, update any forward-looking statements, whether as a result of new information, future events or otherwise.

For more information regarding AerCap and to be added to our email distribution list, please visit [www.aercap.com](http://www.aercap.com) and follow us on Twitter [www.twitter.com/aercapnv](https://www.twitter.com/aercapnv).

**AerCap Holdings N.V.**  
**Unaudited Consolidated Balance Sheets**

(U.S. Dollars in thousands)

	June 30, 2021	December 31, 2020
<b>Assets</b>		
Cash and cash equivalents.....	\$1,402,918	\$1,248,772
Restricted cash .....	190,447	246,518
Trade receivables .....	150,431	170,675
Flight equipment held for operating leases, net.....	34,740,867	35,156,450
Investment in finance and sales-type leases, net.....	859,153	878,451
Flight equipment held for sale .....	51,441	—
Prepayments on flight equipment.....	1,871,816	2,111,659
Maintenance rights and lease premium, net.....	614,171	649,914
Other intangibles, net.....	214,046	224,634
Deferred income tax assets.....	126,138	131,532
Other assets.....	1,602,665	1,229,434
<b>Total Assets.....</b>	<b>\$41,824,093</b>	<b>\$42,048,039</b>
<b>Liabilities and Equity</b>		
Accounts payable, accrued expenses and other liabilities.....	\$1,042,419	\$1,109,325
Accrued maintenance liability .....	1,648,197	1,750,395
Lessee deposit liability .....	587,335	600,321
Debt.....	28,098,620	28,742,081
Deferred income tax liabilities.....	996,023	913,431
Total liabilities.....	32,372,594	33,115,553
Ordinary share capital €0.01 par value, 450,000,000 and 350,000,000 ordinary shares authorized as of June 30, 2021 and December 31, 2020, respectively; 138,847,345 and 138,847,345 ordinary shares issued and 133,378,888 and 130,398,538 ordinary shares outstanding (including 5,254,512 and 2,552,346 unvested restricted stock) as of June 30, 2021 and December 31, 2020, respectively.....	1,721	1,721
Additional paid-in capital.....	1,924,771	2,078,125
Treasury shares, at cost (5,468,457 and 8,448,807 ordinary shares as of June 30, 2021 and December 31, 2020, respectively).....	(313,952)	(459,994)
Accumulated other comprehensive loss.....	(117,713)	(155,085)
Accumulated retained earnings.....	7,888,710	7,399,703
Total AerCap Holdings N.V. shareholders' equity.....	9,383,537	8,864,470
Non-controlling interest.....	67,962	68,016
Total Equity.....	9,451,499	8,932,486
<b>Total Liabilities and Equity.....</b>	<b>\$41,824,093</b>	<b>\$42,048,039</b>



# AerCap Holdings N.V. Reports Financial Results for the Second Quarter 2021

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## AerCap Holdings N.V. Unaudited Consolidated Income Statements

(U.S. Dollars in thousands, except share and per share data)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
<b>Revenues and other income</b>				
Lease revenue:				
Basic lease rents	\$871,237	\$948,126	\$1,760,324	\$1,978,920
Maintenance rents and other receipts	130,934	224,224	313,829	358,509
Total lease revenue	1,002,171	1,172,350	2,074,153	2,337,429
Net gain on sale of assets	22,453	10,002	27,248	68,368
Other income	207,444	14,927	226,017	29,659
<b>Total Revenues and other income</b>	<b>1,232,068</b>	<b>1,197,279</b>	<b>2,327,418</b>	<b>2,435,456</b>
<b>Expenses</b>				
Depreciation and amortization	392,162	411,818	788,720	827,616
Asset impairment	57,054	73,421	73,386	87,368
Interest expense	292,887	311,758	573,704	630,375
Loss on debt extinguishment	—	—	6,061	—
Leasing expenses	59,010	77,574	103,542	180,871
Selling, general and administrative expenses	73,071	52,913	130,422	117,497
Transaction-related expenses	69,197	—	94,675	—
<b>Total Expenses</b>	<b>943,381</b>	<b>927,484</b>	<b>1,770,510</b>	<b>1,843,727</b>
Gain (loss) on investment at fair value	—	13,942	(2,463)	13,942
<b>Income before income taxes and income of investments</b>				
<b>accounted for under the equity method</b>	<b>288,687</b>	<b>283,737</b>	<b>554,445</b>	<b>605,671</b>
Income tax expense	(40,531)	(38,305)	(80,395)	(81,766)
Equity in net earnings of investments accounted for under the equity method	1,703	2,173	3,855	3,504
<b>Net income</b>	<b>\$249,859</b>	<b>\$247,605</b>	<b>\$477,905</b>	<b>\$527,409</b>
Net income attributable to non-controlling interest	(108)	(1,544)	(129)	(4,524)
<b>Net income attributable to AerCap Holdings N.V.</b>	<b>\$249,751</b>	<b>\$246,061</b>	<b>\$477,776</b>	<b>\$522,885</b>
Basic earnings per share	\$1.95	\$1.93	\$3.73	\$4.09
Diluted earnings per share	\$1.92	\$1.92	\$3.68	\$4.06
Weighted average shares outstanding - basic	128,243,450	127,425,886	128,064,564	127,862,816
Weighted average shares outstanding - diluted	129,896,210	128,131,663	129,690,334	128,938,138

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## AerCap Holdings N.V.

### Unaudited Consolidated Statements of Cash Flows

(U.S. Dollars in thousands)

	Six months ended June 30,	
	2021	2020
Net income .....	\$477,905	\$527,409
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b> .....		
Depreciation and amortization .....	788,720	827,616
Asset impairment.....	73,386	87,368
Amortization of debt issuance costs, debt discount, debt premium and lease premium .....	33,932	31,242
Amortization of fair value adjustment on debt.....	(8,254)	(32,740)
Maintenance rights write-off.....	30,211	65,265
Maintenance liability release to income.....	(140,047)	(228,640)
Share-based compensation .....	41,986	32,508
Net gain on sale of assets.....	(27,248)	(68,368)
Deferred income taxes .....	82,388	84,658
Collections of finance and sales-type leases .....	42,344	26,991
Loss (gain) on investment at fair value.....	2,463	(13,942)
Loss on debt extinguishment .....	6,061	—
Transaction-related expenses .....	74,601	—
Other .....	2,863	101,368
<b>Changes in operating assets and liabilities:</b>		
Trade receivables .....	21,394	(157,410)
Other assets .....	(198,019)	(349,746)
Accounts payable, accrued expenses and other liabilities.....	(133,183)	3,229
<b>Net cash provided by operating activities</b> .....	<b>1,171,503</b>	<b>936,808</b>
Purchase of flight equipment .....	(470,584)	(159,930)
Proceeds from sale or disposal of assets.....	267,779	322,241
Prepayments on flight equipment.....	(30,537)	(723,729)
<b>Net cash used in investing activities</b> .....	<b>(233,342)</b>	<b>(561,418)</b>
Issuance of debt .....	1,320,537	6,890,002
Repayment of debt.....	(1,945,210)	(5,652,418)
Debt issuance and extinguishment costs paid, net of debt premium received .....	(221,037)	(27,157)
Maintenance payments received.....	163,280	194,779
Maintenance payments returned.....	(91,957)	(208,630)
Security deposits received .....	108,057	43,791
Security deposits returned .....	(156,314)	(150,767)
Dividend paid to non-controlling interest holders and others .....	(183)	(2,746)
Repurchase of shares and tax withholdings on share-based compensation.....	(16,503)	(118,836)
<b>Net cash (used in) provided by financing activities</b> .....	<b>(839,330)</b>	<b>968,018</b>
Net increase in cash, cash equivalents and restricted cash .....	98,831	1,343,408
Effect of exchange rate changes on cash, cash equivalents and restricted cash .....	(756)	(634)
Cash, cash equivalents and restricted cash at beginning of period.....	1,495,290	1,300,347
<b>Cash, cash equivalents and restricted cash at end of period</b> .....	<b>\$1,593,365</b>	<b>\$2,643,121</b>