

avation PLC

Equity Ticker LSE: AVAP

Bond Ticker LU: AVTCAP



Half Year Results

3 March 2023

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Overview

Snapshot of Avation 31 Dec 2022

Diversified Fleet and Customer Base with Strong Metrics

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**37
Aircraft**



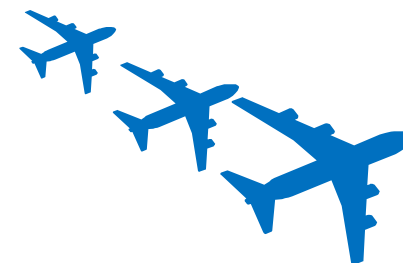
**16 Airline
Customers**



**Customers
located in 13
Countries**



**18%/52%/30%
Widebody/narrowbody
/turboprop by value**



6.1 Years
Weighted Average
Aircraft Age



5.4 Years
Weighted Average
Remaining Lease
Term



US\$936Mn
Fleet Assets



US\$536Mn
Unearned contracted
lease receivables ⁽¹⁾



1. Lease receivables includes non-cancellable lease rents (\$509.1 million), deferred rents (\$9.3 million) and firm sale and purchase option payments on finance leases (\$18.1m).









Aircraft Portfolio 31 Dec 2022

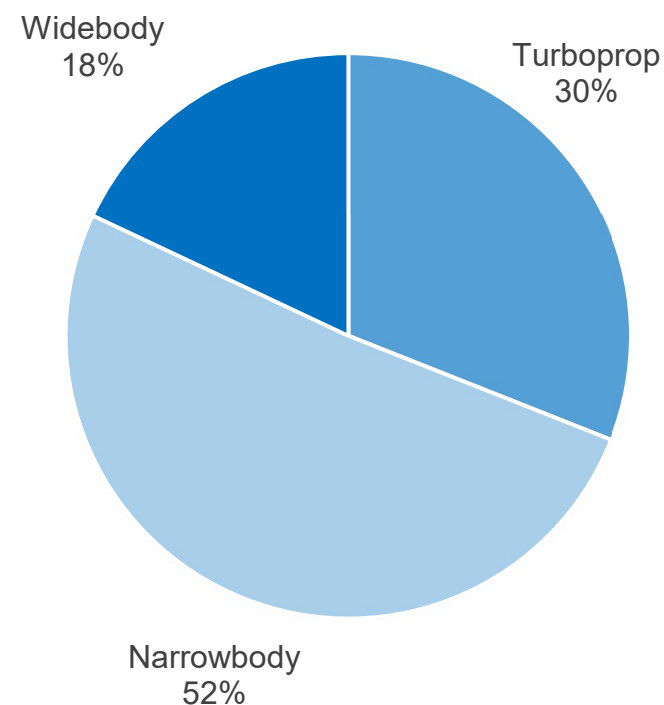
Popular aircraft with low average age

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Balanced fleet with valuable orderbook and purchase rights that create a significant opportunity for fleet growth

By Aircraft Value

Aircraft Type		Fleet	Orders	Purchase Rights
Turboprop				
ATR 72-600		16	2	28
ATR 72-500		5	-	-
Narrowbody				
A321-200		6	-	-
B737-800		1	-	-
A320-200		2	-	-
A220-300		5	-	-
Widebody				
A330-300		1	-	-
B777-300ER		1	-	-
Total		37	2	28



Diversified fleet: 18% widebody, 52% narrowbody and 30% turboprop aircraft by value

Firm Aircraft Orderbook

- Two ATR72-600 with 2024 delivery
- With low CO2 PW 127XT-M engines
- IBA Dec 2022 Market Value is \$21.3 million per aircraft
- All PDPs are paid

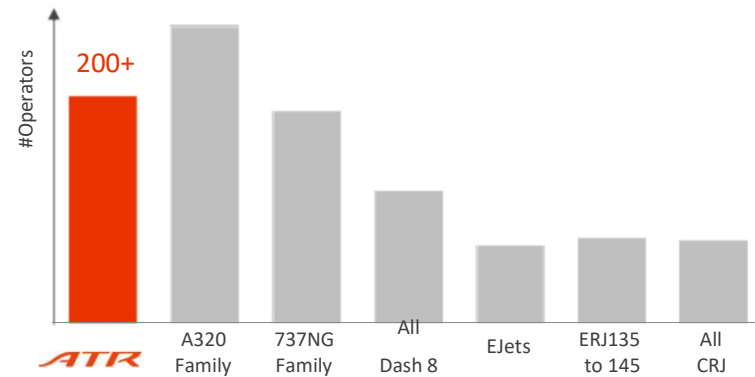
Purchase rights

- 28 ATR72-600 aircraft with PW 127XT-M engines
- Purchase rights run to June 2027

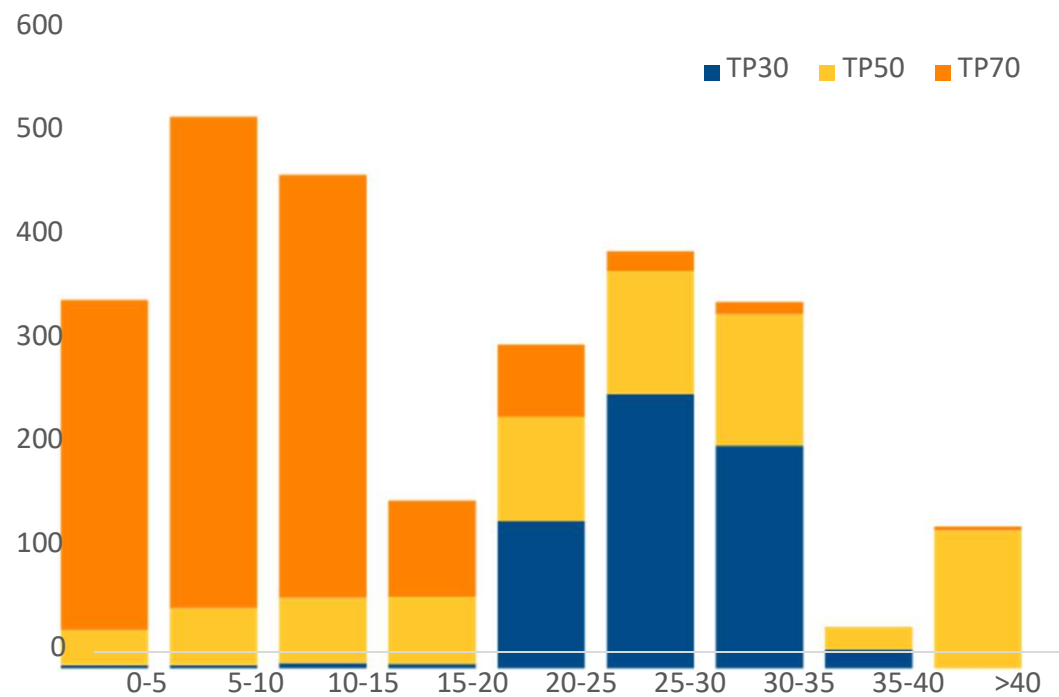
A diverse customer base...

 **+200** OPERATORS
100 COUNTRIES

Various operations: Regional Airlines, Network Carriers, LCC, Charters, Cargo, VIP, Special Mission



Aging fleet profile will increase replacement opportunities



Source: Cirium, 2nd Sep, Western types only, In service and stored fleet.
Notes: Retirement age for TP30s and TP50s at 25y, TP70s 20 years.

1200 aircraft

over retirement
age

ATR

HISTORY OF GREEN FINANCING

avation PLC



SINGAPORE, 19 DECEMBER 2019 - Avation PLC ... the first ever commercial aircraft financed with a Green Loan. The green loan was provided by Deutsche Bank.

Vigeo Eiris, one of the world's leading institutions for Environmental, Social and Governance ratings, has expressed an opinion that the project of replacing aging regional jets with new ATR 72-600 aircraft is aligned with the Loan Market Association's Green Loan Principles guidelines 2018. In their opinion Vigeo Eiris stated "We express a reasonable assurance (our highest level of assurance) on the Borrower's commitments and on the Loan's contribution to sustainability."

ATR responsible aviation



50% Sustainable aviation fuel compliant



In daily operations in Scandinavia, with



Thanks to low fuel consumption, competitive advantage of using SAF on ATR



Engaged to enable **100%** SAF by 2025 through partnership with



BRA &

alsieexpress

BRA &

NESTE OIL

ATR

A Successful Program



+200
operators



100
countries



1,800
aircraft sold



1,600
deliveries



36 M
flights



+1 B
passengers

From the world's largest cities, to our planet's most remote regions, our purpose is to deliver air travel to people, communities and businesses in an innovative, sustainable and modern way.

ATR

Airline Customers

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16 Airline Customers in 13 Countries

Airline	Aircraft	Number
Vietjet	A321-200	6
Air Baltic	A220-300	5
Hevilift	ATR 72-500	3
Mandarin	ATR 72-600	3
Alliance Air	ATR 72-600	2
Braathens	ATR 72-600	2
Danish Air Transport	ATR 72-600	2
US Bangla	ATR 72-600	2
EVA Air	A330-300	1
Philippine Airlines	B777-300ER	1
Avion Express	A320-200	1
Cebu Pacific	ATR 72-600	1
easyJet	A320-200	1
Fiji Airways	ATR 72-600	1
Flybig	ATR 72-500	1
Yeti Airlines	ATR 72-500	1



Aircraft Sales

- Sold 2 ATR 72-600 aircraft
- Boeing 737-800 sold (February 2023)

Aircraft Leases

- New lease for an ATR 72-500 with an airline in Nepal

Aircraft transitions

- ATR 72-600 repossessed from Myanmar

HY2023 Results

HY 2023 Summary

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Total Income

US\$55.3 million

(8%) YoY

Operating Profit

US\$35.1 million

86% YoY

Total Assets

US\$1.19 billion

FY 2022: US\$1.22 billion

Earnings per Share

US 12.0 cents

HY 2022: (US 21.98) cents

Lease Revenue

US\$46.3 million

(20%) YoY

Profit after Tax

US\$8.3 million

HY 2022: (US\$15.3) million

Net Indebtedness⁽¹⁾

US\$746.9 million

FY 2022: \$792.9 million

NAV per Share

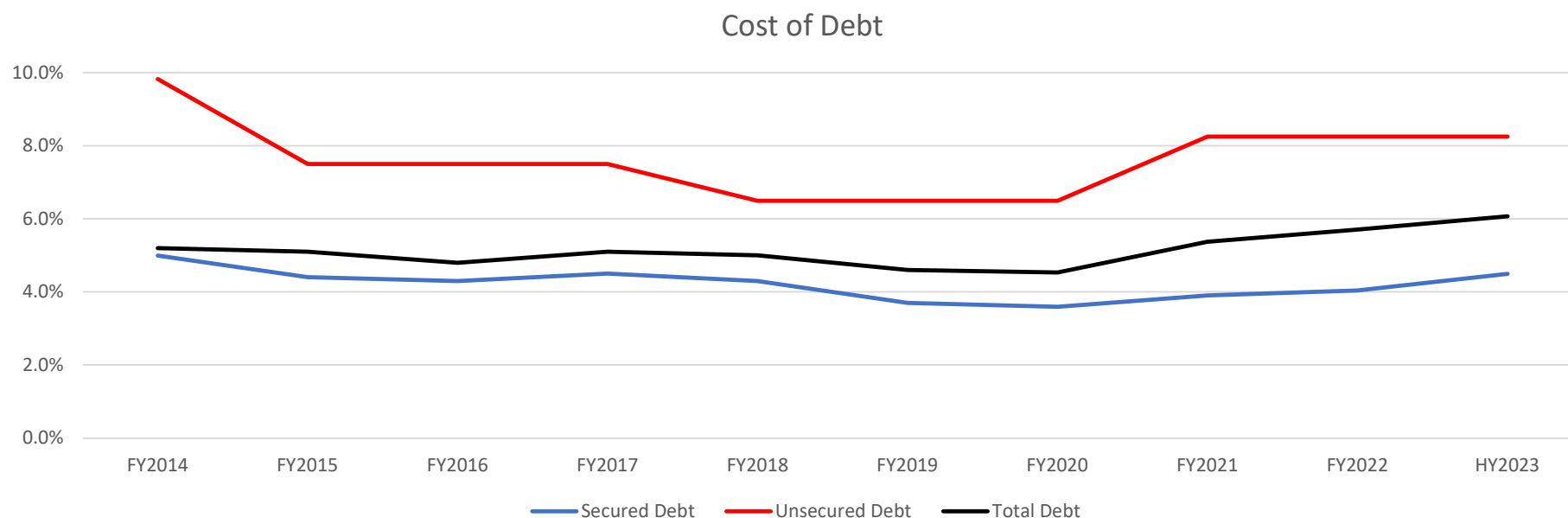
£2.82 per share

FY2022: £2.68 per share

1. Net indebtedness = Total loans and borrowings - Unrestricted cash and bank balances.

Debt Analysis

	HY2023	FY2022
Total loans and borrowings (US\$ million)	779.0	828.1
Net Indebtedness (US\$ million)	746.9	792.9
Weighted Average Cost of Debt	6.1%	5.7%
Weighted Average Cost of Secured Debt	4.5%	4.0%
Proportion of Fixed/Hedged Interest Rate Debt	94.8%	90.0%
Net Debt/Total Assets	62.9%	65.1%



Key Ratios

Comparative Ratios	HY2023	FY2022
Net asset value per share (US\$)	\$3.42	\$3.27
Net asset value per share (£)	£2.82	£2.68
Lease yield (a)	9.4%	9.5%
Admin expense (ex warrants)/Revenue	8.2%	7.2%
Credit Ratios		
Debt/Equity	3.3	3.6
Net Debt/EBITDA (b)	6.7	7.9
Net Debt/Total Assets	62.9%	65.1%
EBITDA/Interest Expense	2.1	1.9

a) Operating lease revenue/Average fleet assets excl. finance leases

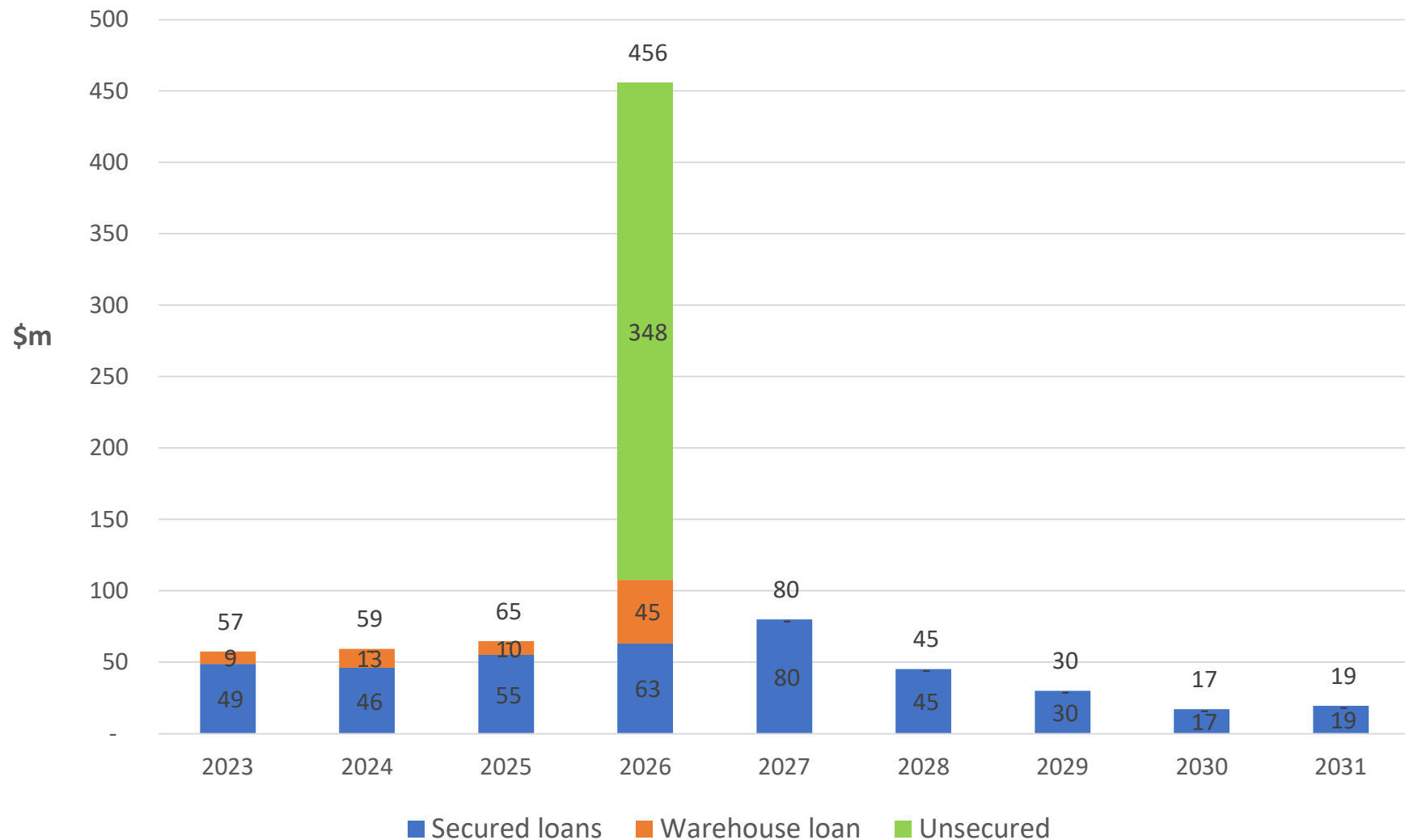
b) Net Debt/EBITDA (EBITDA = Profit before taxation + Finance expenses + Depreciation + Impairment)

Liquidity Update 31 Dec 2022

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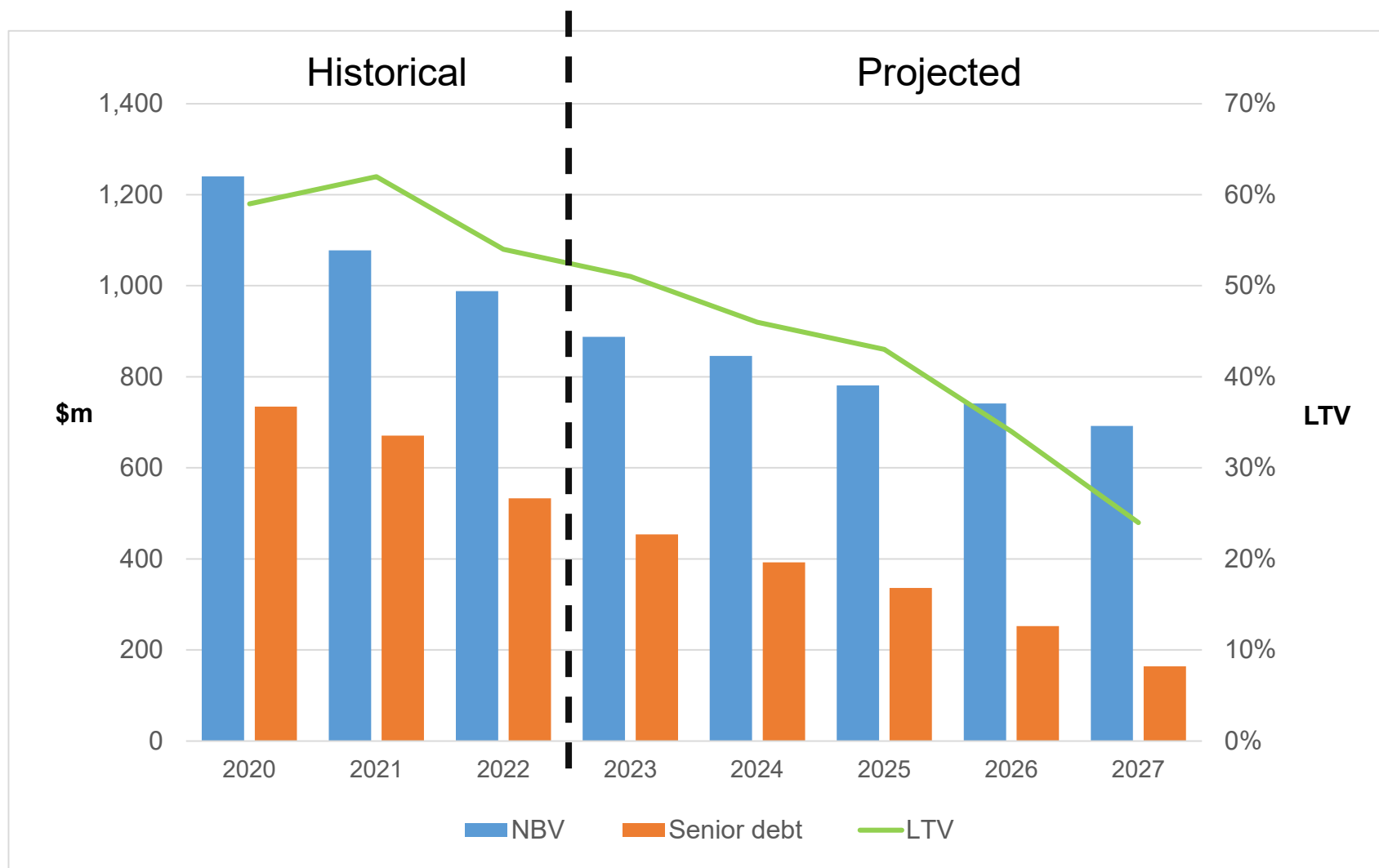
	HY 2023	FY 2022
Total cash	\$111.4m	\$119.2m
• Unrestricted	\$32.1m	\$35.3m
• Restricted	\$79.3m	\$83.9m
Other current assets	\$28.6m	\$12.8m
• Trade debtors	\$6.5m	\$3.7m
• Other debtors	\$11.5m	\$5.4m
• Equity investment	\$10.6m	\$3.7m
Unencumbered aircraft	5	3
• ATR 72	4	2
• B737-800	1	1

Liability Structure & Loan Maturities *av*ation PLC



Secured Debt Amortisation Profile

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Pathway Forward & Strategy

- To leverage industry recovery from Covid
- Reposition/sell last few unutilised aircraft
- Continue debt improvement
- Opportunities for ATR72-600 orderbook with new PW127XT engines and low CO2
- Establish pathway to organic growth

Aviation sector has demonstrated recovery

Return to profitability and lower leverage

Evolution to low CO2

Strategic alignment to sustainable future

Positioned for organic growth

Question & Answer Section

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