

# avation PLC

Equity Ticker LSE: AVAP

Bond Ticker LU: AVTCAP



## Half Year Results

3 March 2023

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Executive  
Chairman

**Iain Cawte**

Chief Financial  
Officer

**Duncan Scott**

Group General  
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Chief Commercial  
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Corporate Finance  
Director

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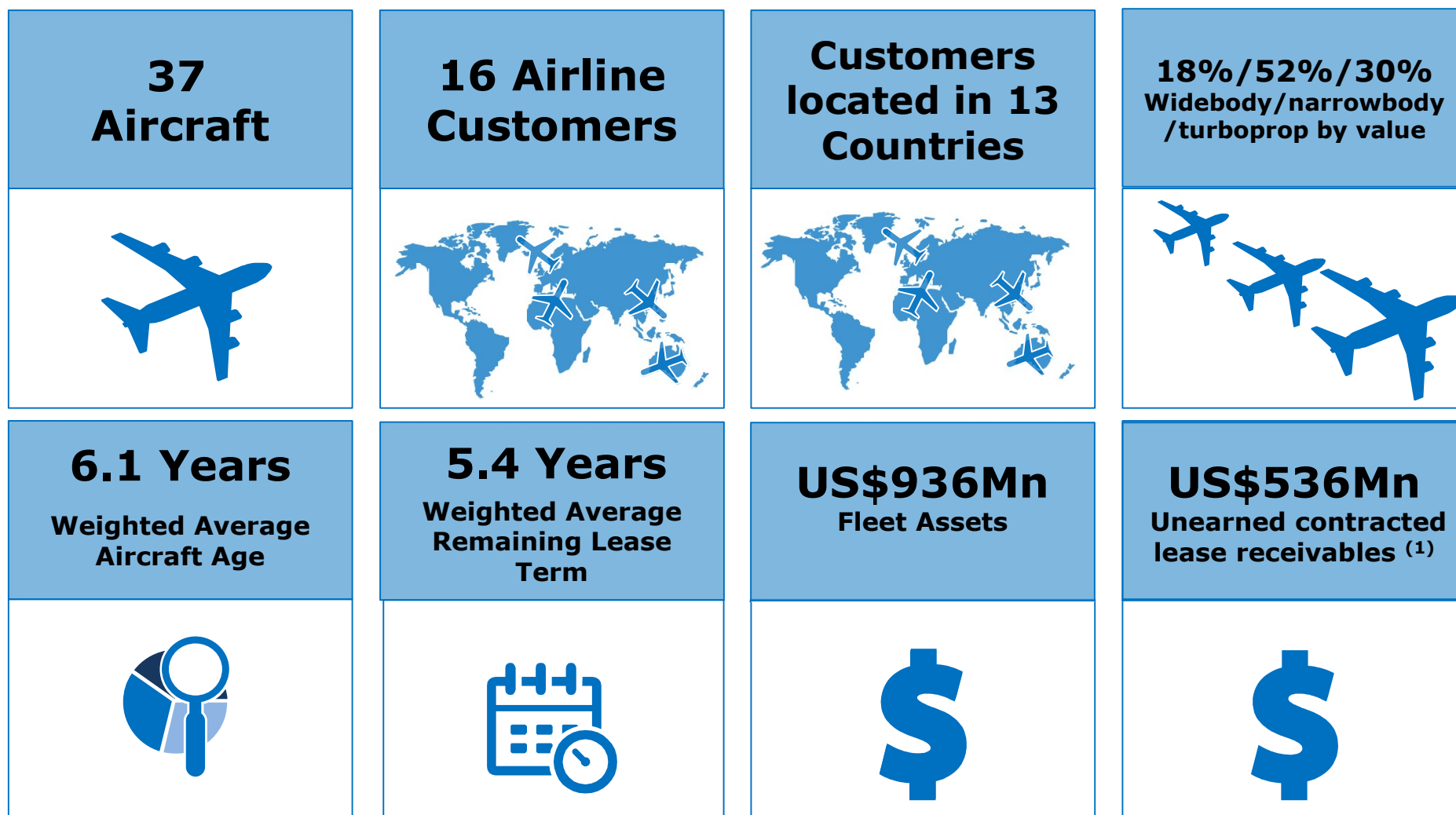
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# Overview

# Snapshot of Avation 31 Dec 2022

Diversified Fleet and Customer Base with Strong Metrics

**ava**tion PLC



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

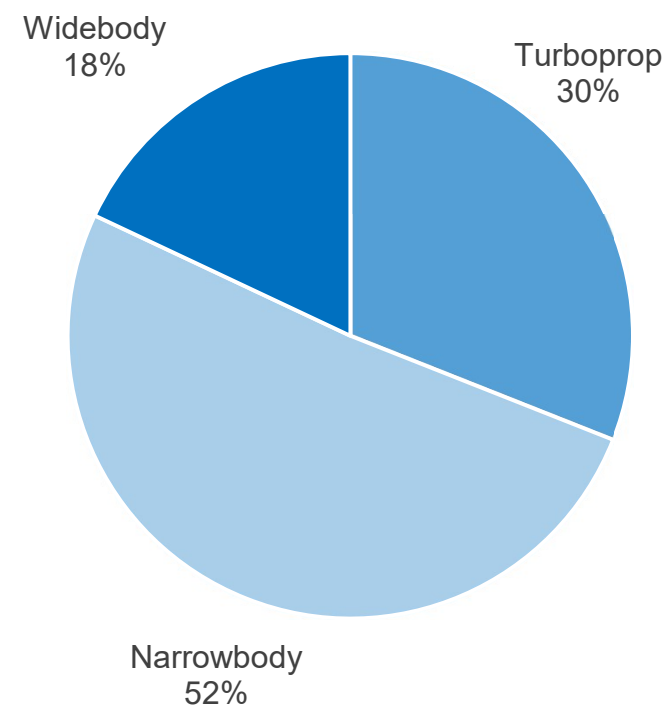
Popular aircraft with low average age

**ava**tion PLC

**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
<b>Turboprop</b>			
ATR 72-600 	16	2	28
ATR 72-500 	5	-	-
<b>Narrowbody</b>			
A321-200 	6	-	-
B737-800 	1	-	-
A320-200 	2	-	-
A220-300 	5	-	-
<b>Widebody</b>			
A330-300 	1	-	-
B777-300ER 	1	-	-
<b>Total</b>	<b>37</b>	<b>2</b>	<b>28</b>



**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

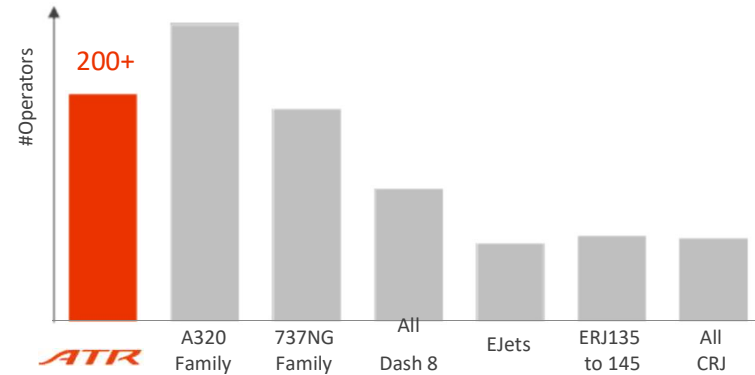
## **Purchase rights**

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

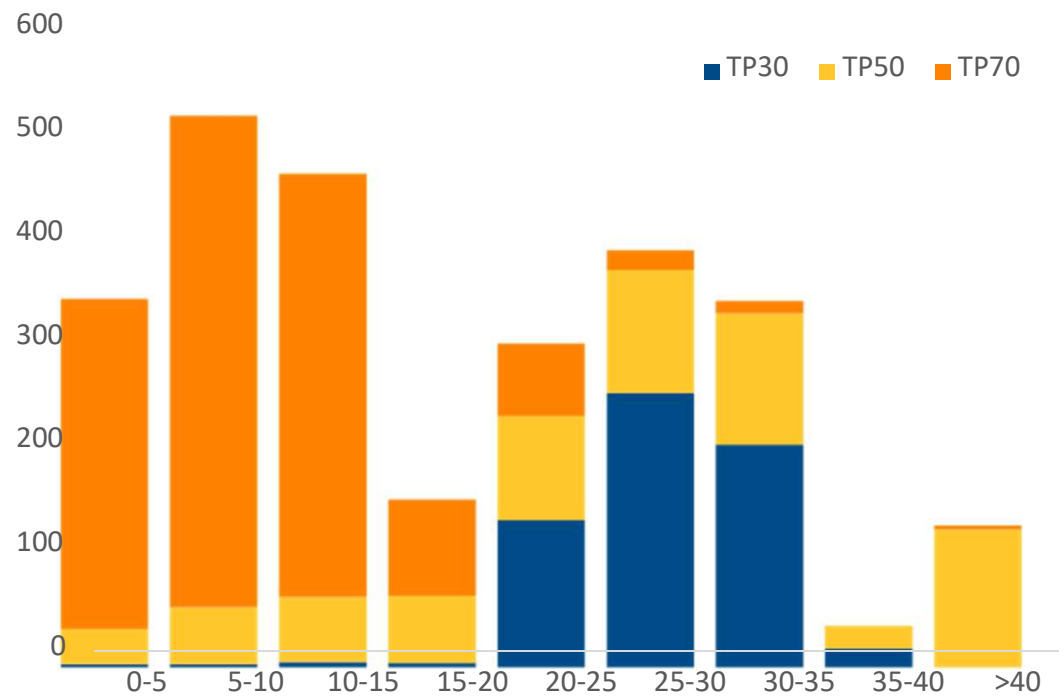
A diverse customer base...

 **+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, 2<sup>nd</sup> 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

## 16 Airline Customers in 13 Countries

Airline	Aircraft	Number
Vietjet	A321-200	6
Air Baltic	A220-300	5
Hevillift	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**

## 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<sup>(1)</sup>

**US\$746.9 million**

FY 2022: \$792.9 million

## NAV per Share

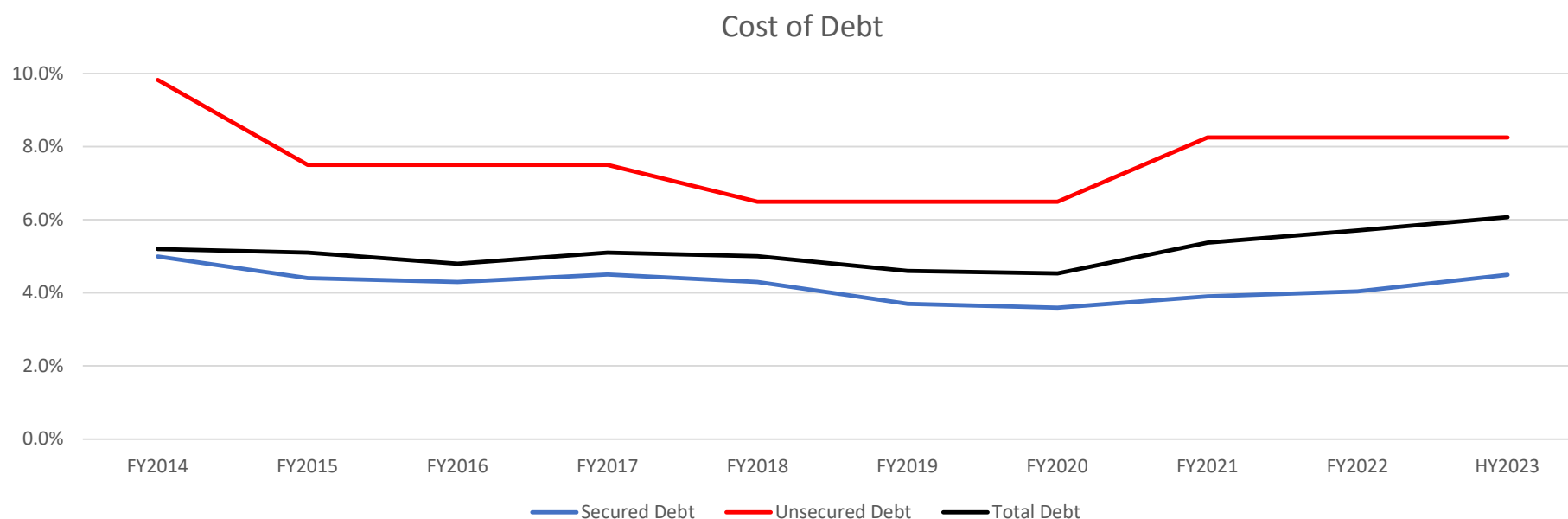
**£2.82 per share**

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

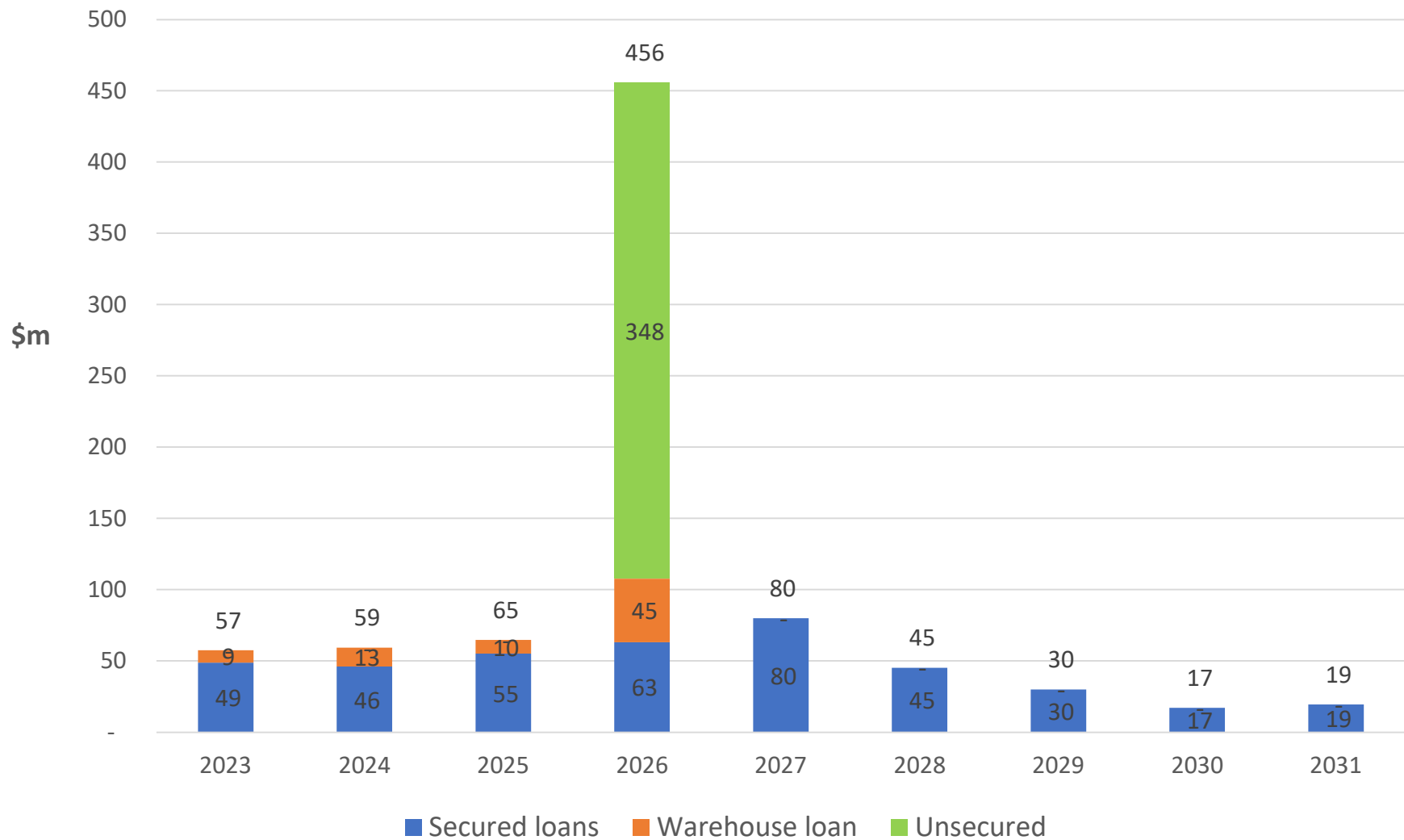
b) Net Debt/EBITDA (EBITDA = Profit before taxation + Finance expenses + Depreciation + Impairment)

# Liquidity Update 31 Dec 2022

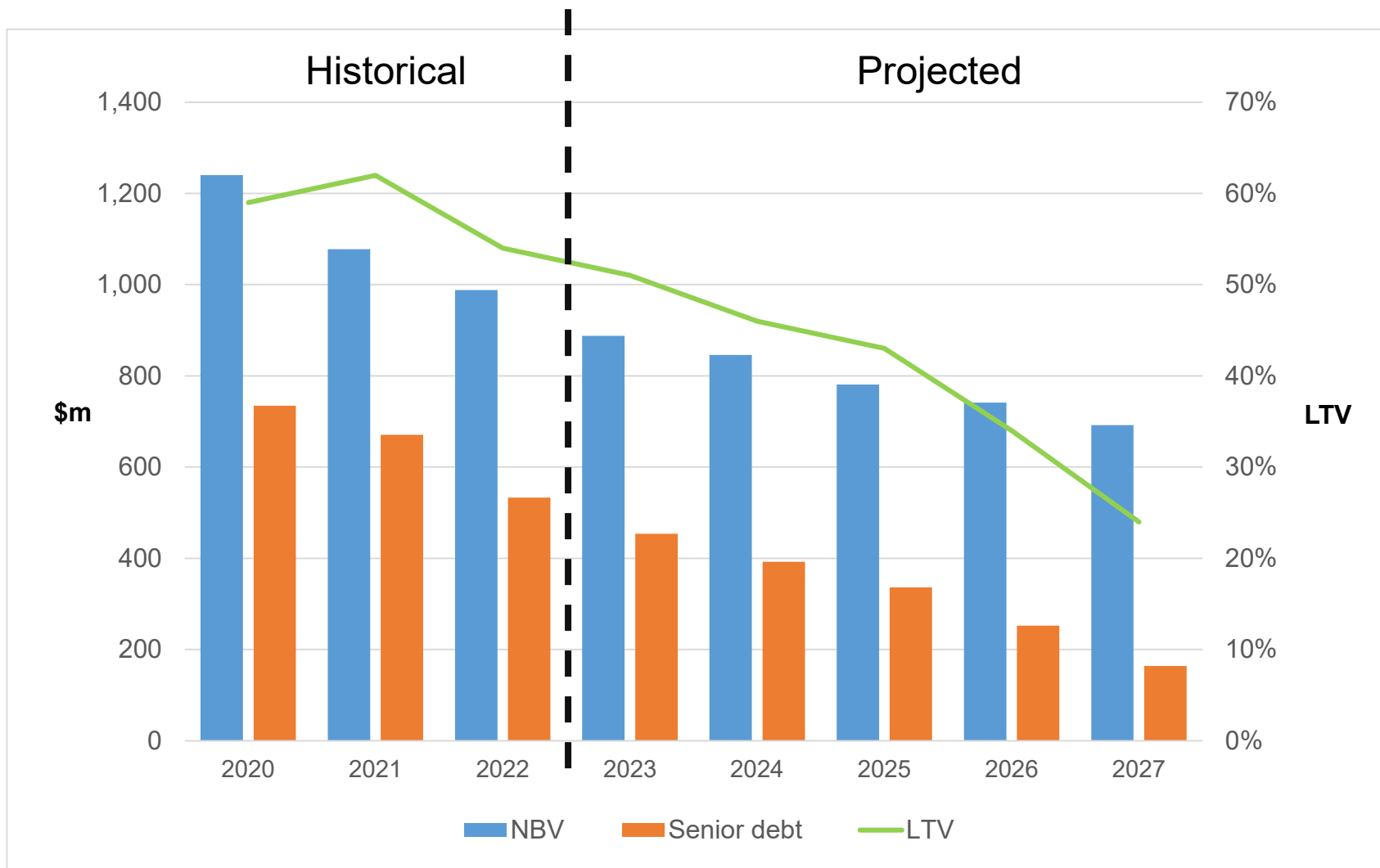
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	<b>HY 2023</b>	<b>FY 2022</b>
<b>Total cash</b>	<b>\$111.4m</b>	<b>\$119.2m</b>
• Unrestricted	\$32.1m	\$35.3m
• Restricted	\$79.3m	\$83.9m
<b>Other current assets</b>	<b>\$28.6m</b>	<b>\$12.8m</b>
• Trade debtors	\$6.5m	\$3.7m
• Other debtors	\$11.5m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

# Liability Structure & Loan Maturities *avation* PLC



# Secured Debt Amortisation Profile



# **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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