

avation PLC

Equity Ticker LSE: AVAP

Bond Ticker LU: AVTCAP



Financial Year 2022 Results

29 September 2022

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Overview

Snapshot of Avation as at 30 June 2022

Diversified Fleet and Customer Base with Strong Metrics

avation PLC

**39
Aircraft**



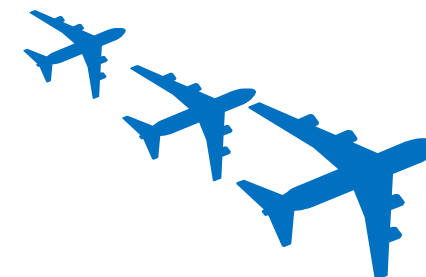
**17 Airline
Customers**



**Customers
located in 14
Countries**



**17%/52%/31%
split of
Widebody/narrowbody
/turboprop aircraft by
value**



5.6 Years

**Weighted Average
Aircraft Age**



5.7 Years

**Weighted Average
Remaining Lease
Term**



**>US\$1.2Bn
Total asset value⁽¹⁾**



**US\$568Mn
Unearned contracted
lease receivables⁽²⁾**



1. Total Assets as at 30 June 2022.









2. Lease rentals receivable under non-cancellable operating and finance leases.

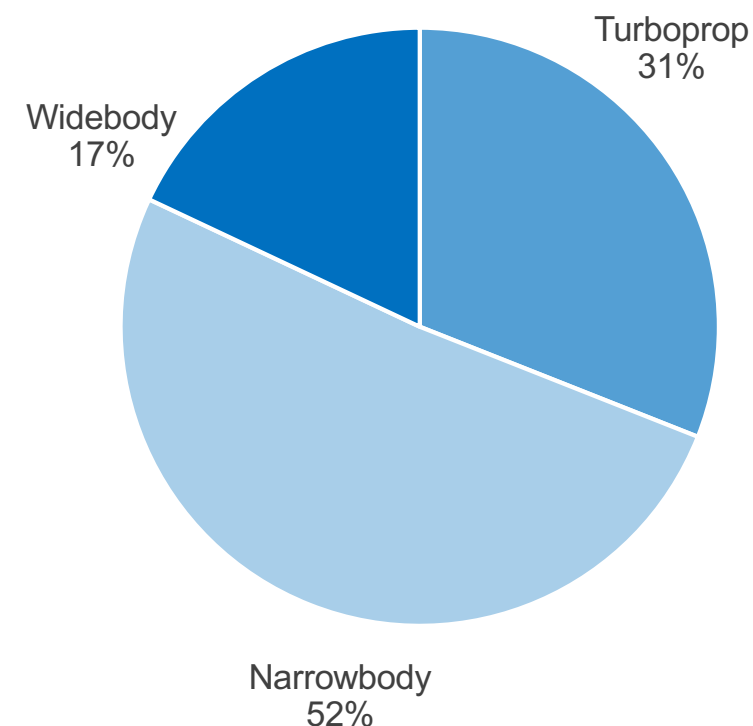
Aircraft Portfolio as at 30 June 2022

Popular aircraft with low average age

Balanced Fleet with Valuable Orderbook and Purchase Rights that create significant growth opportunity

By Aircraft Value

Aircraft Type	Fleet	Orders	Purchase Rights
Turboprop Aircraft			
ATR 72-600 	18	2	28
ATR 72-500 	5	-	-
Narrowbody Aircraft			
A321-200 	6	-	-
B737-800 	1	-	-
A320-200 	2	-	-
A220-300 	5	-	-
Widebody Aircraft			
A330-300 	1	-	-
B777-300ER 	1	-	-
Total	39	2	28



Diversified fleet consisting of 17% widebody, 52% narrowbody and 31% turboprop aircraft by value

Airline Customers

17 Airline Customers in 14 Countries

Customer/Aircraft

- EVA - A330
- PAL - 777
- VietJet - 6 x A321
- AirBaltic - 5 x A220
- easyJet - A320
- Air India - 2 x ATR72
- Cebu - ATR72
- Braathens - 2 x ATR72
- Fiji - ATR72
- Mandarin - 3 x ATR72
- DAT - 2 x ATR72
- Hevilift - 3 x ATR72
- USB - 2 x ATR72
- Flybig - ATR72
- Avion - A320
- Yeti - ATR72
- TBA - ATR72 (GMA in transition)
- Sale in progress - 2 x ATR72
- Remarketing or selling - 2 x ATR, 737



FY2022 Results

FY 2022 Summary

Total Income

US\$116.4 million

FY 2021: \$120.1 million

Profit before tax (before loan modification charges)

US\$34.9 million

FY 2021: Loss of \$120.5 million

Total Assets

US\$1.21 billion

FY 2021: \$1.28 billion

Earnings per Share

US 24.7 cents

FY2021: Loss of US131.2 cents

Operating Profit

US\$90.2 million

FY 2021: Loss of \$62.7 million

Profit after Tax

US\$17.1 million

FY 2021: Loss of \$84.9 million

Net Indebtedness⁽¹⁾

US\$792.9 million

FY 2021: \$922.6 million

NAV per Share

£2.68 per share

FY2021: £1.64 per share

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

Aircraft Sales

- Sold Airbus A220-300, Airbus A321-200, 3 ex-Virgin Australia ATR aircraft
- 2 ATR72-600 returned and sold with completion October 2022

Aircraft Leases

- Leases extended on 2 Hevilift ATR72-600 aircraft
- Third ATR72-600 aircraft lease to Hevilift
- PAL restructuring completed with the airline retaining the Boeing 777-300ER
- Ex-Virgin Australia ATR72 leased with delivery to new customer in Sep 2022
- Lease extension (44 months) with easyJet Airbus A320

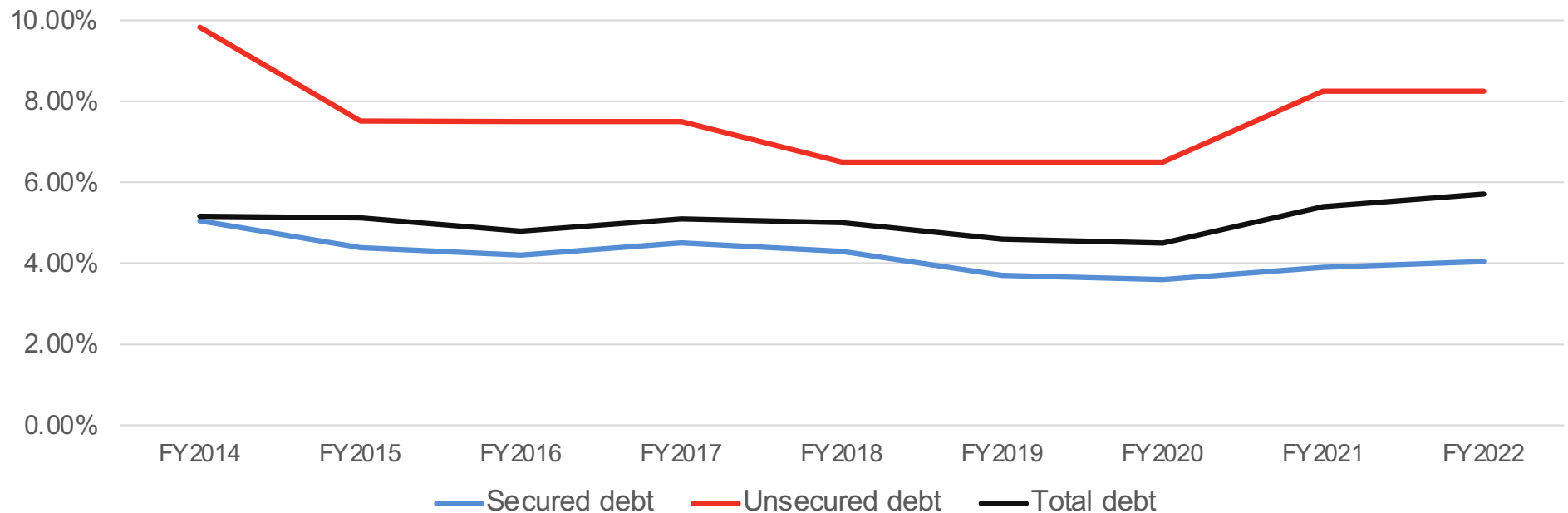
Aircraft transitions

- Boeing 737-800 repossessed, remarketing commenced
- Airbus A320 returned and transitioned to new customer
- Ex-GMA ATR72 recovered with transition to new customer in Oct 2022

Debt Analysis

	FY2022	FY2021
Total loans and borrowings (US\$ million)	828.1	947.6
Net Indebtedness (US\$ million)	792.9	922.6
Weighted Average Cost of Debt	5.7%	5.4%
Weighted Average Cost of Secured Debt	4.0%	3.9%
Proportion of Fixed/Hedged Interest Rate Debt	89.2%	90.9%
Net Debt/Assets	65.1%	71.9%

Cost of Debt



Key Ratios

Comparative Ratios	FY2022	FY2021
Net asset value per share (US\$) (A)	\$3.27	\$2.26
Net asset value per share (£)	£2.68	£1.64
Lease yield(B)	9.6%	10.1%
Admin expense (ex warrants)/Revenue (C)	7.2%	6.6%
Credit Ratios		
Debt/Equity (D)	3.6	6.0
Net Debt/EBITDA	7.6	12.5
Debt/Total Assets (E)	68.0%	73.9%
EBITDA/Interest Expense	1.9	1.4

A. Net asset value per share = Equity/Shares in Issue (GBP:USD = 1.22 at 30 June 2022)(FY2021: 1.38)

B. Lease revenue/Average fleet assets

C. Administrative expense less warrant expense

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

E. Total Debt/Total Assets

Liquidity Update as at 30 June 2022 *ava*tion PLC

	FY2022	FY2021
Total cash	\$119.2m	\$122.5m
Unrestricted	\$35.3m	\$25.1m
Restricted	\$83.9m	\$97.4m
Finance lease receivables	\$60.8m	\$50.0m
Current	\$5.6m	\$4.2m
Non-current	\$55.2m	\$45.8m
Unencumbered aircraft	3	3
Turboprop	2 ATR72	ATR72
Narrowbody	737-800	A321-200 B737-800

Maturities and loan covenants:

- Loan maturities typically match lease durations.
- Warehouse loan extended to Sep 2026
- All debt current, covenant compliance/waived

Unsecured Bonds:

- \$348.1m 6.5% (plus 2.5% PIK or 1.75% cash interest) unsecured notes maturity in Oct 2026.

Repayment of Deferred Rent:

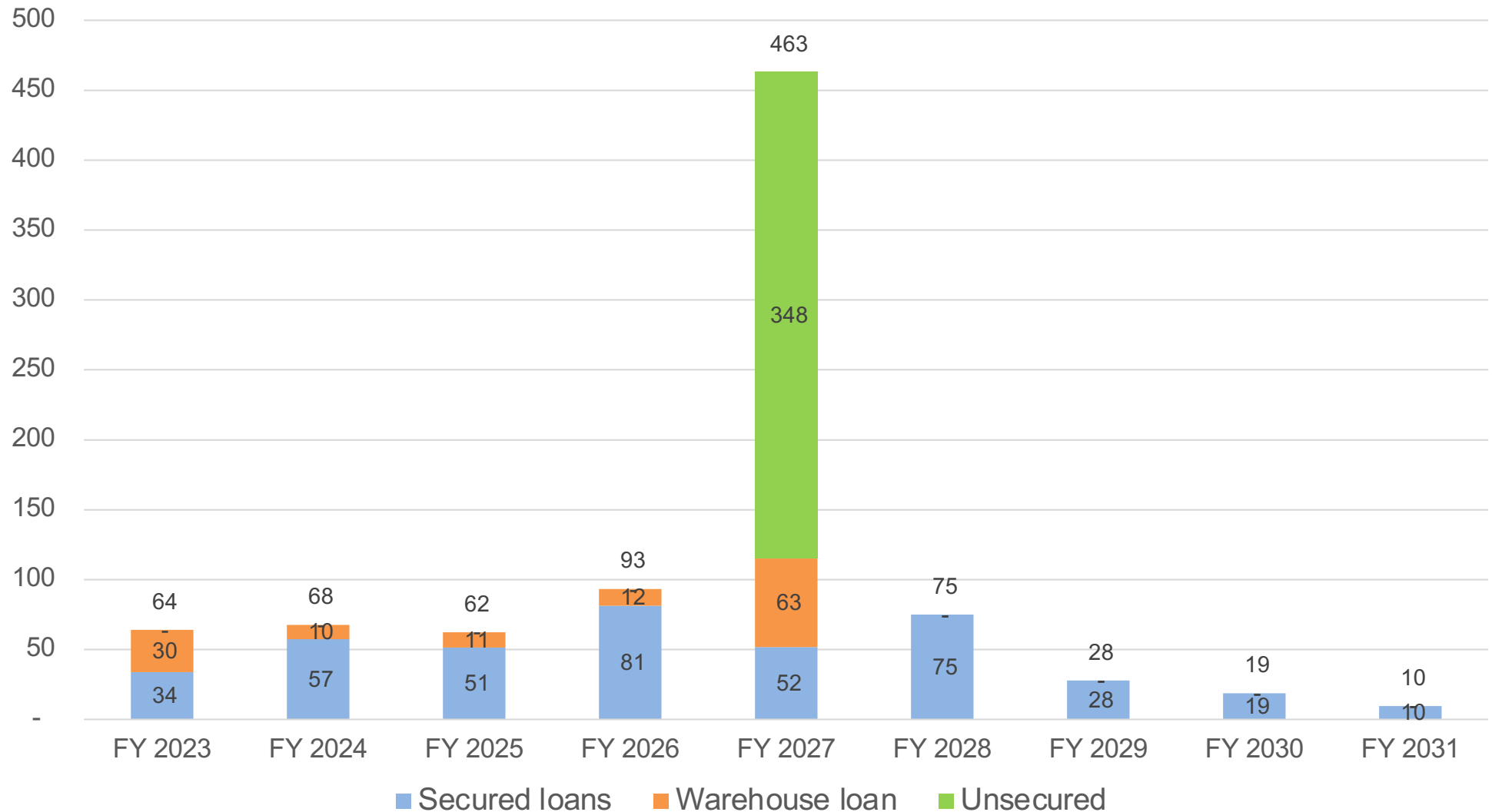
- Formal agreement to repay \$25.9m in deferred rent in 2023/2024

Additional liquidity in FY23

- Completion of sale of ATR aircraft
- Sale of unutilised aircraft
- Re-finance existing aircraft
- Virgin creditor distributions, PAL shares

Liability Structure & Loan Maturities *avation* PLC

Loan maturities chart



Pathway Forward & Strategy

- Reposition/Sell last 3 unutilised aircraft
- Maintain focus on liquidity
- Continue debt structure improvement
- Opportunities for ATR72-600 orderbook with new PW127XT engines
- Identify new customers and aircraft fleet additions

Strategic focus on fuel efficient, low Co2 emission aircraft opportunities to support a sustainable aviation industry

The first 100% SAF flight



2022



100%

fossil free bio fuel
(on both engines)



-80% emissions



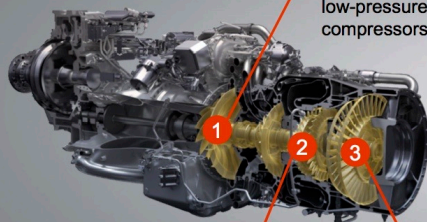
15 gCO2
per seat per km



ATR | BRA | NESTE OIL



Introducing the PW127XT



Improved fuel efficiency and durability with redesigned low-pressure and high-pressure compressors

New high-pressure turbine for XTended durability

Enhanced efficiency power turbine module



40% Extended time on wing



20% Engine DMC reduction over PW127M



3% Fuel burn saving over PW127M

XT Project status :

> 200 Flight Hours completed
1st engine delivery end 2022



XT Engine is well born and reaches the SFC target performances



Aviation sector bounce back

Return to profitability and lower leverage

Operational efficiency returning to fleet

Strategic alignment to sustainable future

Positioned for recovery and growth

Question & Answer Section

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