

avation PLC

Equity Ticker LSE: AVAP
Bond Ticker LU: AVTCAP



Financial Year 2023 Results

28 September 2023

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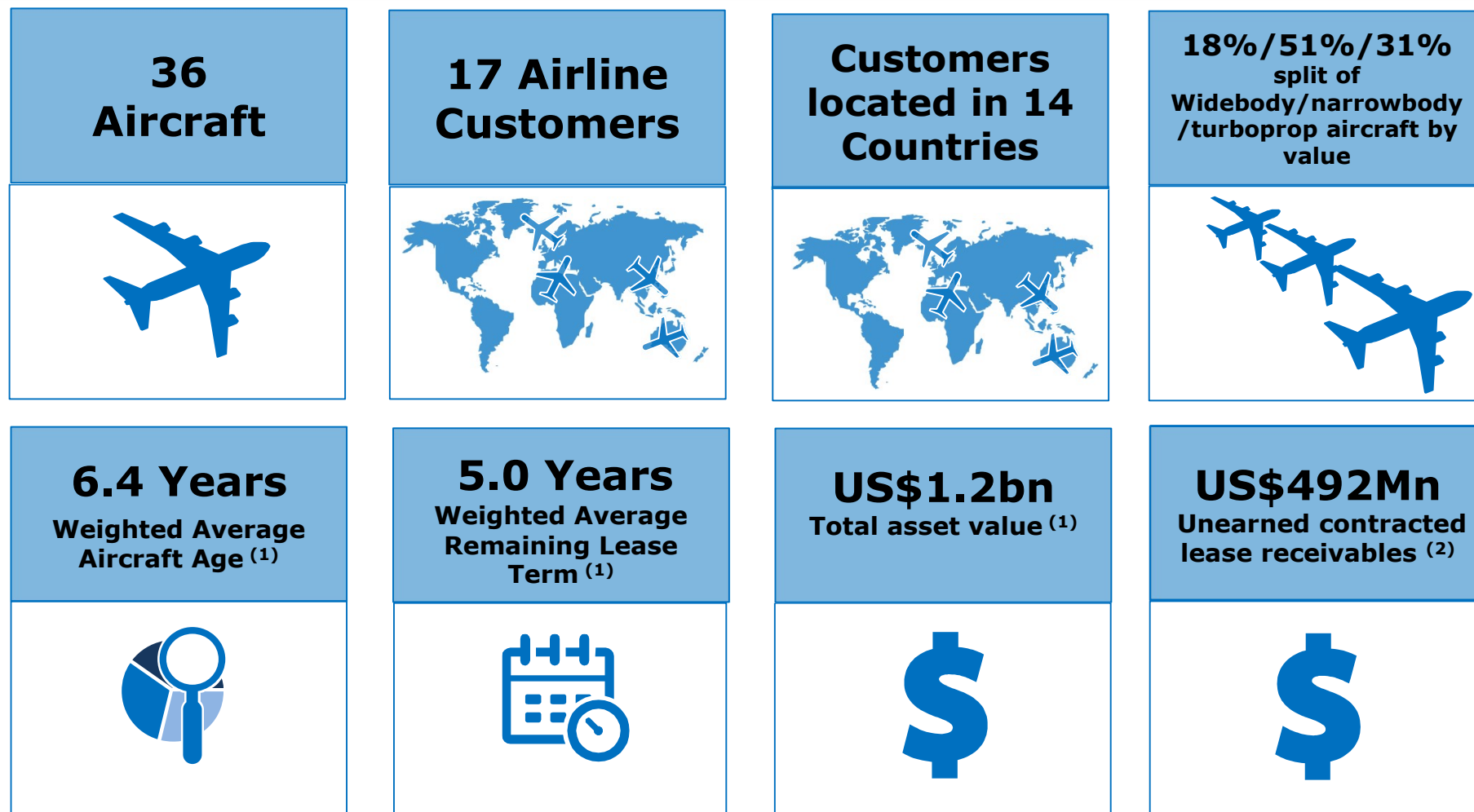
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Overview

Snapshot of Avation as at 30 June 2023

Diversified Fleet and Customer Base

avation PLC



1. Total Assets as at 30 June 2023.

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

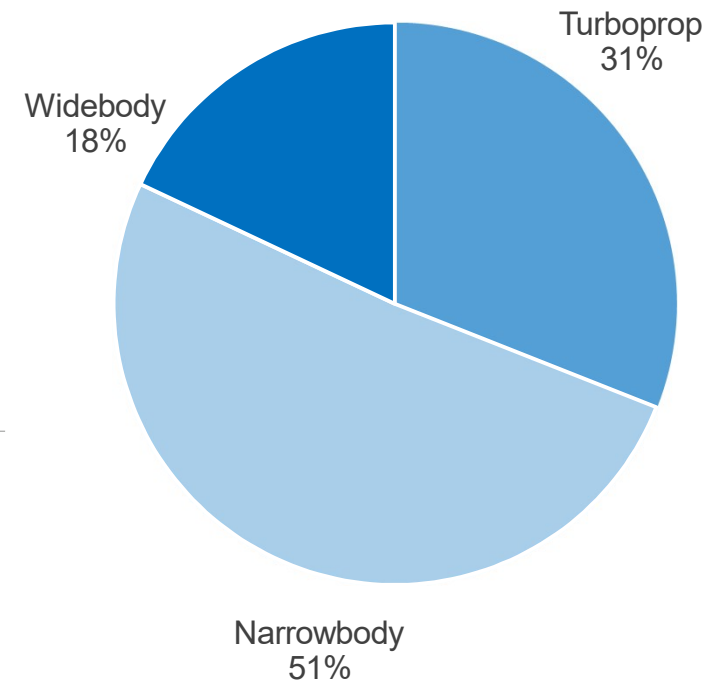
Aircraft Portfolio as at 30 June 2023

Popular aircraft with low average age

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

By Aircraft Value

Aircraft Type	Fleet	Orders	Purchase Rights
Turboprop Aircraft			
ATR 72-600 	16	2	28
ATR 72-500 	5	-	-
Narrowbody Aircraft			
A321-200 	6	-	-
A320-200 	2	-	-
A220-300 	5	-	-
Widebody Aircraft			
A330-300 	1	-	-
B777-300ER 	1	-	-
Total	36	2	28



Diversified fleet consisting of 18% widebody, 51% narrowbody and 31% turboprop aircraft by value

Airline Customers

17 Airline Customers in 14 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
Air Tahiti	ATR 72-600	1



- Approx. 74% Asia, 26% Europe.
- Asia expected to be fastest growing region.

Highlights FY2023

Aircraft Sales

- 2x ATR 72-600 returned and sold (October 2022)
- Boeing 737-800 sold (February 2023)

Aircraft Leases

- New lease for an ATR 72-500 with an airline in Nepal
- Ex-Virgin Australia ATR 72-600 will be delivered to a new customer in Nov 2023

Aircraft transitions

- Ex-GMA ATR 72 recovered and transitioned to new customer in Mar 2023

FY2023 Results

FY 2023 Summary

Total Income

US\$99.3 million

FY 2022: \$116.4 million

Profit before tax

US\$13.0 million

FY 2022: \$22.5 million

Total Assets

US\$1.18 billion

FY 2022: \$1.22 billion

Earnings per Share

US 17.4 cents

FY 2022: US24.7 cents

Operating Profit

US\$70.6 million

FY 2022: \$90.2 million

Profit after tax

US\$12.2 million

FY 2022: \$17.1 million

Net Indebtedness⁽¹⁾

US\$731.2 million

FY 2022: \$792.9 million

NAV per Share

£2.69 per share

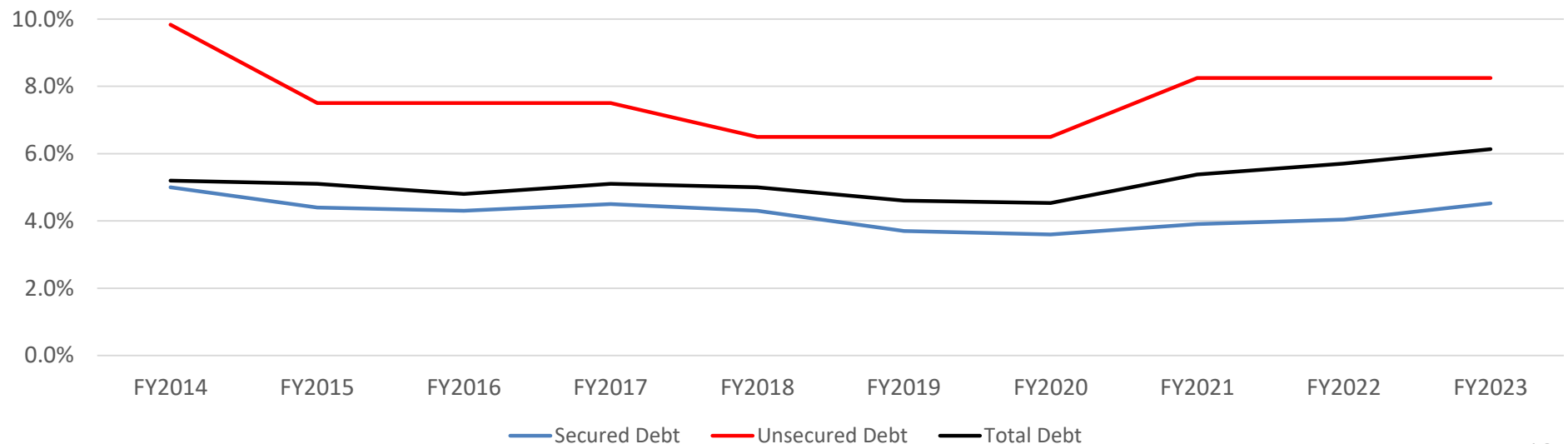
FY 2022: £2.68 per share

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

Debt Analysis

	FY2023	FY2022
Total loans and borrowings (US\$ million)	756.0	828.1
Net indebtedness (US\$ million)	731.2	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	95.8%	90.0%
Net Debt/Assets	62.0%	65.1%

Cost of Debt



Key Ratios

Comparative Ratios	FY2023	FY2022
Net asset value per share (US\$) (A)	\$3.41	\$3.27
Net asset value per share (£)	£2.69	£2.68
Lease yield (B)	9.7%	9.5%
Admin expense (ex warrants)/Revenue (C)	8.3%	7.2%
Credit Ratios		
Debt/Equity (D)	3.1x	3.6x
Net debt/EBITDA	8.0x	7.9x
Debt/Total assets (E)	64.1%	68.0%
EBITDA/Interest expense	1.7x	1.9x

A. Net asset value per share = Equity/Shares in Issue (GBP:USD = 1.27 at 30 June 2023) (FY2022: 1.22)

B. Lease revenue/Average fleet assets (excl. finance lease)

C. Administrative expense less warrant expense

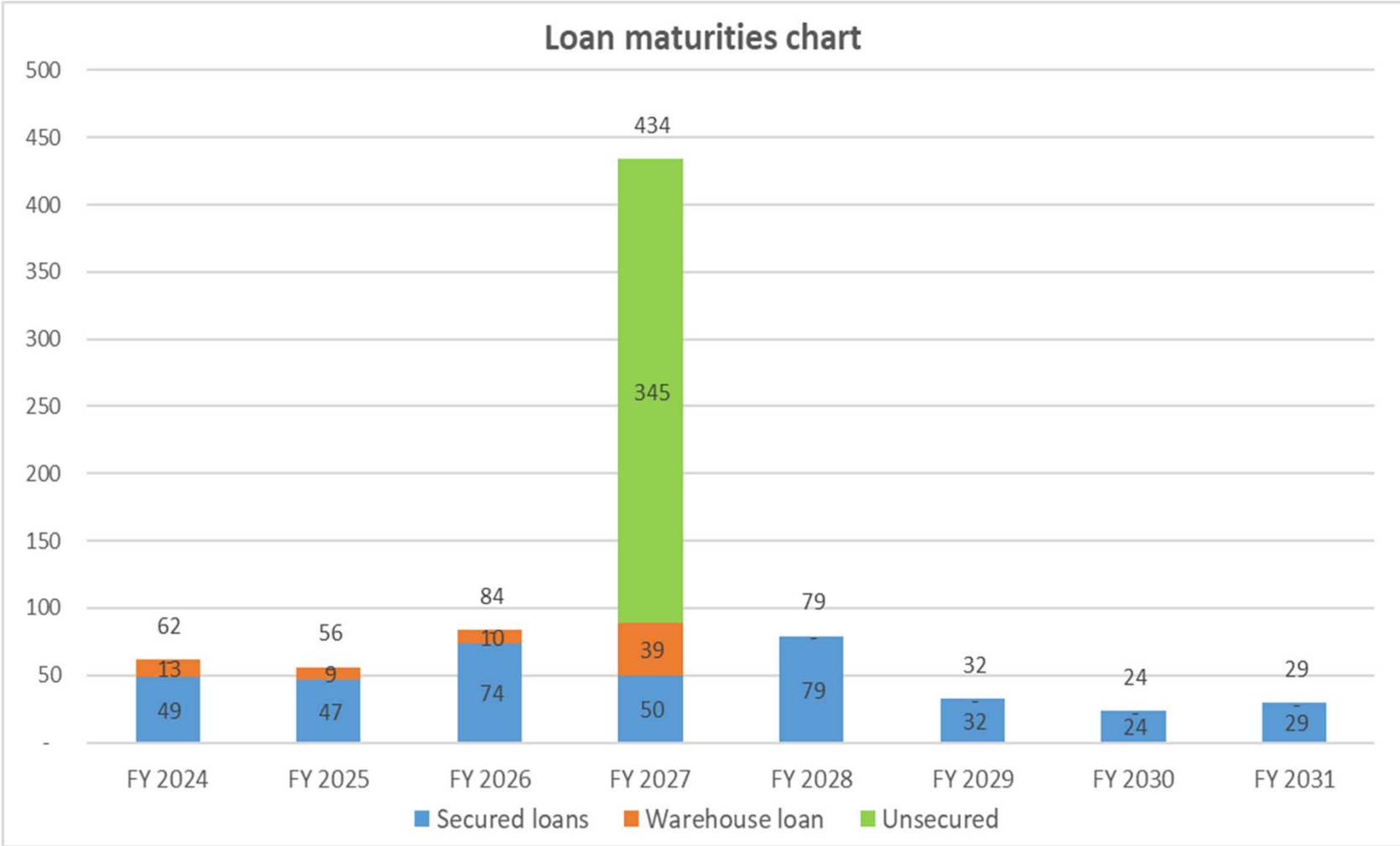
D. Net Debt/EBITDA (EBITDA = Profit before taxation + Finance expenses + Depreciation + Impairment)

E. Total Debt/Total Assets

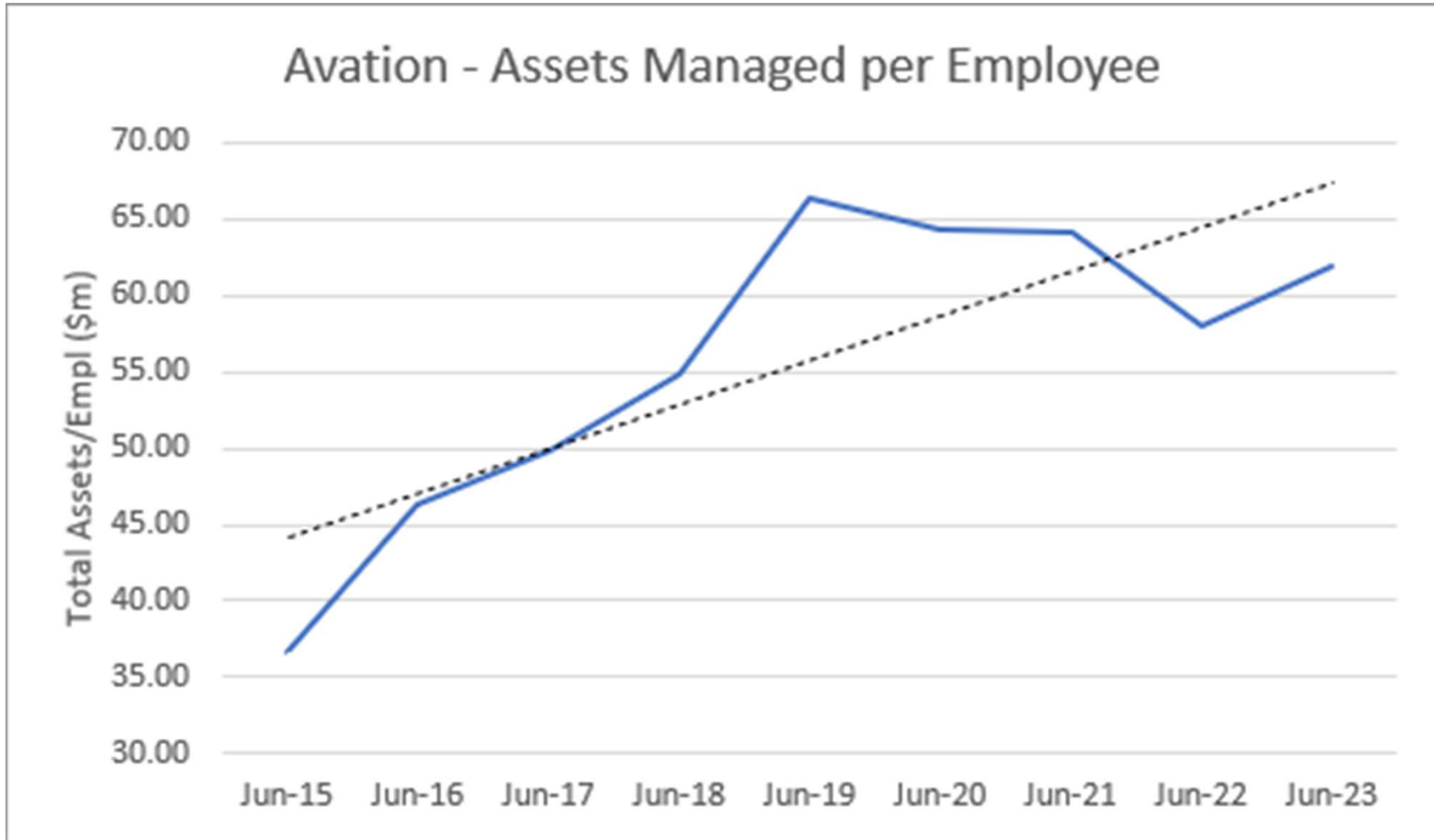
Liquidity Update as at 30 June 2023

	FY2023	FY2022	
Total cash	\$116.9m	\$119.2m	Maturities and loan covenants: ➤ Loan maturities typically match lease durations. ➤ All debt current, covenants complied with.
Unrestricted	\$24.8m	\$35.3m	
Restricted	\$92.1m	\$83.9m	
Finance lease receivables	\$45.1m	\$60.8m	Unsecured Bonds: ➤ \$345.2m 8.25%/9.0% unsecured notes maturity Oct 2026.
Current	\$3.9m	\$5.6m	
Non-current	\$41.2m	\$55.2m	
Unencumbered aircraft	4	3	Collection of Trade Receivables: ➤ \$26.5m trade receivables.
Turboprop	4 ATR72	2 ATR72	
Narrowbody		B737-800	
			Additional liquidity sources in FY24: ➤ Completion of sale of ATR aircraft. ➤ Re-finance existing aircraft. ➤ Monetise PAL shares.

Liability Structure & Loan Maturities *ava*tion PLC



Assets Managed per Employee



Pathway Forward & Strategy

- Expand the sustainable low CO2 green opportunity in the ATR orderbook
- Lease ordered ATR72-600 aircraft
- Maintain focus on liquidity
- Identify opportunities to widen customer base with ATR purchase rights

Carbon price rising, EU regulations to increase SAF usage:

The EU carbon price climbed above EUR 100 per tonne for the first time in Feb'2023:



ReFuelEU regulations aim to increase the use of SAF by aircraft and reduce emissions:

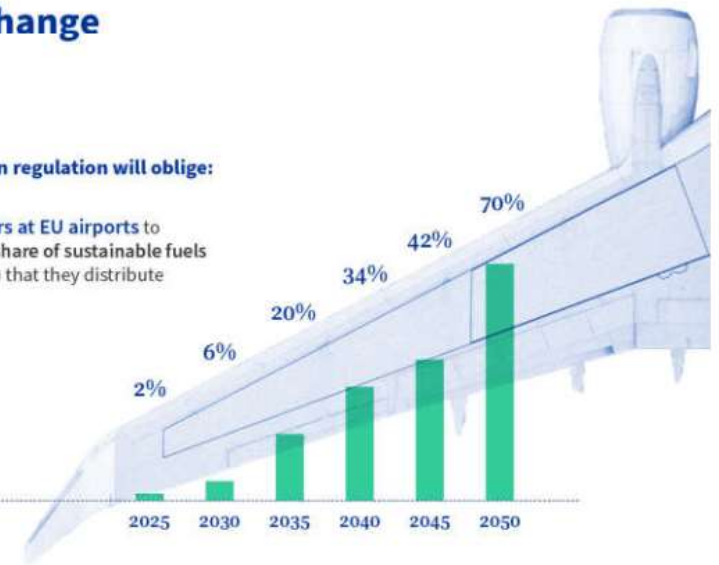
What will change



The ReFuelEU aviation regulation will oblige:

1. aircraft fuel suppliers at EU airports to gradually increase the share of sustainable fuels (notably synthetic fuels) that they distribute

Minimum share of supply of sustainable aviation fuels (in %)



ATR aircraft will be first to be certified with 100% SAF.

Avation is focusing on fuel efficient, low Co2 emission aircraft opportunities to support sustainable aviation:



ATR are aiming for 100% SAF capability by 2025, which is ahead of all other aircraft OEM's.

Avation holds purchase rights for 28 ATR aircraft.

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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