

avation PLC

Equity Ticker LSE: AVAP

Bond Ticker LU: AVTCAP



FY2024 Half Year Results

1 March 2024

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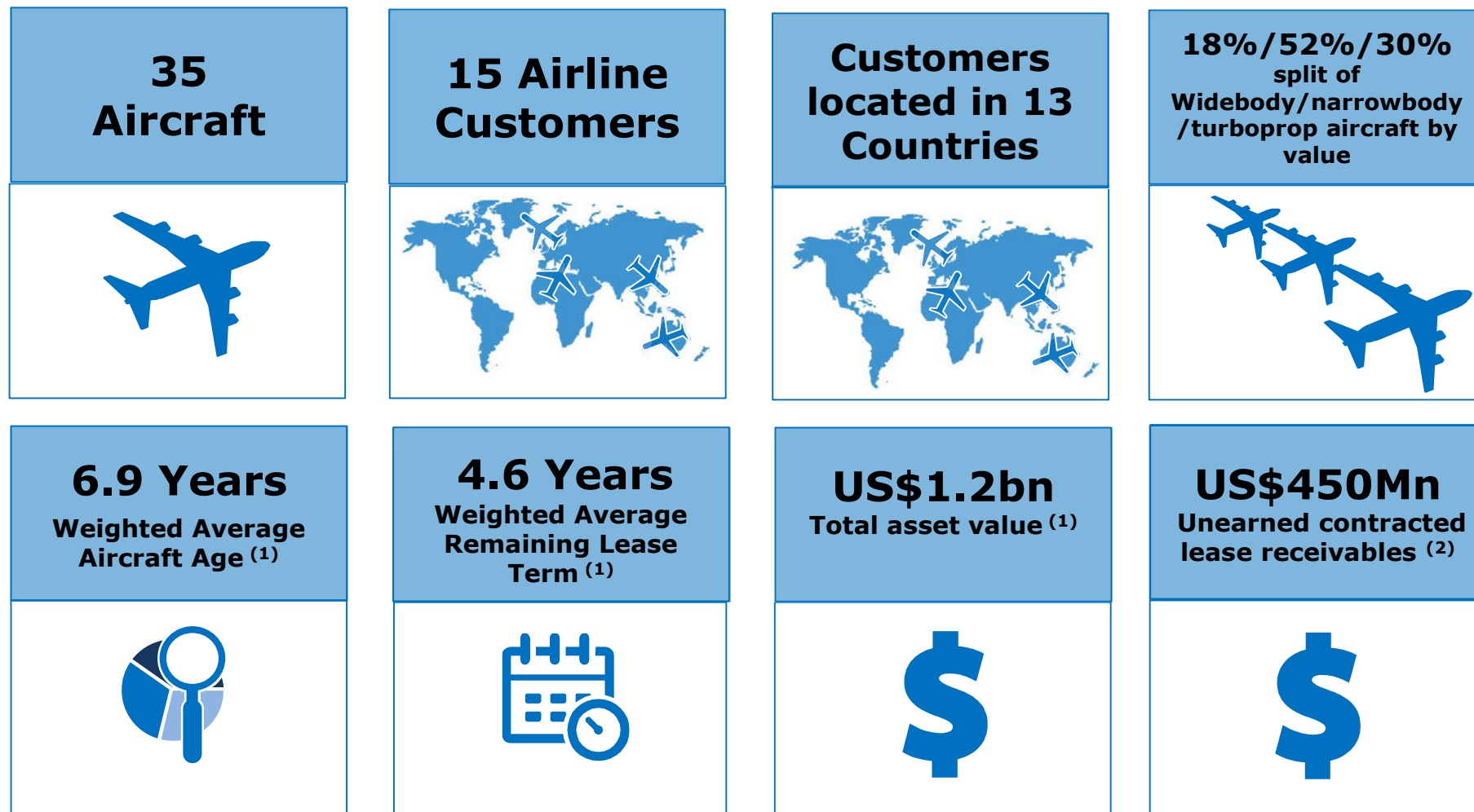
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Overview

Snapshot of Avation as at 31 December 2023 *ava*tion PLC

Diversified Fleet and Customer Base



1. Total Assets as at 31 December 2023.





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

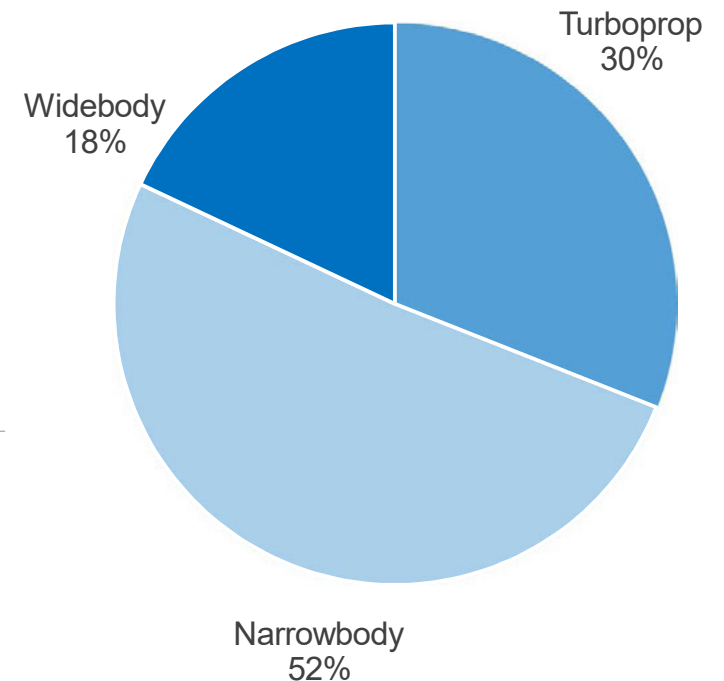
Aircraft Portfolio as at 31 December 2023

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 	4	-	-
Narrowbody Aircraft			
A321-200 	6	-	-
A320-200 	2	-	-
A220-300 	5	-	-
Widebody Aircraft			
A330-300 	1	-	-
B777-300ER 	1	-	-
Total	35	2	28



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

15 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
Cebu Pacific	ATR72-600 A320-200	1 1
Philippine Airlines	B777-300ER	1
EVA Air	A330-300	1
easyJet	A320-200	1
Fiji Airways	ATR 72-600	1
Yeti Airlines	ATR 72-500	1
Air Tahiti	ATR 72-600	1



Aircraft Sales

- ATR 72-500 repossessed from an airline in India and sold (October 2023)

Aircraft Leases

- Ex-Virgin Australia ATR 72-600 to be delivered to a new customer in March/April 2024

Aircraft transitions

- A320 transitioned to Cebu Pacific in December 2023

HY2024 Results

HY 2024 Summary

Total Income

US\$46.3 million

HY 2023: \$55.7 million

Loss before tax

US\$9.6 million

HY 2023: profit of \$7.1 million

Total Assets

US\$1.17 billion

FY 2023: \$1.18 billion

Earnings per Share

(US 12.4 cents)

HY 2023: US12.5 cents

Operating Profit

US\$17.5 million

HY 2023: \$35.4 million

Loss after tax

US\$8.8 million

HY 2023: profit of \$8.7 million

Net Indebtedness⁽¹⁾

US\$699.4 million

FY 2023: \$731.2 million

NAV per Share

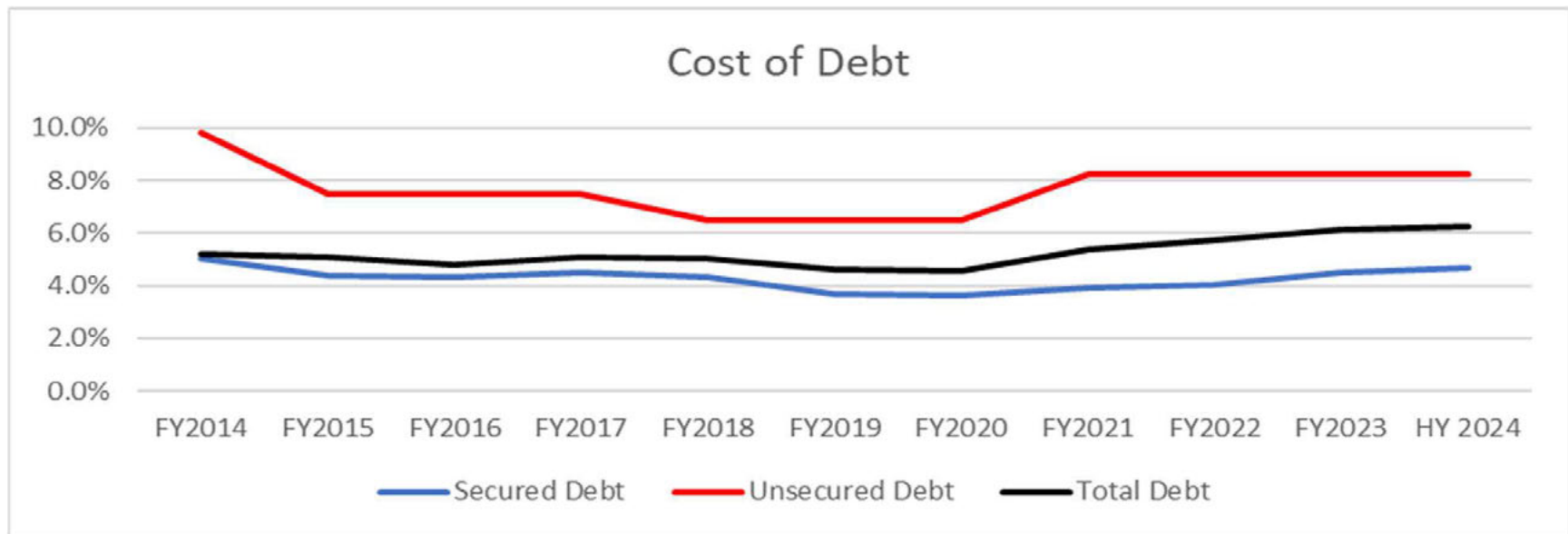
£2.56 per share

FY 2023: £2.71 per share

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

Debt Analysis

	HY2024	FY2023
Total loans and borrowings (US\$ million)	742.8	756.0
Net indebtedness (US\$ million)	699.4	731.2
Weighted average cost of debt	6.3%	6.1%
Weighted average cost of secured debt	4.7%	4.5%
Proportion of fixed/hedged interest rate debt	96.2%	95.8%
Net Debt/Total Assets	59.7%	62.0%



Key Ratios

Comparative Ratios	HY2024	FY2023
Net asset value per share (US\$) (A)	\$3.25	\$3.44
Net asset value per share (£)	£2.56	£2.71
Lease yield (B)	10.4%	9.7%
Admin expense (ex warrants)/Revenue (C)	9.1%	8.3%
Credit Ratios		
Debt/Equity (D)	3.2X	3.1x
Net debt/EBITDA	9.1X	8.0x
Debt/Total assets (E)	63.4%	64.1%
EBITDA/Interest expense	1.5X	1.7x

A. Net asset value per share = Equity/Shares in Issue (GBP:USD = 1.27 at 31 Dec 2023) (FY2023: 1.27)

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

C. Administrative expense less warrant expense

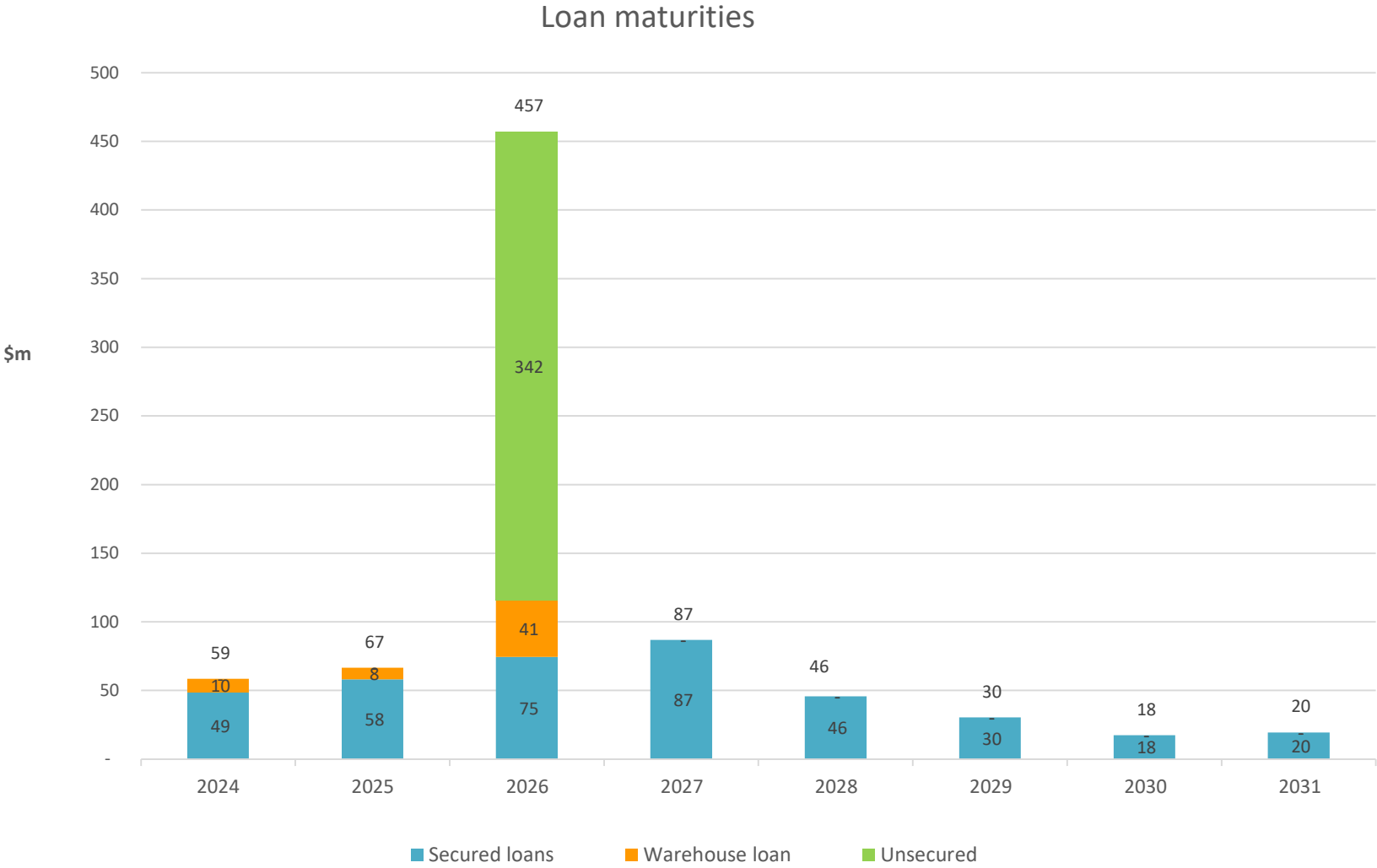
D. Net Debt/EBITDA (EBITDA = Profit before taxation + Finance expenses + Depreciation + Impairment)

E. Total Debt/Total Assets

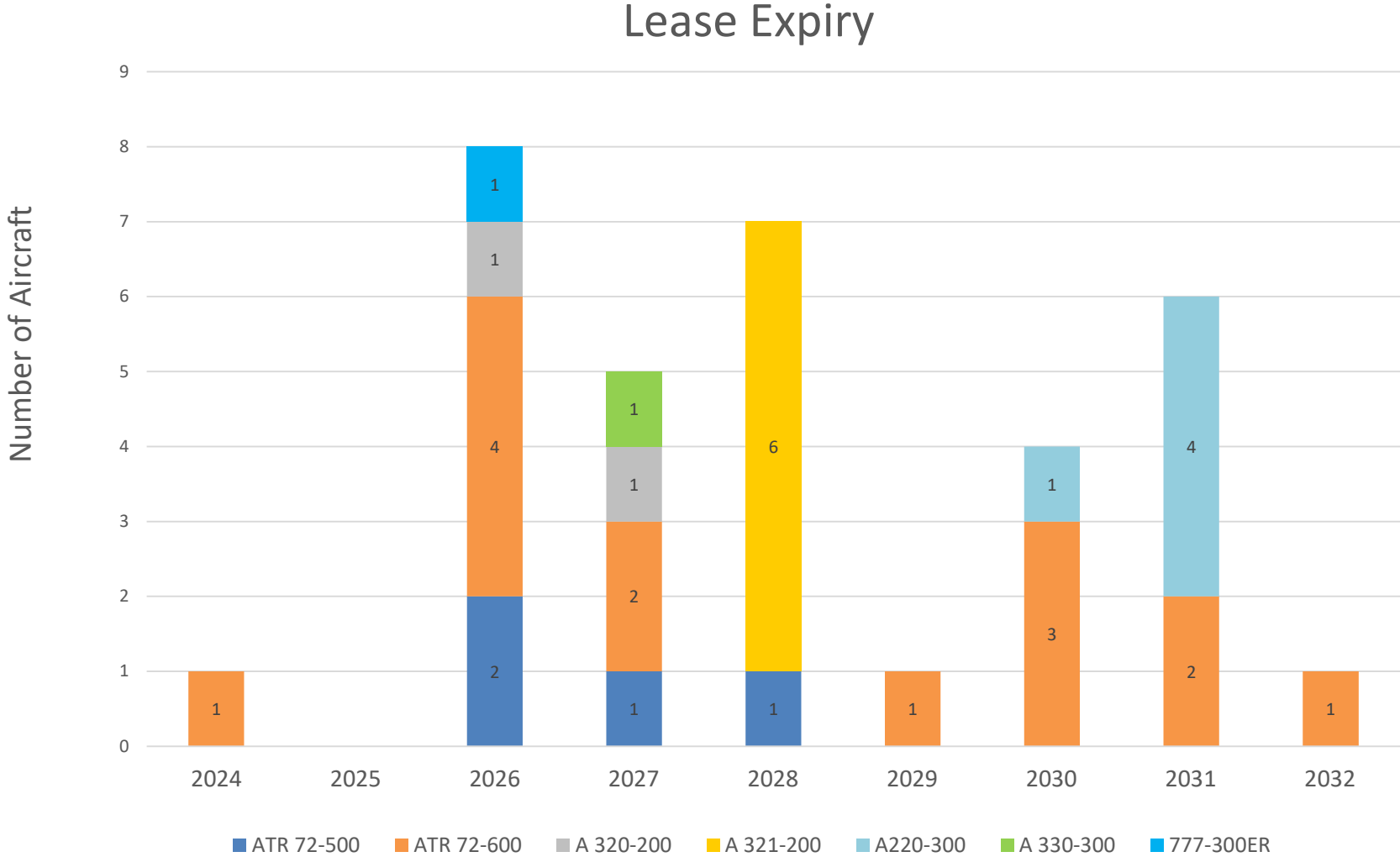
Liquidity Update as at 31 Dec 2023

	HY2024	FY2023	
Total cash	\$150.1m	\$116.9m	Maturities and loan covenants: <ul style="list-style-type: none"> ➤ Loan maturities typically match lease durations ➤ All debt current & covenants in compliance
Unrestricted	\$43.5m	\$24.8m	
Restricted	\$106.6m	\$92.1m	
Finance lease receivables	\$43.6m	\$45.1m	Unsecured Bonds: <ul style="list-style-type: none"> ➤ \$341.6m notes mature Oct 2026
Current	\$30.1m	\$3.9m	
Non-current	\$13.5m	\$41.2m	Collection of Receivables: <ul style="list-style-type: none"> ➤ \$13.9m reduction in trade receivables
Unencumbered aircraft	3	4	Additional liquidity sources in FY24: <ul style="list-style-type: none"> ➤ Completion of sale of ATR aircraft ➤ Potential to re-finance existing aircraft ➤ Monetise shares in Philippine Airlines
Turboprop	3 ATR72	4 ATR72	

Liability Structure & Loan Maturities *ava*tion PLC



Lease Expiry Chart



Market outlook & Strategy

- Asia market is rebounding strongly and is our core market
- Continue to place ATR aircraft enjoying strong market value growth
- Implement measures to optimise capital structure, repurchase bonds and reduce debt cost
- Make progress in reducing fleet CO2 emissions

Market – International passengers

Air passenger market – December 2023:

	World Share %	RPK Dec23 yoy	ASK Dec23 yoy
TOTAL MARKET	100.0%	25.3%	24.1%
Africa	2.1%	12.1%	18.7%
Asia Pacific	22.1%	60.7%	53.4%
Europe	30.8%	12.5%	12.3%
Latin America	6.4%	16.3%	10.4%
Middle East	8.8%	16.4%	17.2%
North America	28.8%	10.6%	12.0%

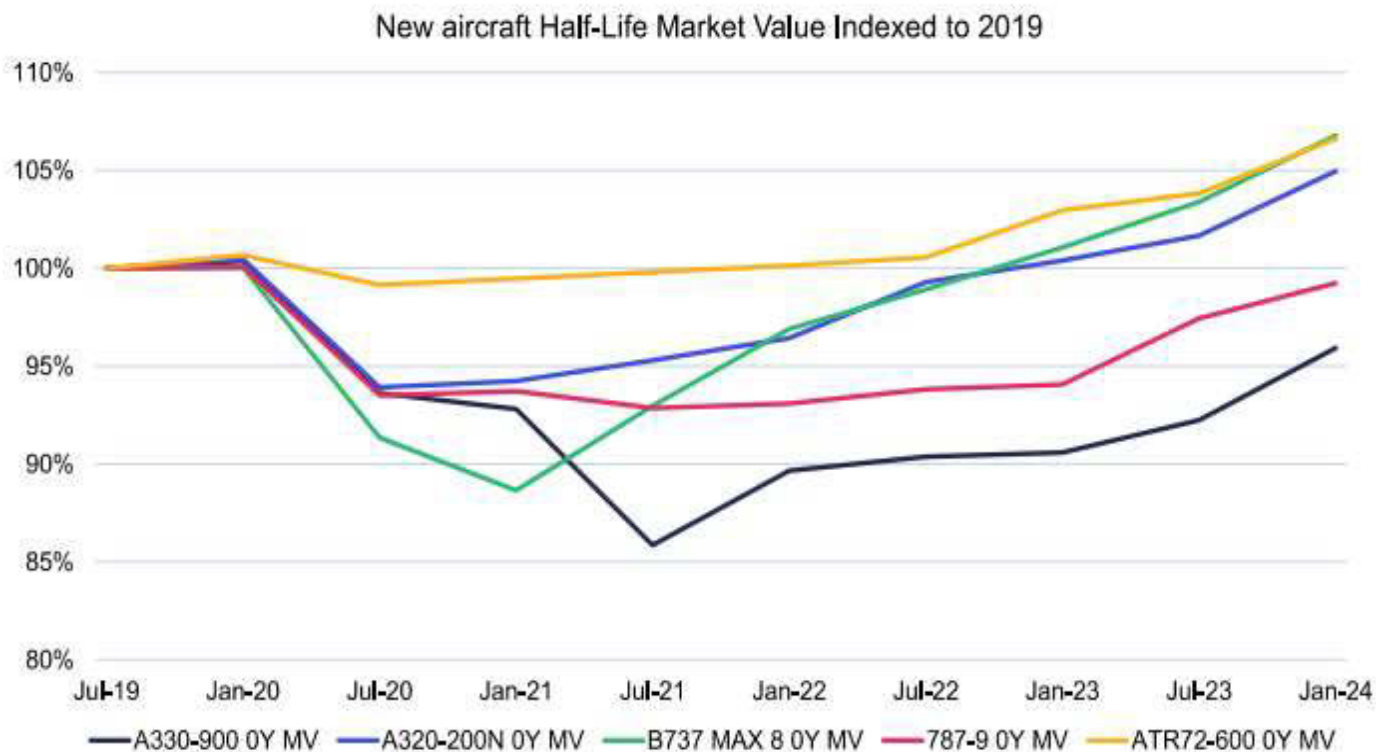
1% of industry RPKs in 2022

Source: IATA

Approx 76% of Avation's fleet are leased in Asia

ATR - Market value recovery

ATR72-600 and 737 Max 8 have strongest market value growth from mid 2019 to Jan 2024:



Source: IBA

ATR's have seen strong value recovery.

Outlook – Reducing debt cost

Powell says Fed still expects to make 3 interest rate cuts this year

Source: Financial Times – 5 February 2024



Avation is focused on reducing our debt cost as interest rates are considered to have peaked and are expected to reduce this year.

Outlook – carbon cost

The EU carbon price per tonne has risen about 6x in 10 years to **EUR 57** in Feb'24:



EU carbon price to **hit €400** mark with 90% climate goal: analysts

Source: Euractiv

(By 2040, so 6.7x in the next 16 years)

As the Carbon Price rises, low emission aircraft (ATR, A220) will become much more attractive.

Avation considering:

- **Purchase rights exercise**
- **Extending orderbook skyline**



Avation remains focused on fuel efficient, low Co2 emission aircraft opportunities to support sustainable aviation.

Aviation sector bounce back, especially Asia

Aircraft values are rising again

Take further steps to improve liquidity

Strategic alignment with low emissions

Positioned for market and fleet growth

Question & Answer Section

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