



Dubai Aerospace Enterprise



Investor Presentation

Results for the half year ended 30 June, 2018

10 August, 2018

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Strong financial performance; Improving metrics

- Revenue: \$711.4m
- Pre-Tax Profit: \$224.0: Margin: 31.5%
- Net Debt to Equity: 2.99x
- Available liquidity: \$1.5bn

Credit Ratings changes

- S&P: Corporate ratings upgrade to BB+
- Moody's: Outlook revised to positive

Strong Trading Environment

- Sale of a portfolio of 16 aircraft announced on 30 May
- Gains coming through financials starting in Q2
- Expect steady divestment in 2019

OEM Order

- Discussions ongoing
- Continuing disconnect between rental/purchase price

Newly created Office of President

- Focus on integrated decision making
- Responsibility for Origination, Trading, Technical & AIS

Financing Activity

- New unsecured RCF of up to \$800m (May 2018)
- Post Labor Day potential 144A or Sukuk

Assets ⁽¹⁾⁽²⁾	\$14.2bn of Aircraft Assets	375 Aircraft Total fleet
Fleet ⁽³⁾	56% Narrow bodies	37% Wide bodies
		7% ATR 72-600
Regional ⁽³⁾	Europe 18% Americas 15%	38% MEASA 29% Asia Pacific
Customers/ Countries ⁽²⁾	110 customers	56 countries
Net Debt / Equity ⁽⁴⁾	2.99x Net Debt / Equity	
Pre-Tax Profit Margin ⁽¹⁾	31.5%	
Corporate Ratings	Ba2 Outlook: Positive	BB+ Outlook: Stable

1. As of H1 2018

2. Combined fleet included owned, managed and committed aircraft

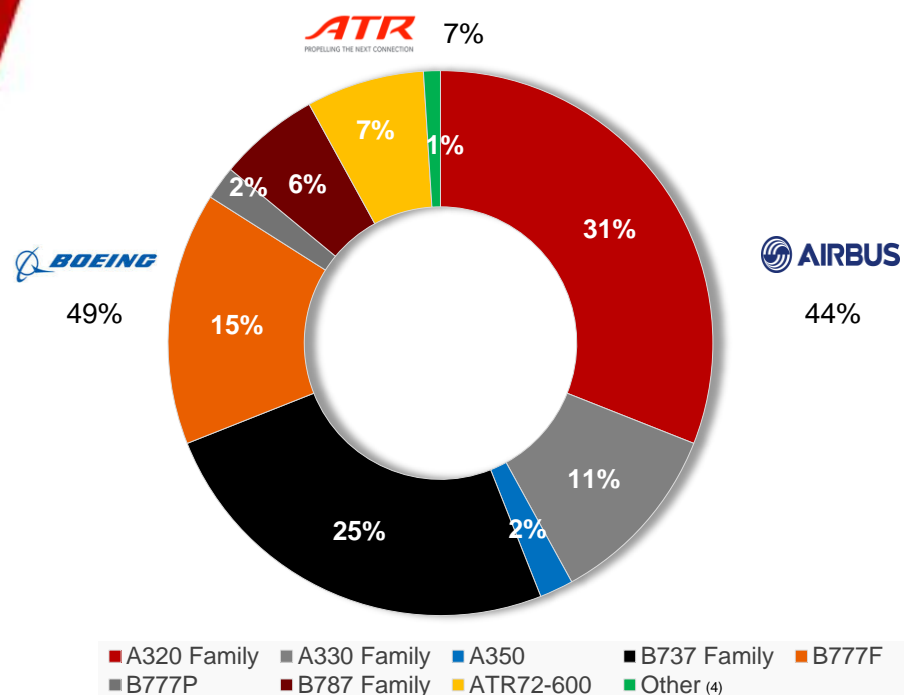
3. Weighted by Net Book Value ("NBV") of the owned fleet only (excluding held for sale aircraft)




4. Net debt/equity as at H1 2018 is calculated as total debt less unrestricted cash divided by shareholder's equity

Diversified and High Quality Portfolio



Fleet by Aircraft Type ⁽¹⁾



		Owned	Managed	Committed	Total	
	B737 family	89	17	4	110	
	B787	6	-	3	9	
	B777	3	1	-	4	
	B777F	12	-	-	12	
	B737 classics	-	3	-	3	
	B757-200	-	1	-	1	
	B767-300ER	1	3	-	4	
	B747-400	3	-	-	3	
	Boeing total	114	25	7	146	
	A320 family	121	15	6	142	
	A330-200	16	-	-	16	
	A330-300	13	-	-	13	
	A350-900	3	-	-	3	
	Airbus total	153	15	6	174	
		ATR72-600	50	-	5	55
	TOTAL	317	40	18	375	



Fleet Age⁽²⁾

6.1 years



Remaining Lease Term⁽²⁾

6.1 years



Passenger Aircraft ⁽²⁾

84%



Fleet Utilisation⁽³⁾

99.7%

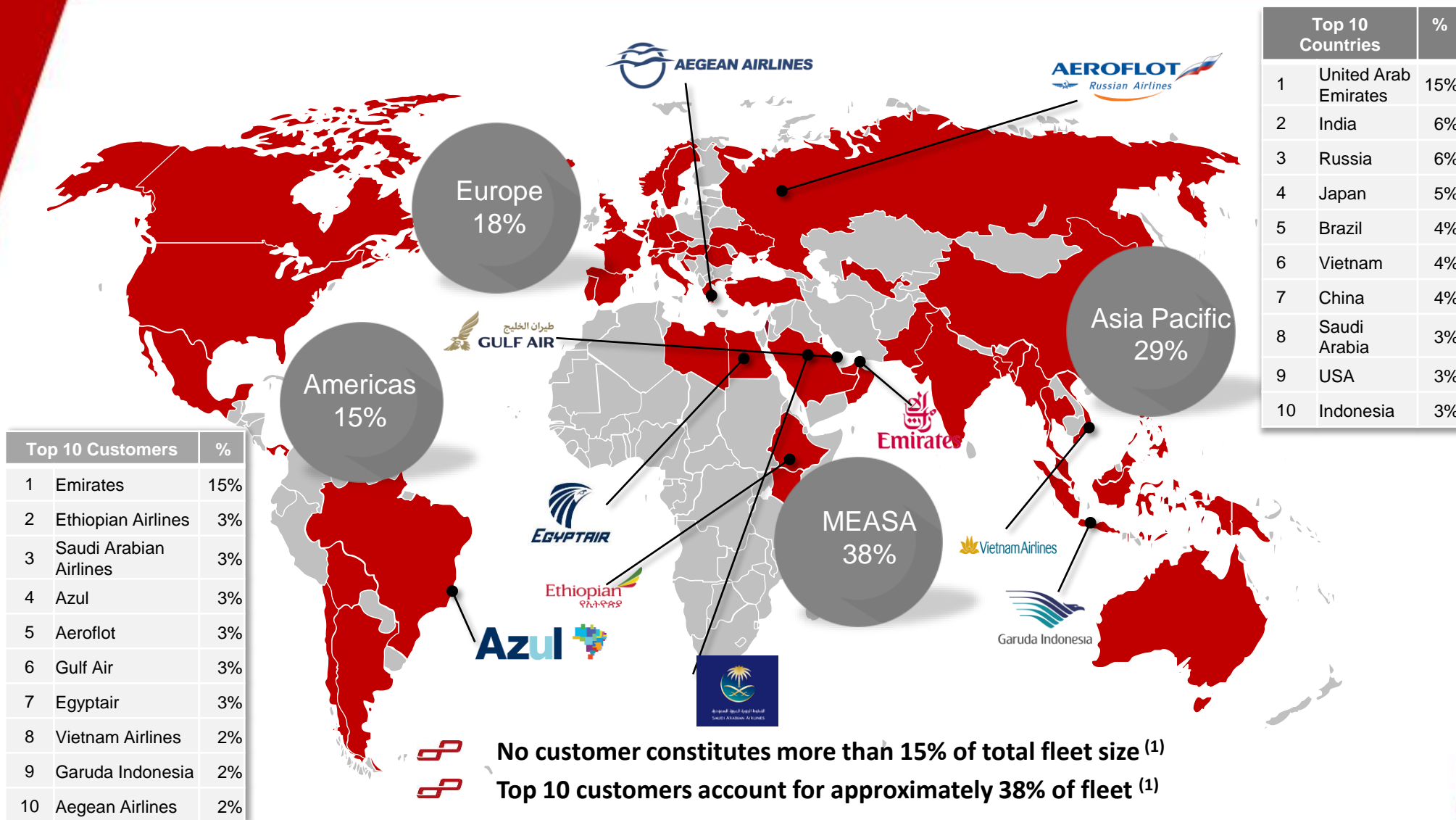
1. Weighted by NBV of the owned aircraft only and excludes held-for-sale aircraft.

2. All values weighted by NBV as of H1 2018 for owned fleet only (excludes managed and committed aircraft)

3. Fleet utilisation as at H1 2018 based on rentals

4. Other includes Boeing legacy aircraft

Global Customer Relationships



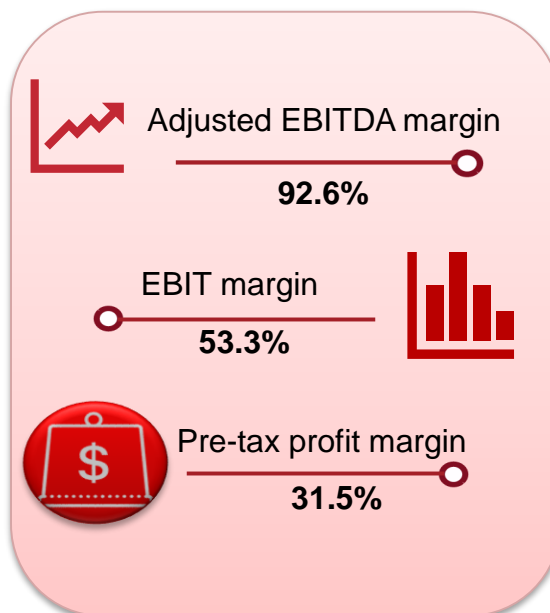
1. All values by NBV, as of 30 June, 2018. Includes owned aircraft only and excludes held-for-sale aircraft.
All figures are rounded for presentation purposes

Financial Highlights | H1 2018



Profit & Loss (USD \$m)	H1 2018	H1 2017	Variance
Total revenue	711.4	228.7	482.7
Total expenses	(332.2)	(130.6)	(201.6)
Profit from operating activities	379.2	98.1	281.1
Net finance costs	(155.2)	(55.5)	(99.7)
Profit before tax	224.0	42.6	181.4
Income tax (expense)/benefit	(28.8)	4.0	(32.8)
Profit for the period	195.2	46.6	148.6
Unrealised gain on interest rate hedges	4.6	0.4	4.2
Total comprehensive income for the period	199.8	47.0	152.8

Adjusted EBITDA (USD \$m)	H1 2018	H1 2017	Variance
Profit for the period	195.2	46.6	148.6
<i>Add back:</i>			
Net finance costs	155.2	55.5	99.7
Income tax expense/(benefit)	28.8	(4.0)	32.8
Depreciation and amortisation	279.4	84.1	195.3
Adjusted EBITDA	658.6	182.2	476.4



Note:

- H1 2018 results - results for the six months ended 30 June, 2018
- All figures are rounded for presentation purposes

Revenue breakdown

Revenue analysis (USD \$m)	H1 2018	H1 2017	Variance
Lease revenue	678.0	212.7	465.3
Maintenance revenue	10.5	0.0	10.5
Amortisation of lease incentive assets and other costs	(12.9)	(10.3)	(2.6)
Lease revenue	675.6	202.4	473.2
Engineering - Joramco	33.1	25.3	7.8
Other income	2.7	1.0	1.7
Total revenue	711.4	228.7	482.7

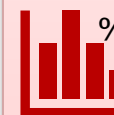
Top 5 lessee by lease revenue

- Top 5 lessees represent 28.6% of the portfolio based on lease revenue, Emirates represent 16.3% of lease revenue.
- Excluding Emirates, the next top 5 lessees represent 14.9% of the portfolio based on lease revenue.

% Fixed lease revenue



87.5%



% Revenue – Top 5 customers

28.6%



G&A as % of revenue

6.3%



Note:

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Expense breakdown

Expenses analysis (USD \$m)	H1 2018	H1 2017	Variance
Deprecation and amortisation	(279.4)	(84.1)	(195.3)
General and administrative expenses	(44.5)	(14.1)	(30.4)
Cost of providing engineering services	(21.6)	(18.2)	(3.4)
Aircraft maintenance	(5.2)	(2.3)	(2.9)
Gain/(loss) on disposal of aircraft	18.5	(11.9)	30.4
Total expenses	(332.2)	(130.6)	(201.6)

Trading

- During the period, DAE announced the sale of a portfolio of 16 aircraft with a market value of \$900m. At the end of June 2018, 5 of these aircraft were sold with an average age of 0.5 years.
- The portfolio of aircraft committed for sale includes Boeing 737, Airbus A320, A330, and A350 family aircraft.
- A further 3 older aircraft were sold in H1 2018. The average age of the 8 aircraft sold during the period was 7.8 years.

Portfolio sale of 16 aircraft

\$900m



Average age of aircraft sold

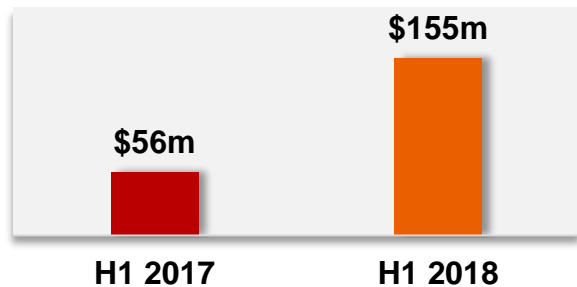
7.8 yrs



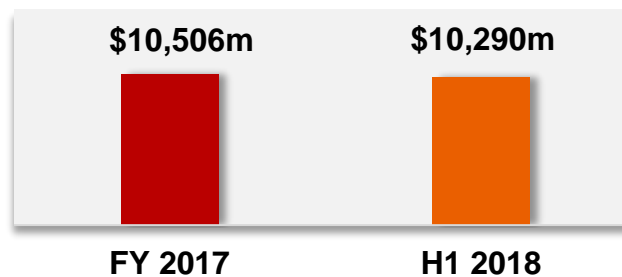
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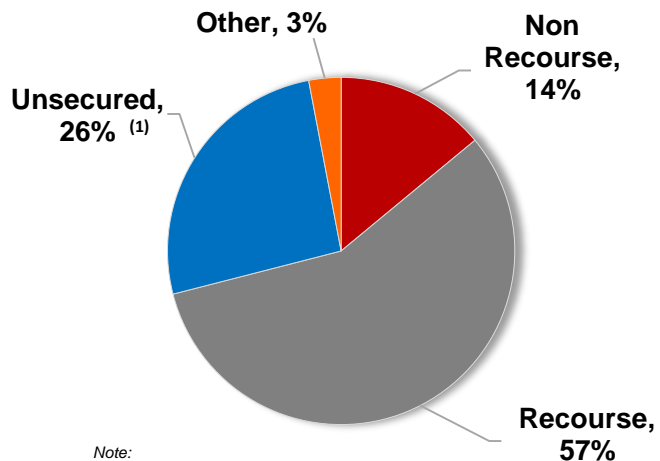
Net finance costs



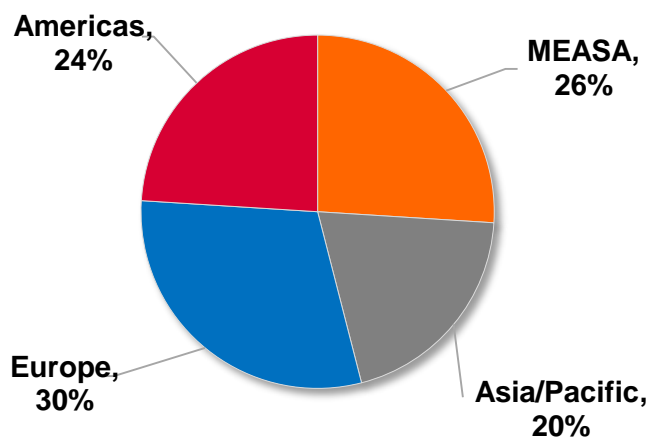
Total loans and borrowings



Loans and borrowings by source⁽¹⁾



Loans and borrowings by region



Note:

1. Unsecured includes revolving credit facilities.
2. Net debt/equity as at H1 2018 is calculated as total debt less unrestricted cash divided by shareholder's equity
3. As of H1 2018

- H 2018 results - results for the six months ended 30 June, 2018
- All figures are rounded for presentation purposes

Net Debt / Equity⁽²⁾



2.99x



Unencumbered aircraft⁽³⁾

65 aircraft

Total available liquidity⁽³⁾



c.\$1.5 billion



Unsecured as a % of debt⁽¹⁾

26%

Weighted average debt maturity⁽³⁾



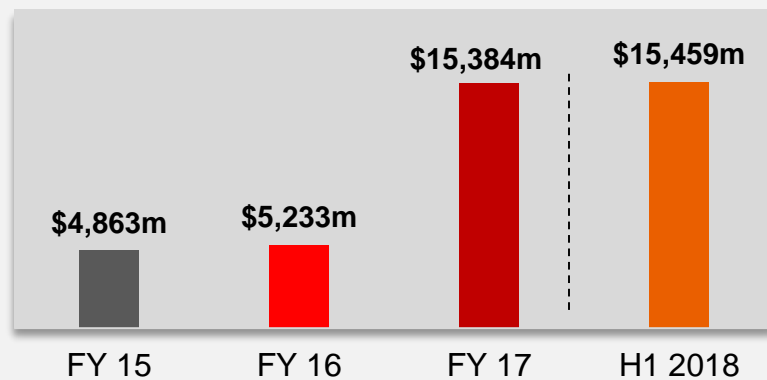
5.5 yrs



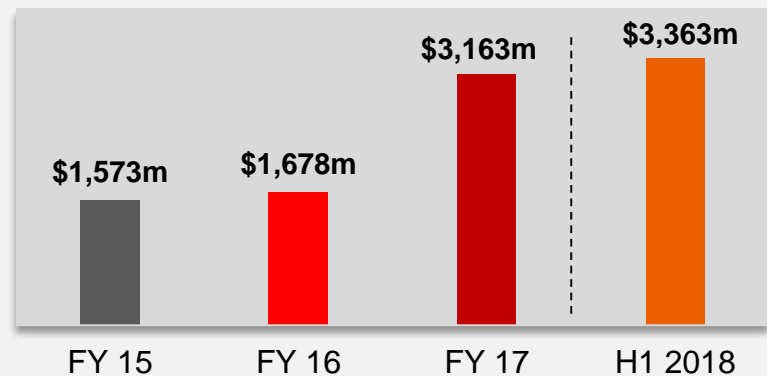
Historical Financial Highlights



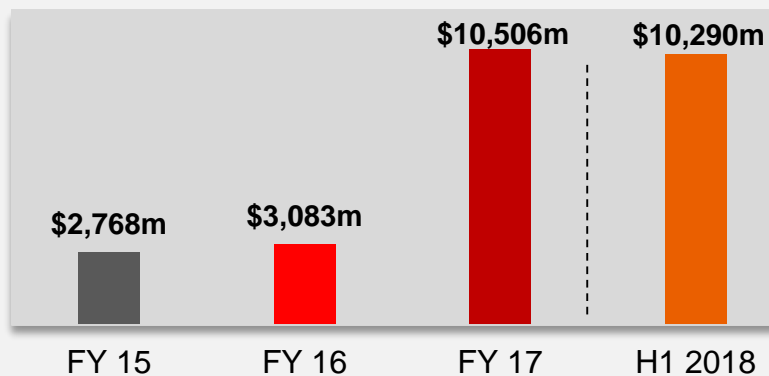
Total assets



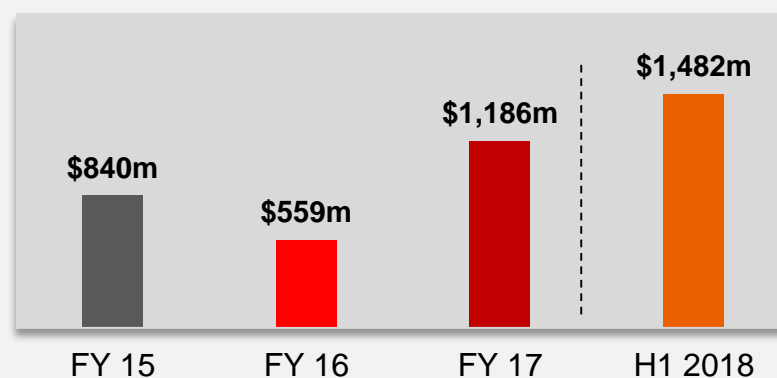
Total equity



Total loans and borrowings



Total liquidity



Note - Selected data above

- H1 2018 results - results for the six months ended 30 June, 2018
- Total liquidity includes available revolving credit facilities and total cash
- All figures are rounded for presentation purposes

GIVING WINGS TO AMBITIONS

