

DAR

Dubai Aerospace Enterprise



Investor Presentation

Full Year Results 2018

27 February, 2019

IMPORTANT NOTICE

This Presentation contains information that is proprietary and/or confidential in nature. Each recipient agrees (i) to treat this Presentation and the information contained herein in a confidential manner, (ii) to use this Presentation and such information only in connection with an evaluation of Dubai Aerospace Enterprise (DAE) Ltd (the "Company" or "DAE") and/or its subsidiaries and affiliates, and (iii) that this Presentation and such information shall not be divulged to any person or entity or reproduced, disseminated or disclosed by the recipient, directly or indirectly, in whole or in part, without the prior written consent of the Company.

Each recipient agrees not to (i) purchase or sell securities in violation of United States securities laws which, among other things, restrict any person who has material, non-public information about a company from purchasing or selling securities of such company (and options, warrants and rights relating thereto), or (ii) communicate such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

This Presentation is not intended as an offer to sell, or the solicitation of an offer to purchase, any security, the offer and/or sale of which can only be made by definitive offering documentation which will contain material information that is not set forth herein.

Nothing in this Presentation should be construed as a recommendation to invest in any securities that may be issued by DAE and/or any of its subsidiaries or affiliates or as legal, accounting, financial, tax or other advice. DAE is not acting as an advisor or fiduciary in any respect in connection with providing this Presentation.

Neither DAE nor any subsidiary or affiliate of DAE makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, including as to the accuracy of any estimates or projections. All opinions included in this Presentation constitute DAE's judgment as of the date of this Presentation and are subject to change at any time without notification and at the sole discretion of DAE. Although DAE reserves the right to modify, revise and reissue this Presentation, DAE undertakes no obligation to provide the recipient with access to any additional information or to update any information contained in this Presentation.

Cautionary Statement Concerning Forward-Looking Statements

Certain information contained in this Presentation may constitute "forward-looking statements" which can be identified by the use of forward-looking terminology such as "may", "will", "should", "could", "continue", "expect", "anticipate", "predict", "project", "plan", "estimate", "budget", "assume", "potential", "future", "intend" or "believe" or the negatives thereof or other comparable terminology. These statements reflect DAE's current expectations regarding future events, results or outcomes and are not guarantees of future results or financial condition. Actual results, performance, achievements or conditions may differ materially from those in the forward-looking statements as a result of a number of factors, many of which are beyond DAE's control.

Non-IFRS Financial Information

This Presentation may include certain non-IFRS financial information, such as Adjusted EBITDA, not prepared in accordance with IFRS. Because of the limitations of Adjusted EBITDA, it should not be considered as a substitute for financial information prepared or determined in accordance with IFRS, as applicable. Where applicable, DAE compensates for these limitations by relying primarily on its IFRS results and using Adjusted EBITDA only for supplemental purposes.

DAE At A Glance | December 2018



Scale Player	~US\$13 bn Aircraft Assets ⁽¹⁾		354 Aircraft ⁽¹⁾	
Fleet Diversification ⁽²⁾	53% Narrow Body	25% Wide Body Ex-B777F	15% B777F	7% ATR72-600
Customer Diversification	109 Airline Customers ⁽¹⁾		57 Countries ⁽¹⁾	
Regional split ⁽²⁾	14% Americas	18% Europe	41% MEASA	27% Asia Pacific
Strong Financial Metrics	30% Pre-tax Profit Margin		2.57x Net Debt-to-Equity	
Diversified Funding	~US\$9.3 bn Total Debt	77 Lenders	150+ Investors	18 Countries
Platform Excellence	~147 People In 6 Locations ⁽³⁾	Full Service All functions in-house	30+ Years Track Record	
Strategic Ownership	~96% Owned by Investment Corporation of Dubai ⁽⁴⁾		Based in DIFC Robust Legal Framework	
Corporate Rating	BBB+. Outlook: Stable KBRA	Ba1. Outlook: Stable Moody's	BB+. Outlook: Stable S&P	

1. Owned, managed, committed.

2. Weighted by NBV of the owned aircraft only and excludes held-for-sale and finance lease aircraft.

3. Excludes Joramco

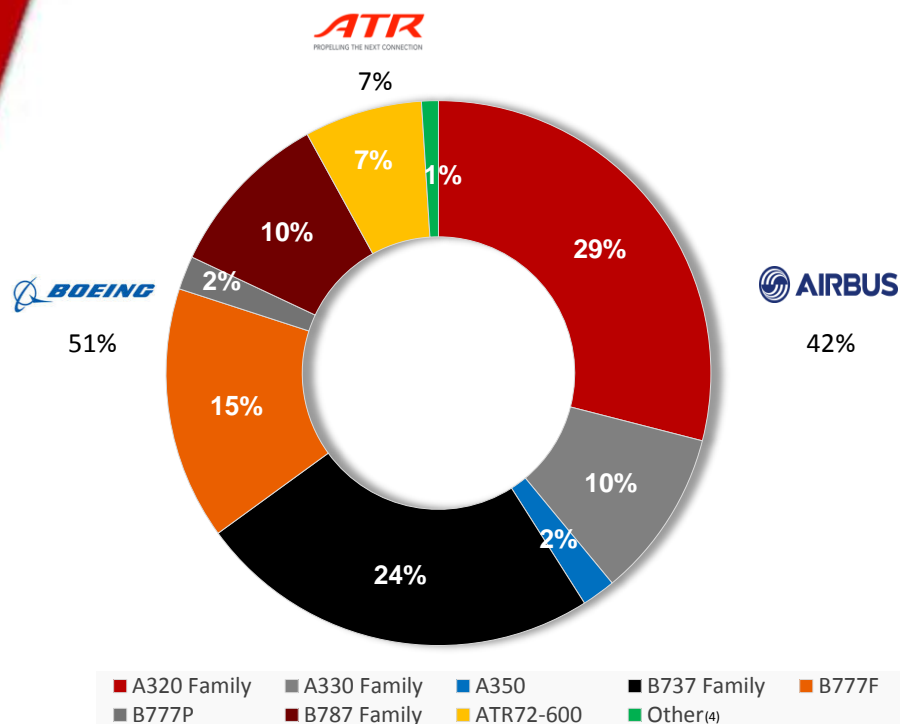
4. Includes consolidated ICD ownership



Diversified and High Quality Portfolio



Fleet by Aircraft Type ⁽¹⁾



	Owned	Managed	Committed	Total
AIRBUS				
A320 family	117	15	3	135
A330-200	16	-	-	16
A330-300	11	-	-	11
A350-900	2	-	-	2
Airbus total	146	15	3	164
BOEING				
B737 family	85	15	-	100
B787	9	-	-	9
B777	3	-	-	3
B777F	12	-	-	12
B737 classics	-	3	-	3
B757-200	-	1	-	1
B767-300ER	1	3	-	4
B747-400	3	-	-	3
Boeing total	113	22	-	135
ATR				
ATR72-600	53	-	2	55
TOTAL	312	37	5	354



Fleet Age⁽²⁾

6.2 years



Remaining Lease Term⁽²⁾

6.2 years



Passenger Aircraft⁽²⁾

84%



Fleet Utilisation⁽³⁾

100%

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

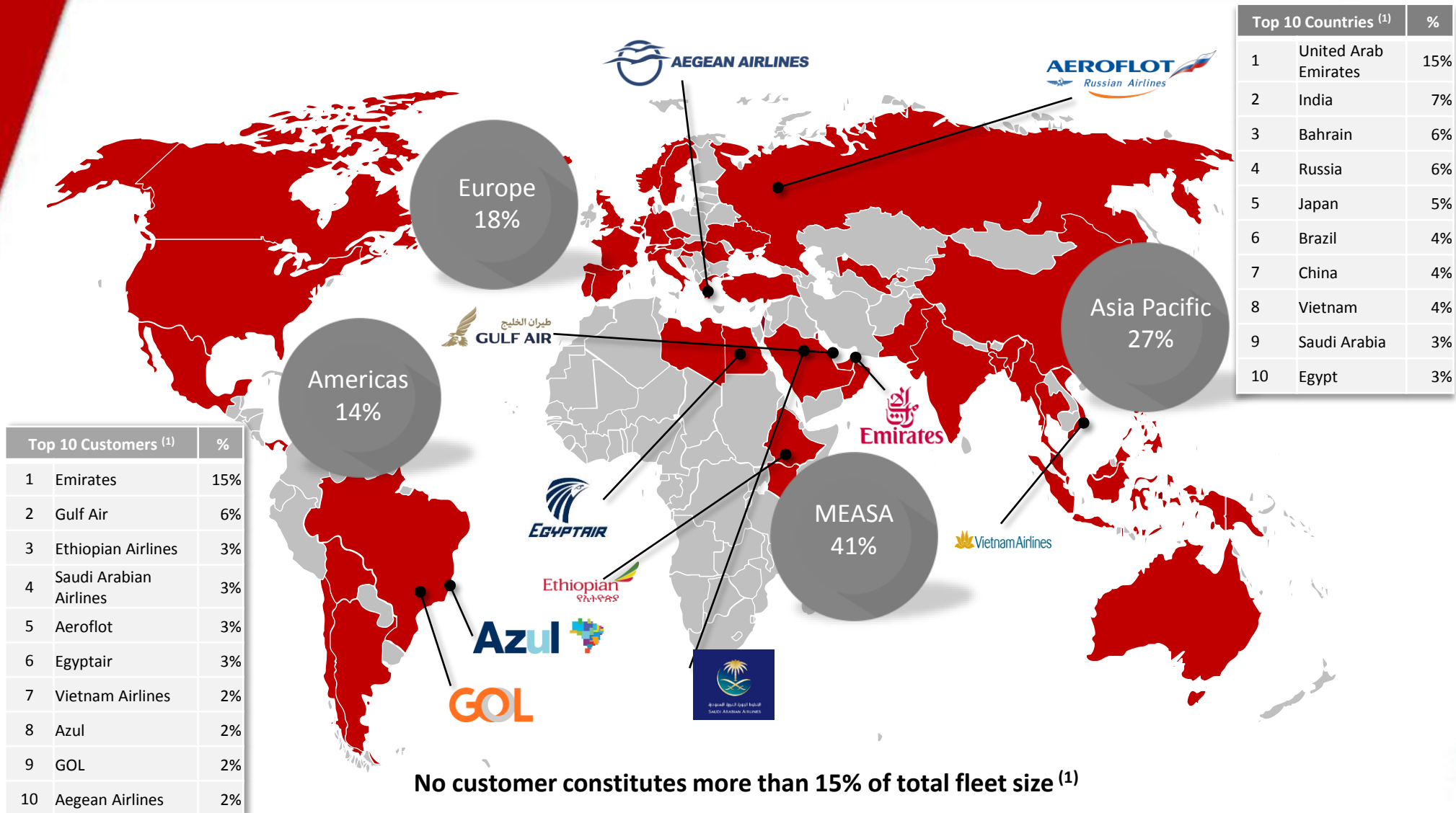
2. All values weighted by NBV as of 31 December, 2018 for owned fleet only (excludes managed and committed aircraft)

3. Fleet utilisation as at 31 December, 2018 based on rentals

4. Other includes Boeing legacy aircraft



Global Customer Relationships



1. All values by NBV, as of 31 December, 2018. Includes owned aircraft only and excludes held-for-sale and finance lease aircraft. All figures are rounded for presentation purposes

Financial Highlights | Full Year 2018



Profit & Loss (USD \$m)	FY 2018	FY 2017	Variance
Total revenue	1,436.6	845.8	590.8
Gain/(loss) on disposal of aircraft	52.1	(14.9)	67.0
Total expenses	(704.8)	(449.3)	(255.5)
Profit from operating activities	783.9	381.6	402.3
Net finance costs	(355.1)	(199.2)	(155.9)
Profit before tax	428.8	182.4	246.4
Income tax expense	(55.9)	(9.8)	(46.1)
Profit for the year	372.9	172.6	200.3

Adjusted EBITDA (USD \$m)	FY 2018	FY 2017	Variance
Profit for the year	372.9	172.6	200.3
<i>Add back:</i>			
Net finance costs	355.1	199.2	155.9
Income tax expense	55.9	9.8	46.1
Asset impairment	-	9.4	(9.4)
Depreciation and amortisation	563.8	307.1	256.7
Adjusted EBITDA	1,347.7	698.1	649.6

94%

Adjusted EBITDA margin

55%

EBIT margin

30%

Pre-tax profit margin

Note:

- FY 2018 results - results for the year ended 31 December, 2018
- All figures are rounded for presentation purposes



Revenue Breakdown

Revenue analysis (USD \$m)	FY 2018	FY 2017	Variance
Lease revenue	1,372.2	771.1	601.1
Maintenance revenue	20.7	36.4	(15.7)
Amortisation of lease incentive assets and other costs	(31.0)	(17.0)	(14.0)
Total lease revenue	1,361.9	790.5	571.4
Engineering maintenance revenue - Joramco	67.4	47.7	19.7
Other income	7.3	7.6	(0.3)
Total revenue	1,436.6	845.8	590.8

89%

% Fixed lease revenue

28%

% Revenue – Top 5 customers

Gain/(loss) on Disposal of Aircraft

(USD \$m)	FY 2018	FY 2017	Variance
Gain/(loss) on disposal of aircraft	52.1	(14.9)	67.0

26

Number of aircraft sold

7.5 years

Average age of aircraft sold

Note:

- FY 2018 results - results for the year ended 31 December, 2018
- All figures are rounded for presentation purposes

Expense Breakdown

6%

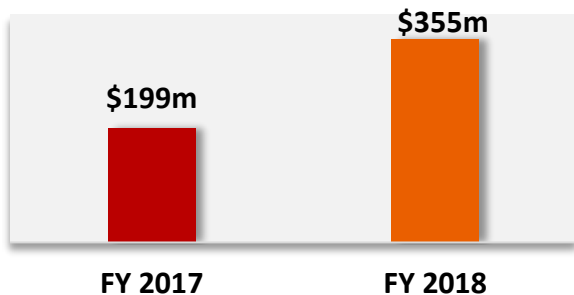
G&A as % of revenue

Expenses analysis (USD \$m)	FY 2018	FY 2017	Variance
Depreciation and amortisation	(563.8)	(307.1)	(256.7)
General and administrative expenses	(90.1)	(80.4)	(9.7)
Cost of providing engineering services	(44.4)	(34.4)	(10.0)
Aircraft maintenance	(6.5)	(18.0)	11.5
Asset impairment	-	(9.4)	9.4
Total expenses	(704.8)	(449.3)	(255.5)

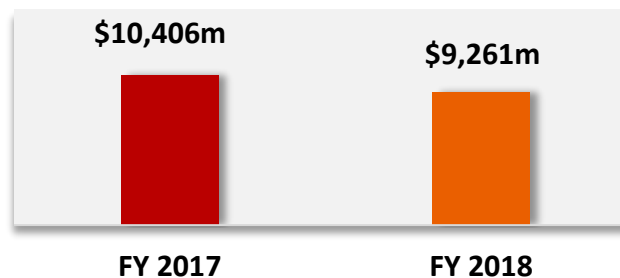
Note:

- FY 2018 results - results for the year ended 31 December, 2018
- All figures are rounded for presentation purposes

Net Finance Costs



Loans and Borrowings



2.57x

Net debt / equity ⁽²⁾

138

Unencumbered aircraft ⁽³⁾

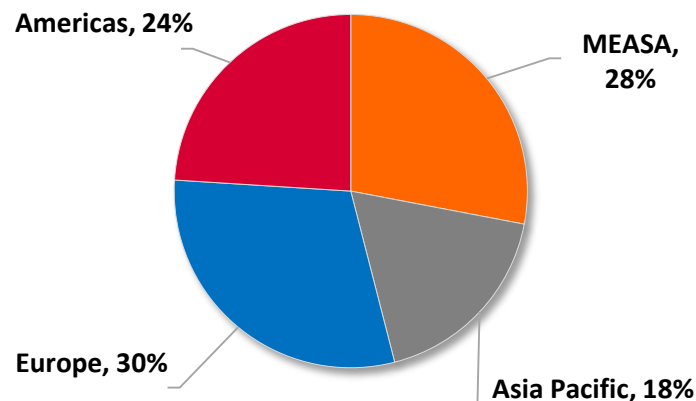
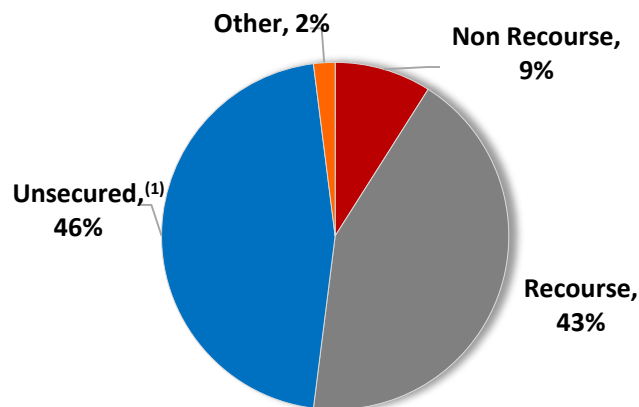
46%

Unsecured as a % of debt ⁽¹⁾

~\$1.6bn

Total available liquidity⁽⁴⁾

Loans and Borrowings by Source and Region



Note:

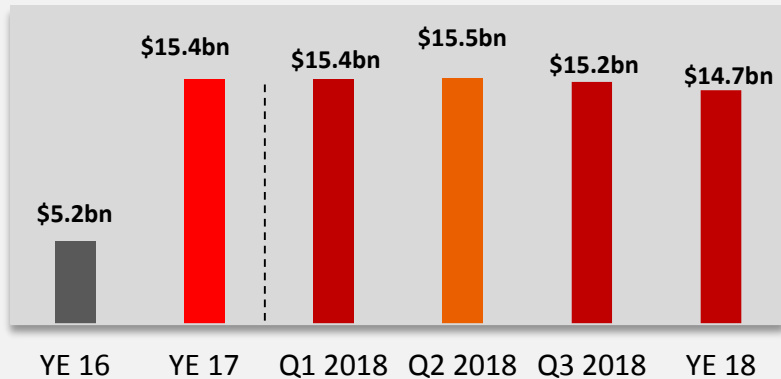
1. Unsecured includes revolving credit facilities.
2. Net debt/equity as at FY 2018 is calculated by dividing net loans and borrowings less cash and cash equivalent by total equity.
3. As of 31 December 2018
4. Total available liquidity includes available revolving credit facilities and cash and cash equivalents

- FY 2018 results - results for the year ended 31 December, 2018
- All figures are rounded for presentation purposes

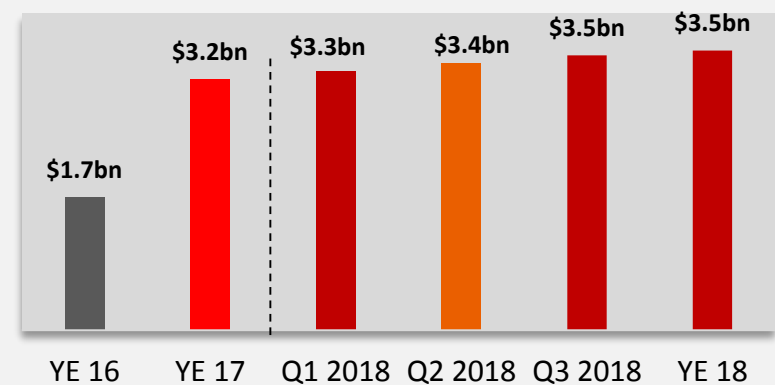
Historical Financial Highlights



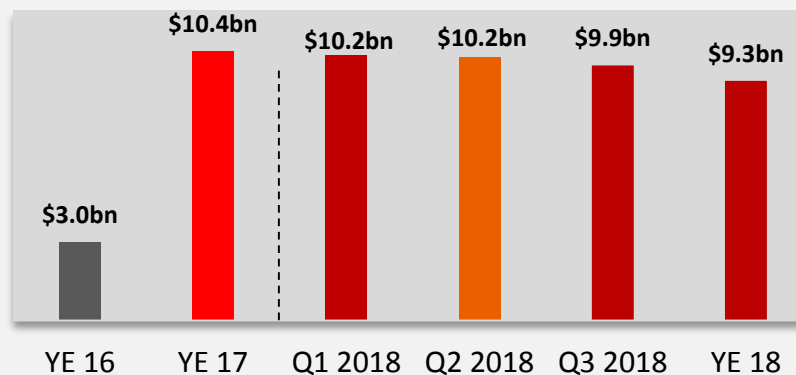
Total Assets



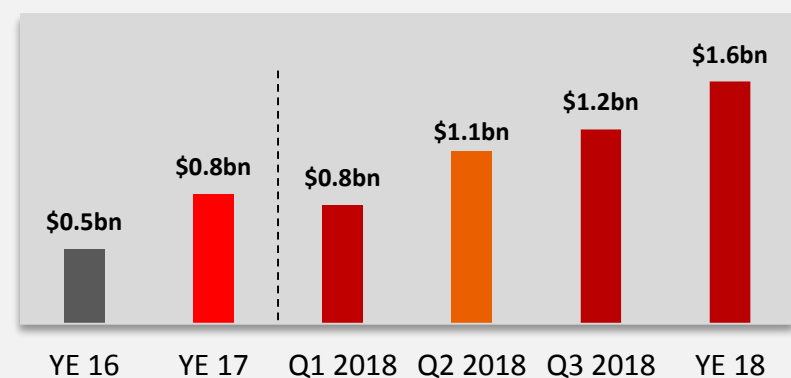
Total Equity



Total Loans and Borrowings



Total Available Liquidity



Note - Selected data above

- YE 18 results - results for the year ended 31 December, 2018
- Total available liquidity includes available revolving credit facilities and cash and cash equivalents
- All figures are rounded for presentation purposes



GIVING WINGS TO AMBITIONS

