



*Dubai Aerospace Enterprise*



# Investor Presentation

Results for the six months ended June 30, 2020

August 5, 2020

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# DAE At A Glance



Scale Player <sup>(1)</sup>	~US\$15bn Aircraft Assets		~400 Aircraft	
Fleet Diversification <sup>(2)</sup>	49% Narrow Body	29% Wide Body Ex-B777F	14% B777F	8% ATR72-600
Customer Diversification <sup>(3)</sup>	112 Airline Customers		55 Countries	
Customer Support <sup>(4)</sup>	34 Airlines Rent Deferrals Granted		16% Rent Deferrals - % of Revenue	
Strong Financial Metrics <sup>(5)</sup>	20% Pre-tax Profit Margin	9% Pre-tax ROE	2.51x Net Debt-to-Equity	
Funding and Liquidity <sup>(5)</sup>	US\$7.8bn Total Debt	62% Unsecured Debt	US\$2.8bn Available Liquidity	
Platform Excellence	~150 People In 6 Locations <sup>(6)</sup>	Full Service All functions in-house	~35 Years Track Record	
Strategic Ownership	100% Owned by Investment Corporation of Dubai <sup>(7)</sup>		Based in DIFC Robust Legal Framework	
Senior Unsecured Rating	BBB- Outlook: Negative Fitch	BBB+ Outlook: Negative KBRA	Baa3 Outlook: Negative* Moody's	BB+ Outlook: Stable S&P

1. Owned, managed, committed and mandated to manage aircraft, as of June 30, 2020

2. Weighted by Ascend half life CMV of the owned aircraft, as of June 30, 2020

3. Owned, managed and committed aircraft, as of June 30, 2020

\* Under review for downgrade

4. As of July 31, 2020

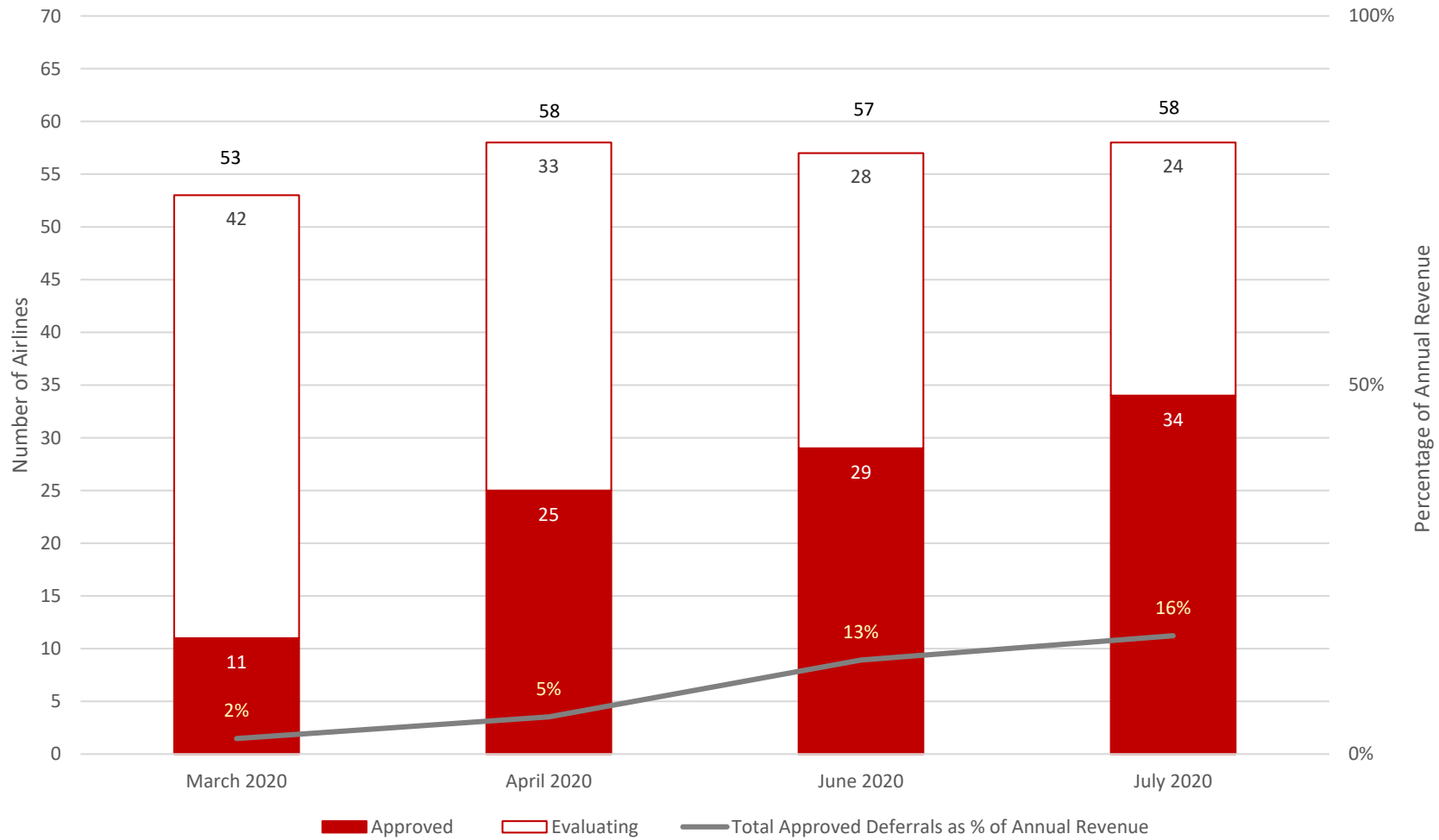
5. As of June 30, 2020

6. Excludes Joramco

7. Includes consolidated ICD ownership



# COVID-19 | Lease Rental Deferrals



1. Sources: DAE internal database.
2. Annual Revenue is defined as Lease Revenue
3. Owned fleet



# COVID-19 | Impact on Lessors



## Summary of Airline Restructurings, Bankruptcies or other Disruptions / Amendments to Operations in 2020 YTD

Date	Airline	Country	Type of Procedure	Owned Fleet	Leased Fleet	Total Fleet
11-Feb-20	Air Italy		Bankruptcy	0	20	20
17-Feb-20	Atlasglobal		Operations Ceased	1	14	15
05-Mar-20	Flybe		Bankruptcy	27	47	74
01-Apr-20	Trans States Airlines		Operations Ceased	3	45	48
06-Apr-20	RavnAir		Bankruptcy	2	9	11
07-Apr-20	Compass Airlines		Operations Ceased	44	0	44
07-Apr-20	Germanwings		Operations Ceased	0	9	9
14-Apr-20	South African Airways		Potential Closure	15	36	51
17-Apr-20	Cityjet		Examinership	0	6	6
17-Apr-20	Bek Air		AOC Revoked	10	0	10
21-Apr-20	Virgin Australia		Vol. Admin.	58	74	132
23-Apr-20	Air Mauritius		Vol. Admin.	6	7	13
23-Apr-20	German Airways		Bankruptcy	0	16	16
04-May-20	Norwegian		Vol. Restructuring	2	159	161
05-May-20	Comair (South Africa)		Vol. Admin.	10	11	21
11-May-20	Avianca		Ch. 11 Restructuring	98	69	167
20-May-20	Thai Airways		Restructuring	75	25	100
20-May-20	TAME		Closed by Owner (Govt.)	5	3	8

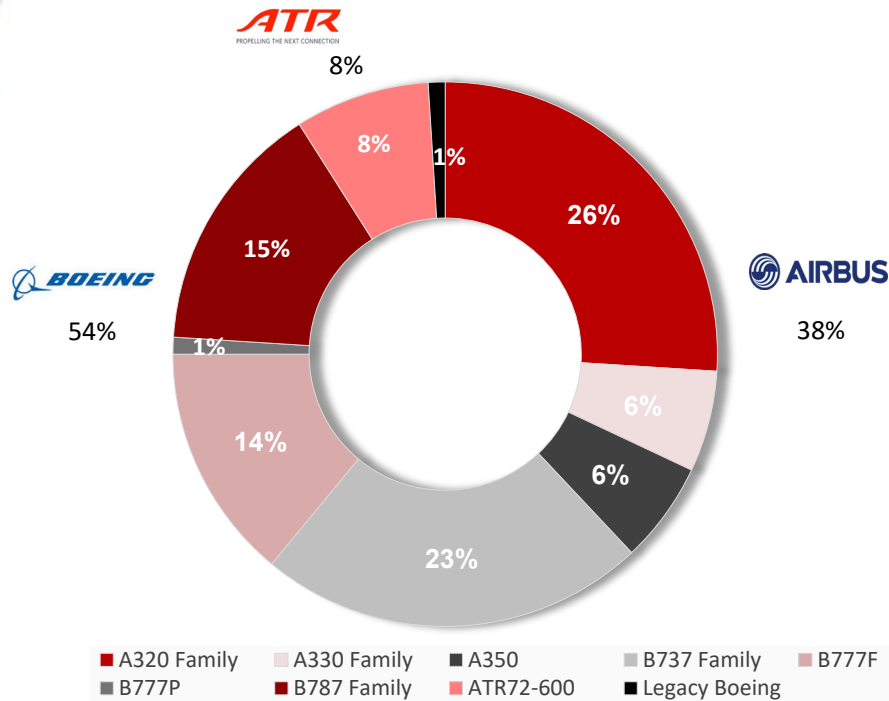
Date	Airline	Country	Type of Procedure	Owned Fleet	Leased Fleet	Total Fleet
28-May-20	LATAM		Ch. 11 Restructuring	224	107	331
18-Jun-20	Level Europe		Filed for Insolvency	0	6	6
27-Jun-20	LIAT		Potential Liquidation	3	7	10
01-Jul-20	Aeromexico		Ch. 11 Restructuring	32	100	132
01-Jul-20	Jet Time		Bankruptcy	0	10	10
09-Jul-20	Blue Air		Vol. Restructuring	5	16	21
13-Jul-20	Level France		Cease Operations	2	1	3
30-Jul-20	Nok		Restructuring	3	21	24
<b>TOTAL</b>				<b>671</b>	<b>798</b>	<b>1,469</b>

#	Top 20 Impacted Lessors 1->10	# Aircraft	CMV	#	Top 20 Impacted Lessors 11->20	# Aircraft	CMV
1	Lessor A	61	\$4.0bn	11	Lessor K	70	\$0.6bn
2	Lessor B	62	\$2.5bn	12	Lessor L	4	\$0.5bn
3	Lessor C	48	\$1.9bn	13	Lessor M	15	\$0.4bn
4	Lessor D	40	\$1.8bn	14	Lessor N	4	\$0.4bn
5	Lessor E	18	\$1.2bn	15	Lessor O	14	\$0.4bn
6	Lessor F	15	\$0.8bn	16	Lessor P	17	\$0.4bn
7	Lessor G	26	\$0.7bn	17	Lessor Q	26	\$0.3bn
8	Lessor H	25	\$0.7bn	18	Lessor R	4	\$0.3bn
9	Lessor I	22	\$0.6bn	19	Lessor S	14	\$0.3bn
10	Lessor J	21	\$0.6bn	20	DAE CAPITAL	14	\$0.3bn

Sources: Fleet data source: Ascend Fleets download as of 01 Jan 2020 (to establish pre-bankruptcy fleets and ownership). Fleet HLCMV download as of 01 Jul 2020 (to establish current value levels)  
Leased Fleet refers to aircraft belonging to operating lessors as identified by Ascend; owned fleet may include aircraft on finance lease



## Fleet by Aircraft Type <sup>(1)</sup>



	Owned	Managed	Committed	Total
<b>AIRBUS</b>				
A320 family	97	36	-	133
A330-200	15	1	-	16
A330-300	8	3	-	11
A350-900	4	-	-	4
<b>Airbus Total</b>	<b>124</b>	<b>40</b>	<b>-</b>	<b>164</b>
<b>BOEING</b>				
B737 family	73	25	-	98
B787	12	-	-	12
B777	3	-	-	3
B777F	12	-	1	13
Legacy Boeing	2	4	-	6
<b>Boeing Total</b>	<b>102</b>	<b>29</b>	<b>1</b>	<b>132</b>
<b>ATR</b>				
ATR72-600	53	2	-	55
<b>TOTAL</b>	<b>279</b>	<b>71</b>	<b>1</b>	<b>351</b>



Fleet Age <sup>(1)</sup>

6.3 years



Remaining Lease Term <sup>(1)</sup>

6.1 years



Passenger Aircraft <sup>(1)</sup>

85%

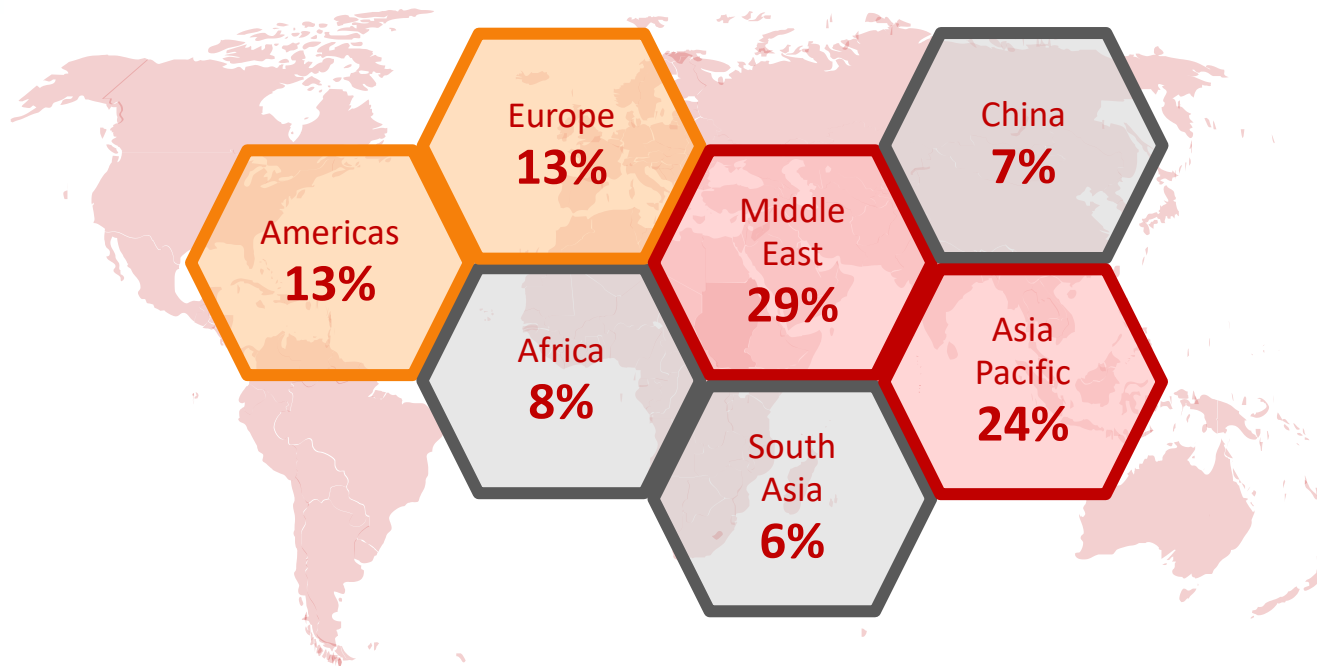


Fleet Utilization <sup>(2)</sup>

99.2%

1. Weighted by Ascend half life CMV as of June 30, 2020 for owned fleet only

2. Fleet utilisation as at June 30, 2020 based on rentals



## Top 10 Customers <sup>(1)</sup>

1. Emirates	13.0%
2. Gulf Air	8.5%
3. Fiji Airways	3.7%
4. Hainan Airlines	3.1%
5. Ethiopian Airlines	3.1%
6. Saudi Arabian Airlines	3.0%
7. Vietnam Airlines	2.9%
8. Egyptair	2.8%
9. GOL Linhas Aereas	2.5%
10. Aeroflot	2.2%

## Top 10 Countries <sup>(1)</sup>

1. United Arab Emirates	13.0%
2. Bahrain	8.5%
3. China	6.7%
4. India	5.9%
5. Russia	4.8%
6. Brazil	4.6%
7. Japan	4.5%
8. Saudi Arabia	4.0%
9. Vietnam	3.9%
10. Fiji	3.7%

1. Weighted by Ascend half life CMV of the owned aircraft, as of June 30, 2020

Profit & Loss (US\$ million)	H1 2020	H1 2019	Variance	Variance %
Total revenue	672.6	735.2	(62.6)	(8.5)%
Gain on disposal of aircraft	9.9	33.2	(23.3)	(70.2)%
Total expenses	(377.9)	(367.1)	(10.8)	2.9%
<b>Operating profit</b>	<b>304.6</b>	<b>401.3</b>	<b>(96.7)</b>	<b>(24.1)%</b>
Net finance costs	(172.7)	(188.2)	15.5	(8.2)%
<b>Profit before tax</b>	<b>131.9</b>	<b>213.1</b>	<b>(81.2)</b>	<b>(38.1)%</b>
Income tax expense	(10.2)	(16.0)	5.8	(36.3)%
<b>Profit for the period</b>	<b>121.7</b>	<b>197.1</b>	<b>(75.4)</b>	<b>(38.3)%</b>

Adjusted EBITDA (US\$ million)	Q1 2020	Q1 2019	Variance	Variance %
Profit for the period	121.7	197.1	(75.4)	(38.3)%
<i>Add back:</i>				
Net finance costs	172.7	188.2	(15.5)	(8.2)%
Income tax expense	10.2	16.0	(5.8)	(36.3)%
Depreciation and amortization	279.9	287.1	(7.2)	(2.5)%
<b>Adjusted EBITDA</b>	<b>584.5</b>	<b>688.4</b>	<b>(103.9)</b>	<b>(15.1)%</b>

**96%**

% Fixed lease revenue

**33%**

% Revenue – Top 5 customers

**6%**

G&A as % of revenue

**87%**

Adjusted EBITDA margin

*Note:*

- H1 2020 results - results as at June 30, 2020
- All figures are rounded for presentation purposes



Balance sheet (US\$ million)	H1 2020	Q4 2019	Variance	Variance %
Aircraft held for lease	11,126.7	11,310.0	(183.3)	(1.6)%
Aircraft held for sale	-	293.4	(293.4)	(100.0)%
Notes receivable	-	810.4	(810.4)	(100.0)%
Trade and other receivables	189.3	69.1	120.2	174.0%
Cash and cash resources	723.9	366.0	357.9	97.8%
Other assets	650.4	688.2	(37.8)	(5.5)%
<b>Total assets</b>	<b>12,690.3</b>	<b>13,537.1</b>	<b>(846.8)</b>	<b>(6.3)%</b>
Equity	2,867.5	3,053.6	(186.1)	(6.1)%
<b>Total equity</b>	<b>2,867.5</b>	<b>3,053.6</b>	<b>(186.1)</b>	<b>(6.1)%</b>
Loans & borrowings	7,821.9	8,295.5	(473.6)	(5.7)%
Maintenance reserves and security deposits	1,290.7	1,331.8	(41.1)	(3.1)%
Other liabilities	710.2	856.2	(146.0)	(17.1)%
<b>Total liabilities</b>	<b>9,822.8</b>	<b>10,483.5</b>	<b>(660.7)</b>	<b>(6.3)%</b>
<b>Total equity &amp; liabilities</b>	<b>12,690.3</b>	<b>13,537.1</b>	<b>(846.8)</b>	<b>(6.3)%</b>

**US\$814m**

Repayment of Notes receivable

**US\$250m**

Share repurchases

**US\$187m**

Bond repurchases

Note:

- H1 2020 results - results as at June 30, 2020
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## Debt Outstanding

Loans and borrowings (US\$ million)	H1 2020	Undrawn
Senior unsecured notes	2,667.1	-
Senior unsecured loans	1,417.8	-
Senior unsecured RCFs	808.1	2,199.0
<b>Total unsecured</b>	<b>4,893.0</b>	<b>2,199.0</b>
Recourse loans	2,649.1	-
Non-recourse loans	160.9	-
Secured term loans	193.3	-
<b>Total secured</b>	<b>3,003.3</b>	-
Capitalised issuance costs	(74.4)	-
<b>Net loans and borrowings</b>	<b>7,821.9</b>	<b>2,199.0</b>

**4.1%**

Average cost of debt

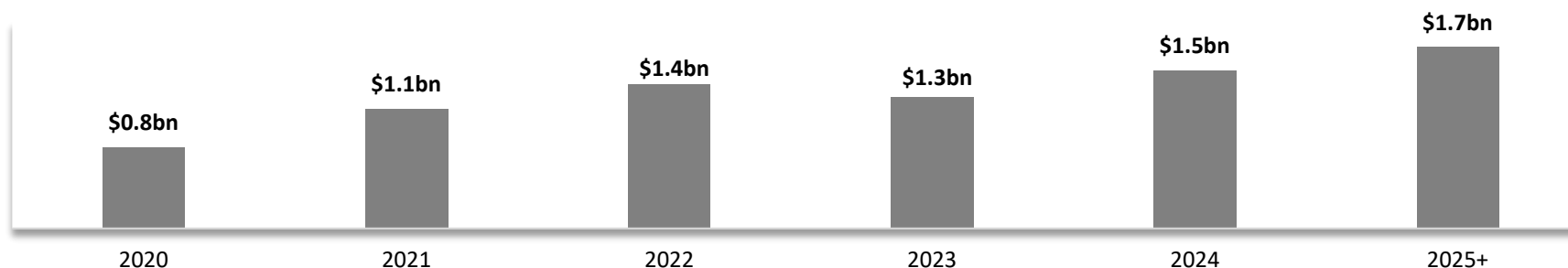
**171**

Unencumbered aircraft

**US\$6.5bn**

NBV Unencumbered aircraft

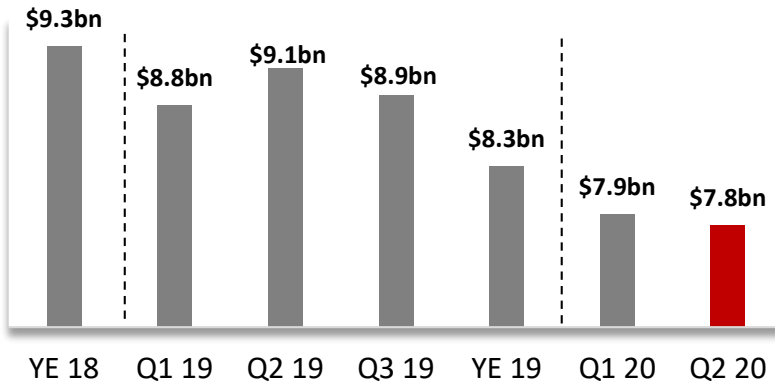
## Debt Maturity Profile



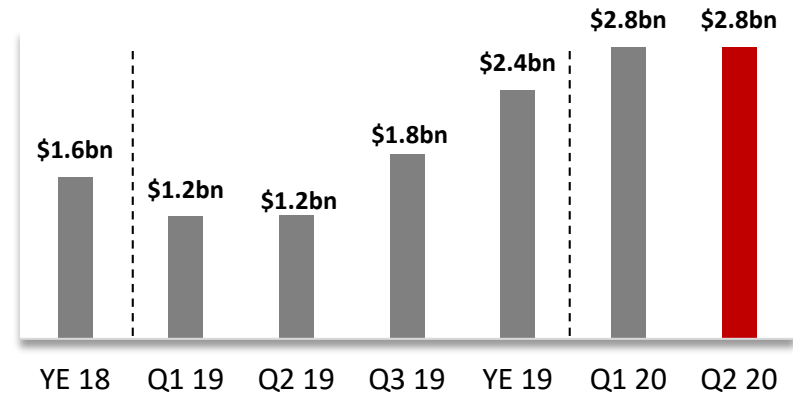
Note:

- H1 2020 results - results as at June 30, 2020
- All figures are rounded for presentation purposes

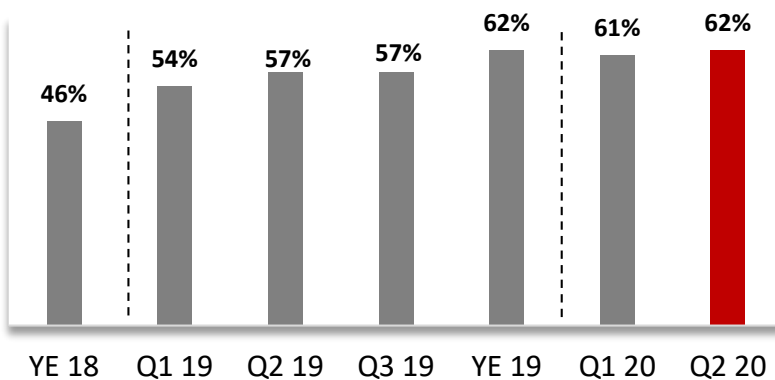
## Total Loans and Borrowings



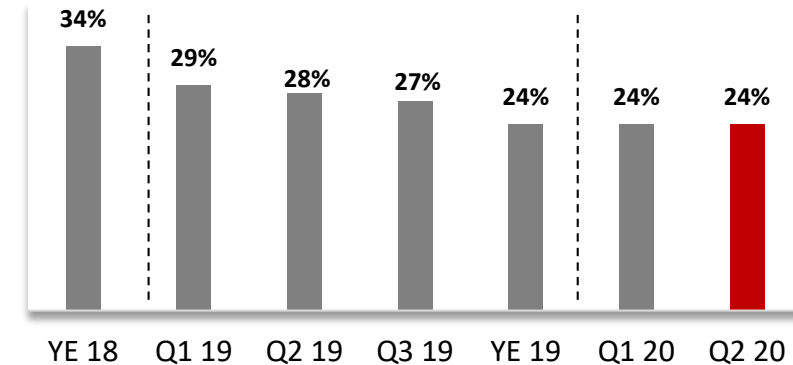
## Total Available Liquidity



## Unsecured Debt as a % Total Debt



## Secured Debt as a % Total Assets

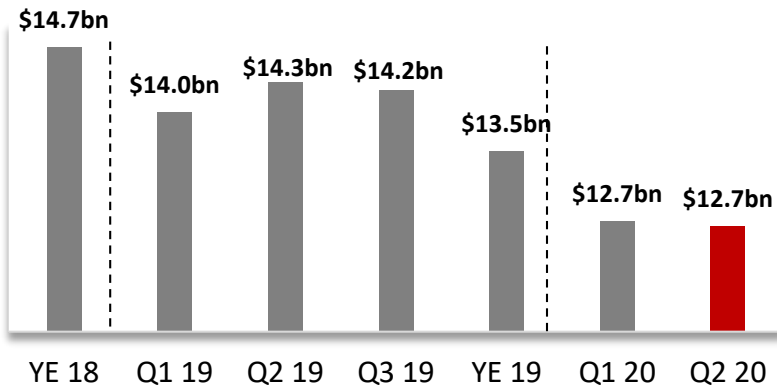


Note - Selected data above

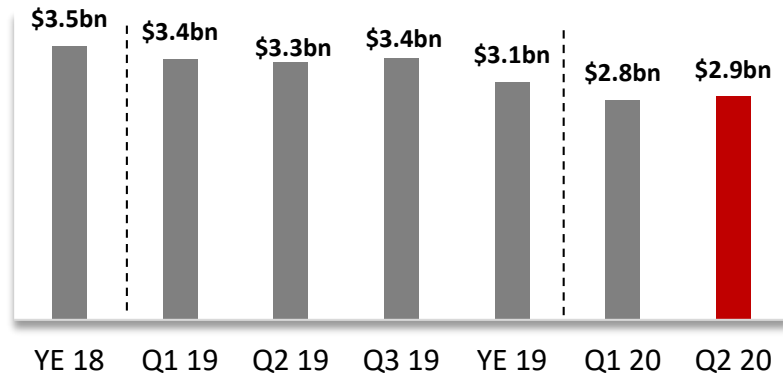
- Q2 2020 results - results for the 3 months ended June 30, 2020
- All figures are rounded for presentation purposes

- Total available liquidity includes available revolving credit facilities and cash and cash equivalents
- \$ = US\$

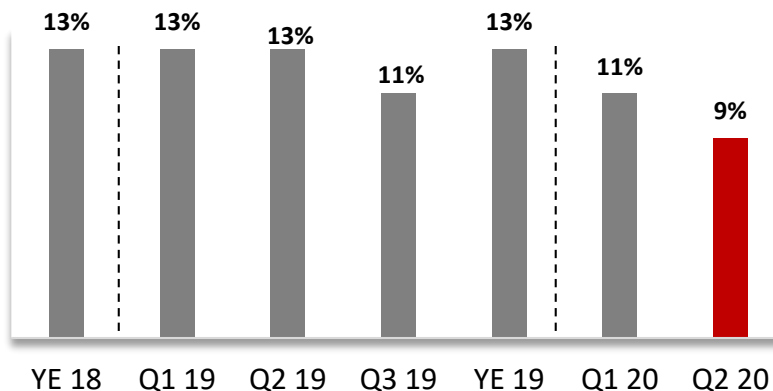
## Total Assets



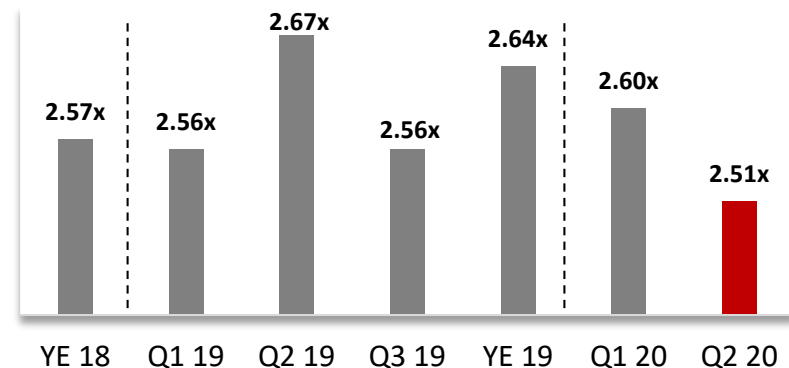
## Total Equity



## Pre-Tax Return on Equity



## Net Debt-to-Equity



Note - Selected data above

- Q2 2020 results - results for the 3 months ended June 30, 2020
- All figures are rounded for presentation purposes

• \$ = US\$

# GIVING WINGS TO AMBITIONS

