

avation PLC

LSE: AVAP



Corporate Presentation

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Company Overview

avation

About us

- Singapore HQ
- Listed on LSE
- US\$ Earnings/Assets



Current fleet

- 40 narrowbody aircraft (16 jet/24 turboprop)
- Asia/Pacific & Europe focus

Visible growth

- 38 ATR 72-600 orders/options



1st Half Financial Year 2017 Results Summary



Lease Revenue

US\$45.1 million

+43% YoY

Operating Profit (EBIT)

US\$27.6 million

+54% YoY

Total Profit after Tax

US\$7.4 million

+54% YoY

Earnings per Share

US 12.9 cents

+46% YoY

Operating Cashflow

US\$31.1 million

+65% YoY

Total Assets

US\$969.4 million

+53% YoY

1st Half Financial Year 2017

Operational Highlights



Growth, Diversification and Renewal

- Five new A321 aircraft delivered, three aircraft sold
- VietJet sale & leaseback delivery programme completed
- Five oldest aircraft in fleet (Fokker 100) converted to finance lease

Fleet metrics

- Weighted average fleet age decreased to 2.8 years
- Weighted average lease term increased to 7.8 years
- Fleet utilization at 100%

Funding

- GMTN unsecured debt provided capital for fleet growth
- Ratings upgrade December 2016: S&P rating B+, Outlook Stable; Senior Unsecured Notes B

Profitability Review



Operating Profit Margin

61%

Growth: 4%

Administrative Expense

\$3.9 million

Growth 6.2%

Average Cost of Debt*

4.9%

HY 2016: 4.9%

Profit Before Tax

\$8.4 million

Growth 51%

Administrative Expense/ Lease Revenue

8.7%

HY 2016: 11.8%

Average Cost of Secured Debt*

4.5%

HY 2016: 4.2%

* Weighted average as at 31 December 2016

Aircraft Leasing Industry

- Trend towards 1 in 2 aircraft being owned by lessors
- Lessors are a key source of aircraft finance
- Over 39,000 new aircraft projected to be delivered by 2035¹

Global Passenger Traffic

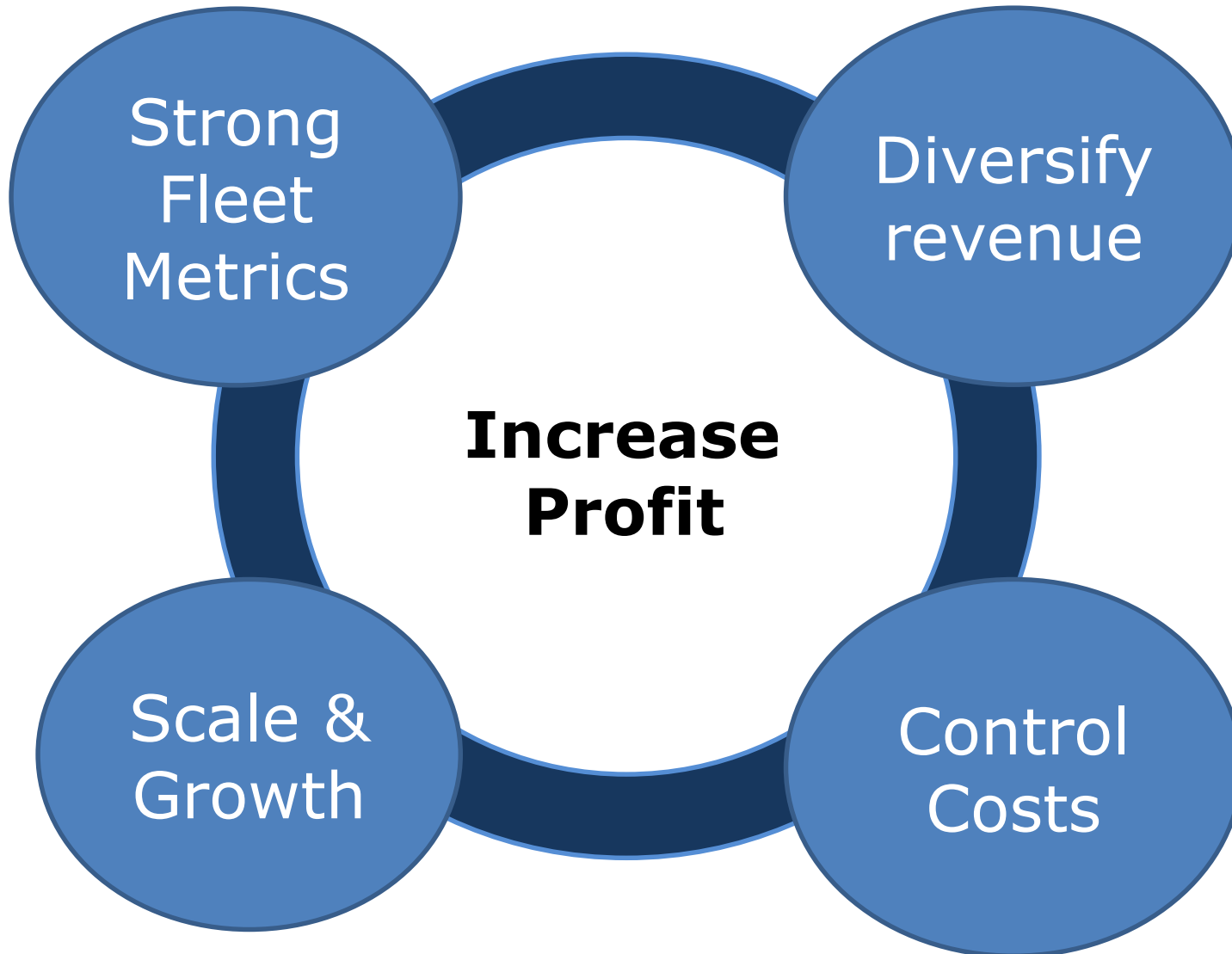
- Passenger growth year on year of 6.3% in 2016²
- Airline average load factors at record 80.5%²

Airline Profitability²

- IATA forecasts record industry profit for calendar year 2016

1. Source: Boeing 2016 Market Update

2. Source: IATA 2016 December Report

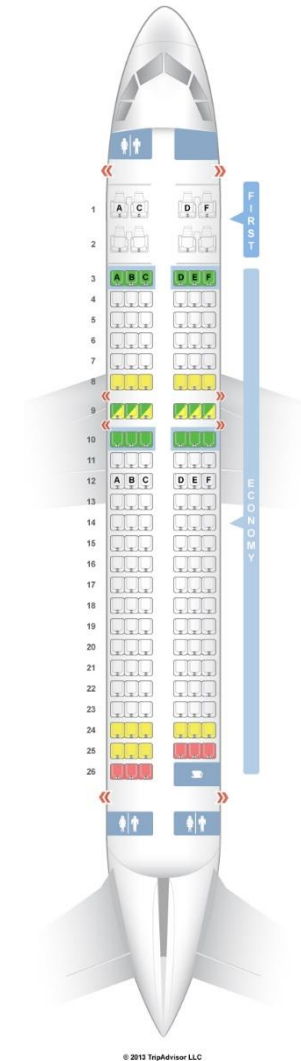


Avation is:

- Narrowbody commercial aircraft lessor
- Asia-Pacific and Europe focus
- World's second largest lessor of ATR aircraft by number ordered
- US\$ revenue, assets and dividend
- Focused on fuel efficient aircraft

Avation is not:

- Exposed to widebody aircraft
- Overly exposed to a speculative order book

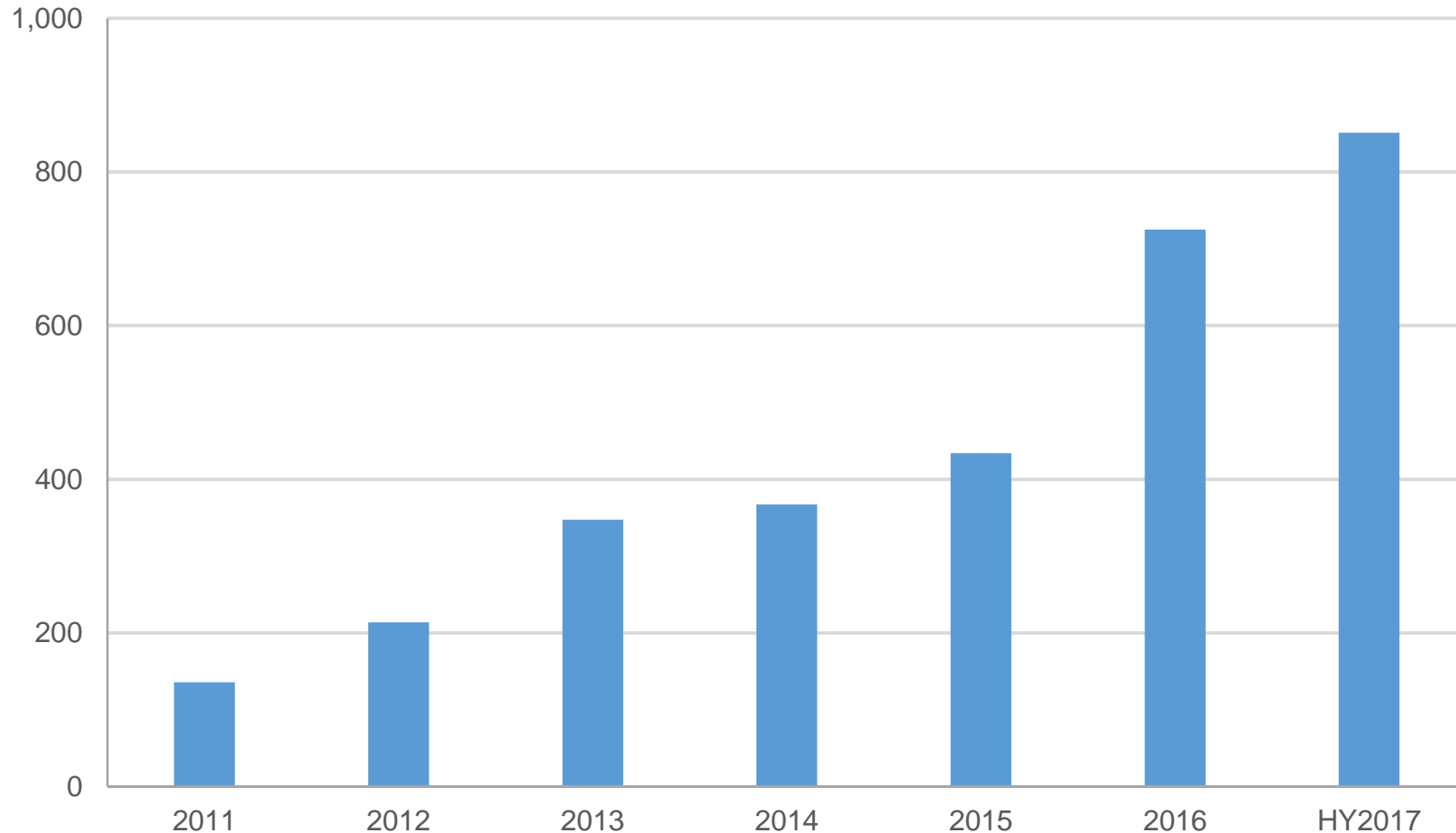


Fleet Overview (at 16 February 2017) *av*ation

Aircraft Type	Fleet	Orders	Options
ATR 72-600 	18	9	27
ATR 72-500 	6	-	-
A321-200 	8	-	-
A320-200 	3	-	-
Fokker 100 	5	-	-
Total	40	9	27

100% utilisation as at 16 February 2017

Fleet assets (US\$m)

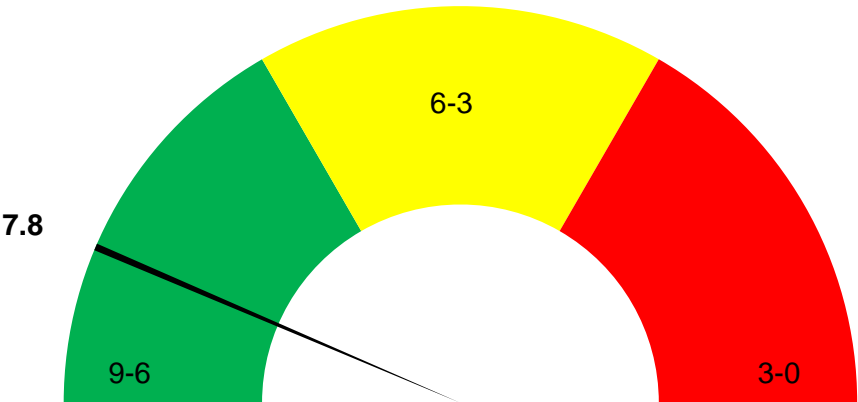
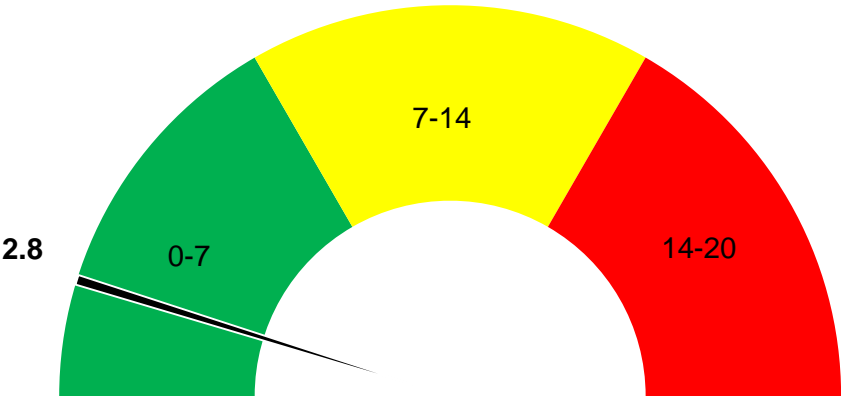


Fleet Metrics

Period	FY 2014	FY 2015	FY 2016	HY 2017
Fleet	25	29	38	40
Fleet additions (net)	2	4	9	2
Weighted average fleet age	6.1 yrs	5.3 yrs	4.2 yrs	2.8 yrs
Weighted average lease term	7.1 yrs	6.5 yrs	6.8 yrs	7.8 yrs

Weighted Average Age of Fleet (years)

Weighted Average Remaining Lease Term (years)



Customer List

avation



A portfolio serving 11 airlines worldwide

Key Ratios

Comparative Ratios	HY2017	HY2016
Book Value per Share (A)	\$3.10	\$2.20
Administrative Expense/Lease Revenue	8.7%	11.8%
Credit Ratios		
Debt/Total Assets	76.0%	75.8%
Average Net Leverage (B)	3.1	2.7
Debt/EBITDA (C)	8.5	8.5
EBITDA/Interest Expense	2.4	2.3

A. BV/Share = Net Equity/Shares on Issue

B. Average Net Leverage = Average Net debt/ Average Equity

C. Debt/EBITDA = Average Debt/(Profit before tax + Finance Expense + Depreciation Expense)

Strong Financial Results

Steady Growth

Leading Fleet Metrics

Cost Control & Improved Profits

Experienced Management

ATR options and access to additional aircraft

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Avation Plc
1 year price chart

