

Valuation and Concluding Remarks

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Head of Investor Relations & Corporate Communications



- More than 25 years of investment banking and aviation-related experience
- In charge of Investor Relations and Corporate Communications
- In depth knowledge of capital markets and industry investment community



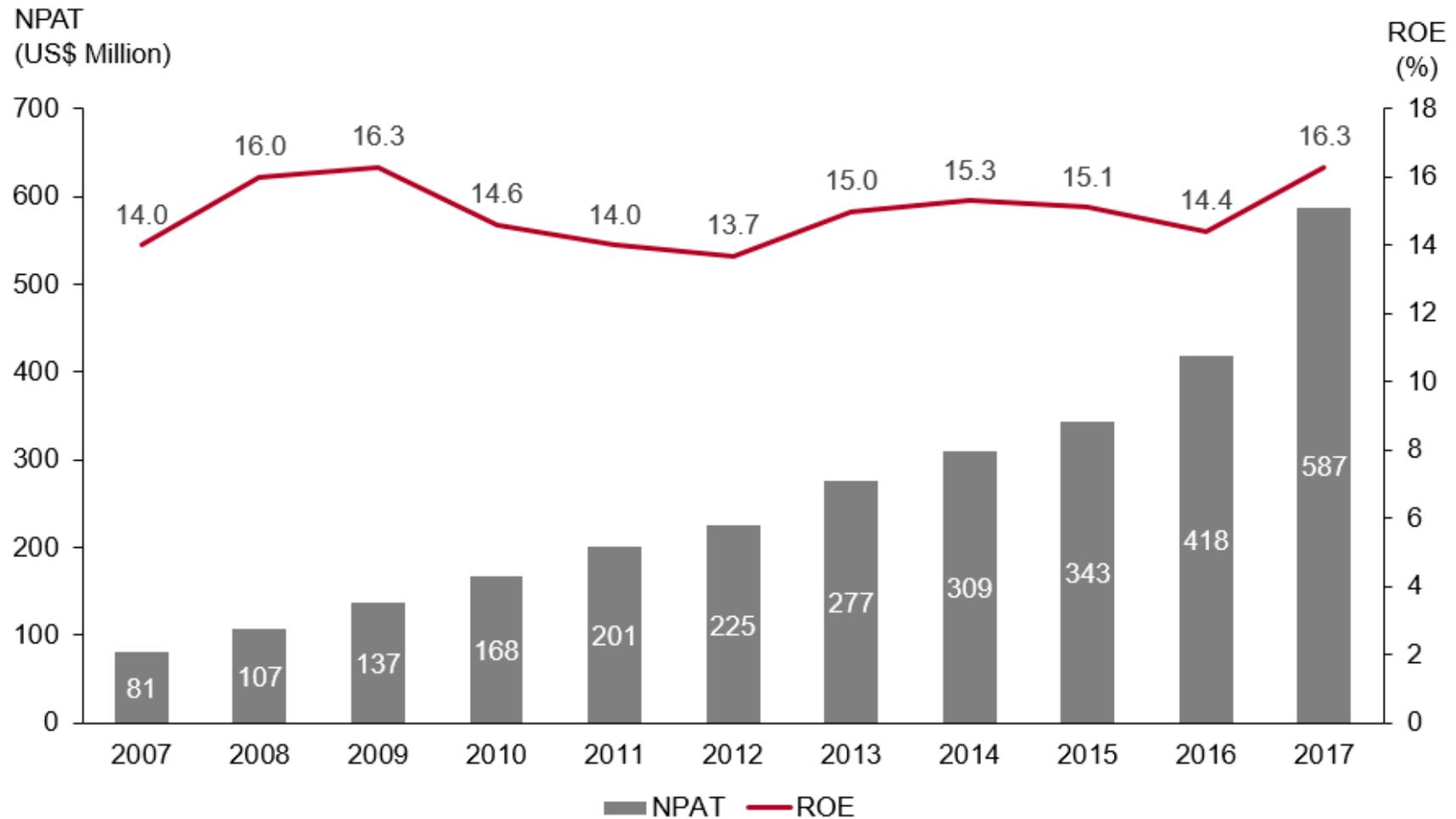
Valuation: Horses for courses

- Valuation tools...which one is right?
 - Earnings-based multiples (P/E, EV/EBITDA)
 - Cashflow analysis (DCF, EVA)
 - Asset-based multiples (P/B, P/NAV)
- What comprises equity value for an asset-owning company?
 - Hard asset values
 - Value of franchise or NPV of excess returns

We believe that BOC Aviation remains undervalued



Stable NPAT growth and ROE



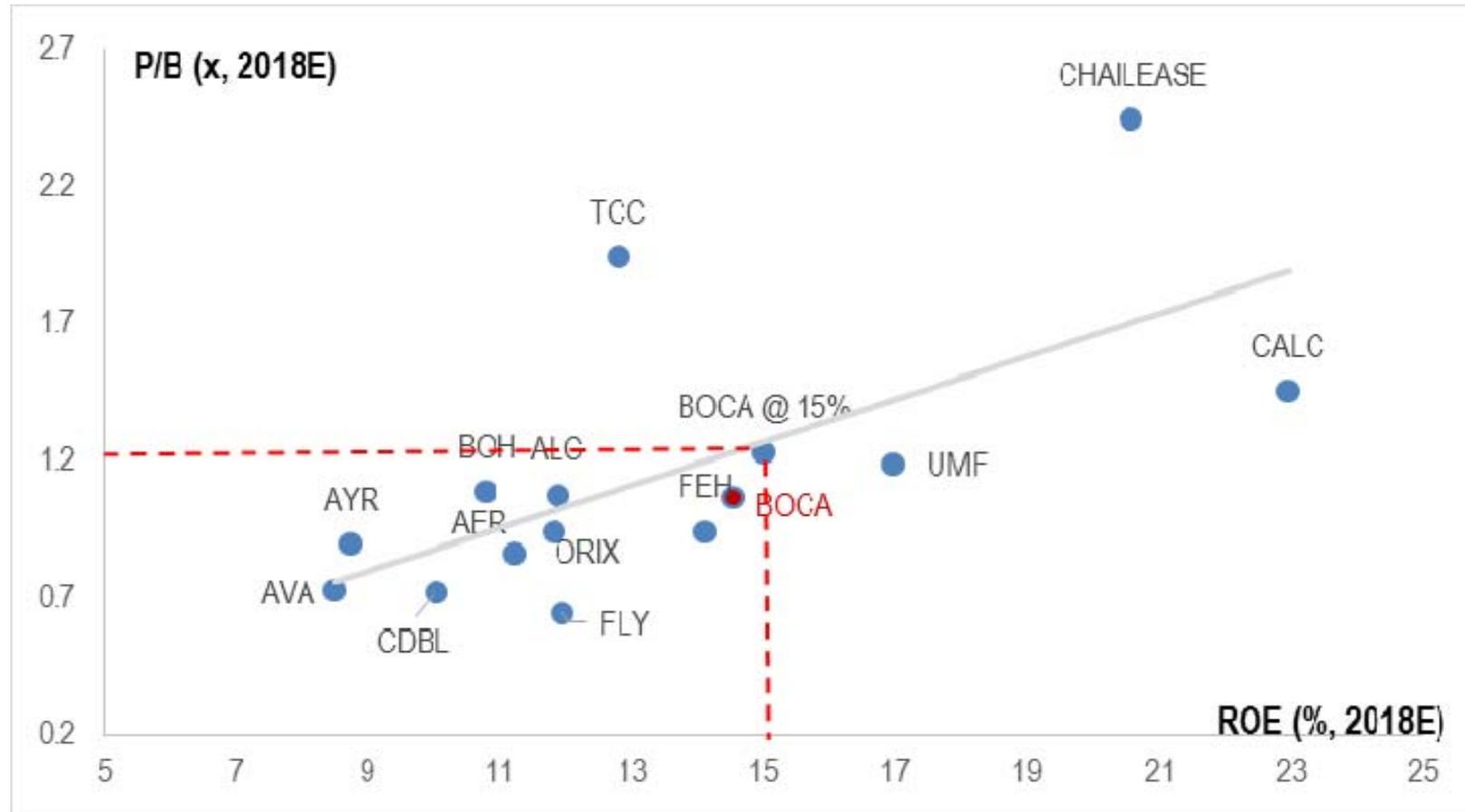
Our stable earnings and returns track record should justify a higher valuation

All data as at 31 December of relevant year



1) PB vs. ROE analysis

Using a broader industry makes for more meaningful valuation comparisons



Even in simplistic terms, BOC Aviation appears undervalued by 14% on long run average ROE

Source: Bloomberg, as at 16th May 2018



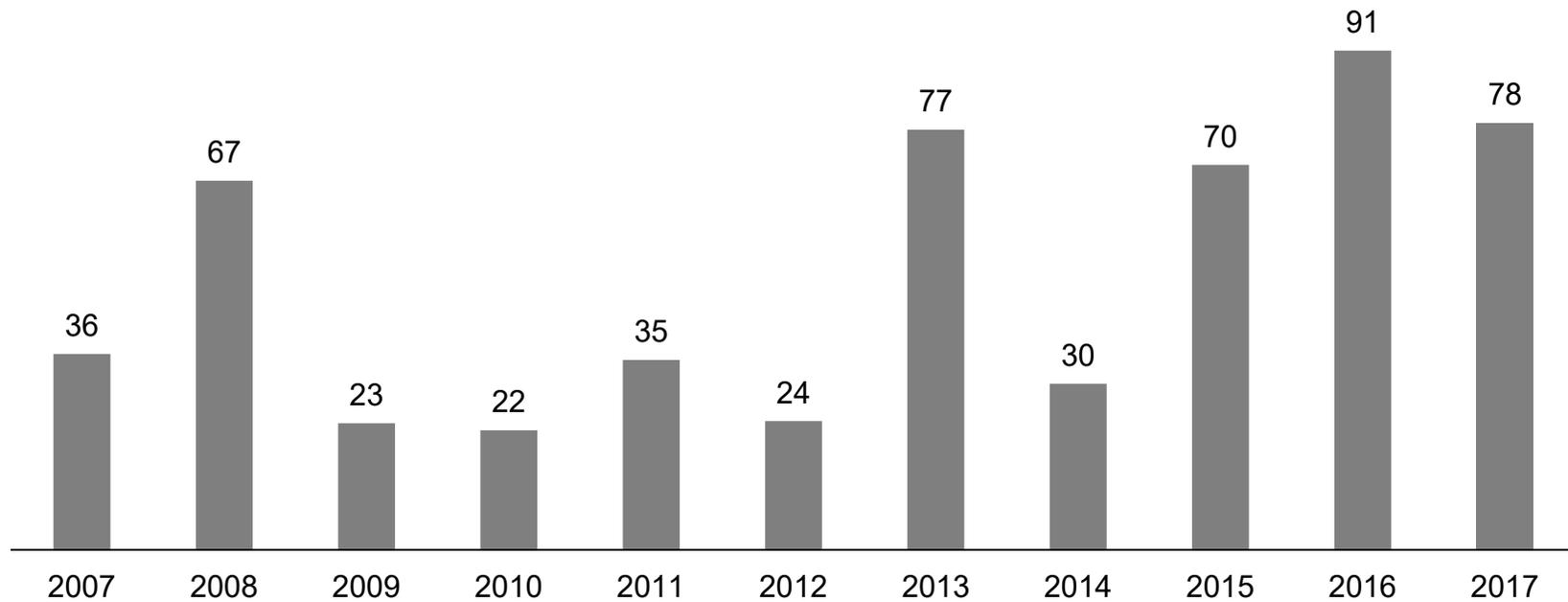
What Drives Industrial Corporate Valuations?

- 2) Hard asset values, which represent:
 - Cost of production as a floor
 - NPV of the asset's mid-cycle cashflows at average operator WACC
- 3) Franchise value
 - Management contribution
 - NPV of excess returns vs. comparable market alternatives



2) Gains on Sale Confirm Book Value is Historically Understated vs. Market Value

Pre-tax gain on sale of aircraft (US\$ million)



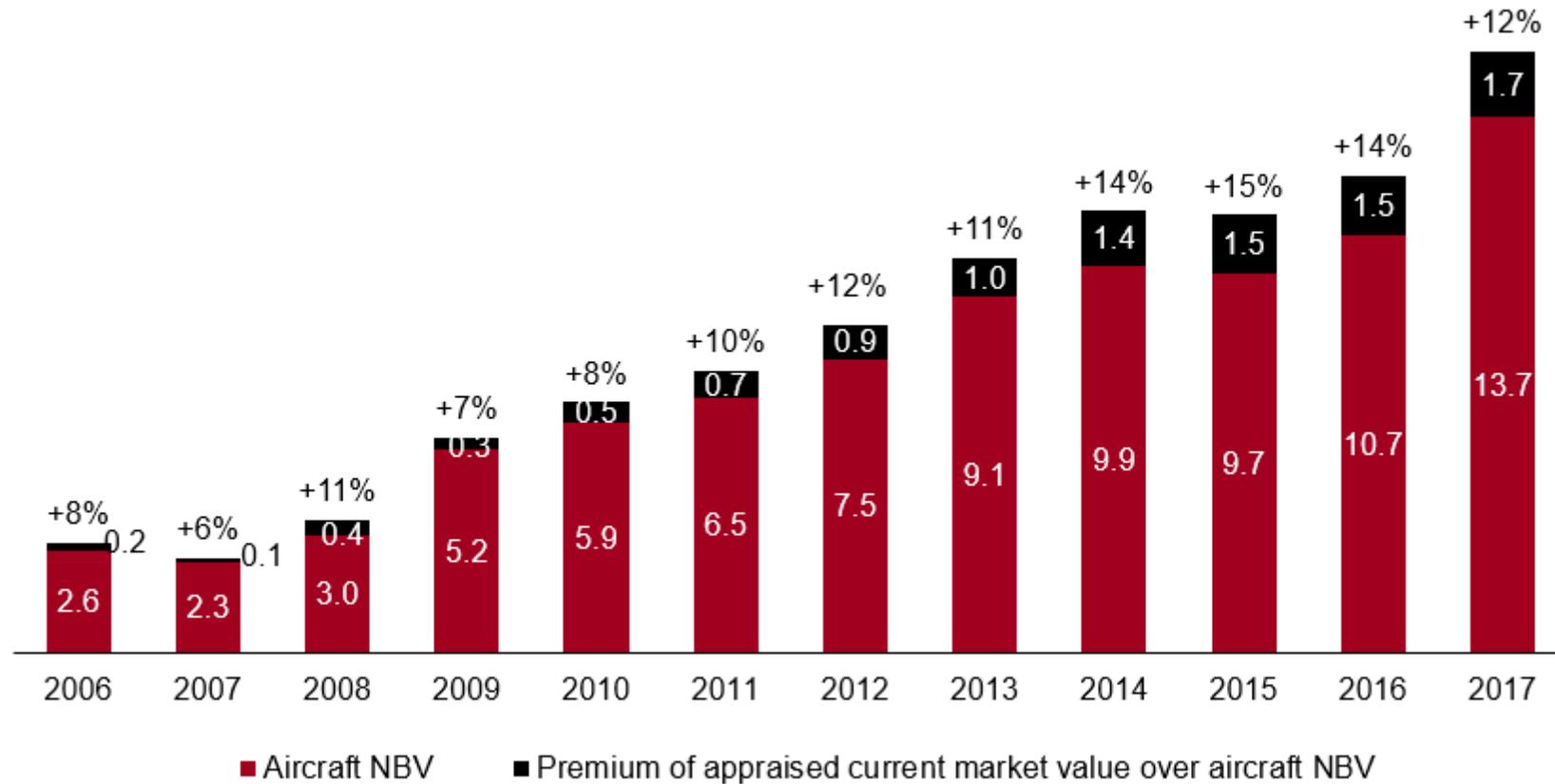
US\$553 million pre-tax gains on sale of 217 aircraft in last 11 years

All data as at 31 December of relevant year



2) Aircraft NBV vs Average Current Market Value¹

US\$ billion



¹ Based on the average of five independent appraisers
 All data as at 31 December of relevant year unless otherwise indicated



3) Franchise Value Toolbox

Data	Value
2018E Equity Value ¹ (US\$ bn)	4.0
Average remaining lease term (years)	8.1
5-yr average ROE (%)	15%
Global Asian Industrial 5-yr average ROE ² (%)	12.7%

- What you still need to think of:
 - Book Value growth
 - Appropriate Cost of Equity

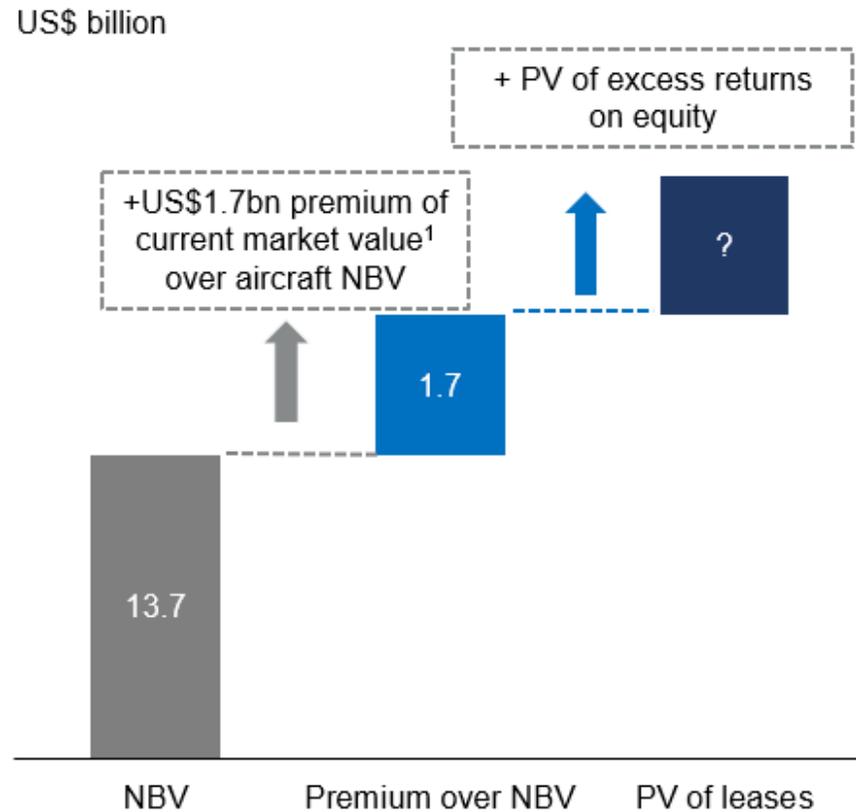
¹ Bloomberg consensus

² Source: Average of UBS, Goldman Sachs and Morgan Stanley investment research estimates

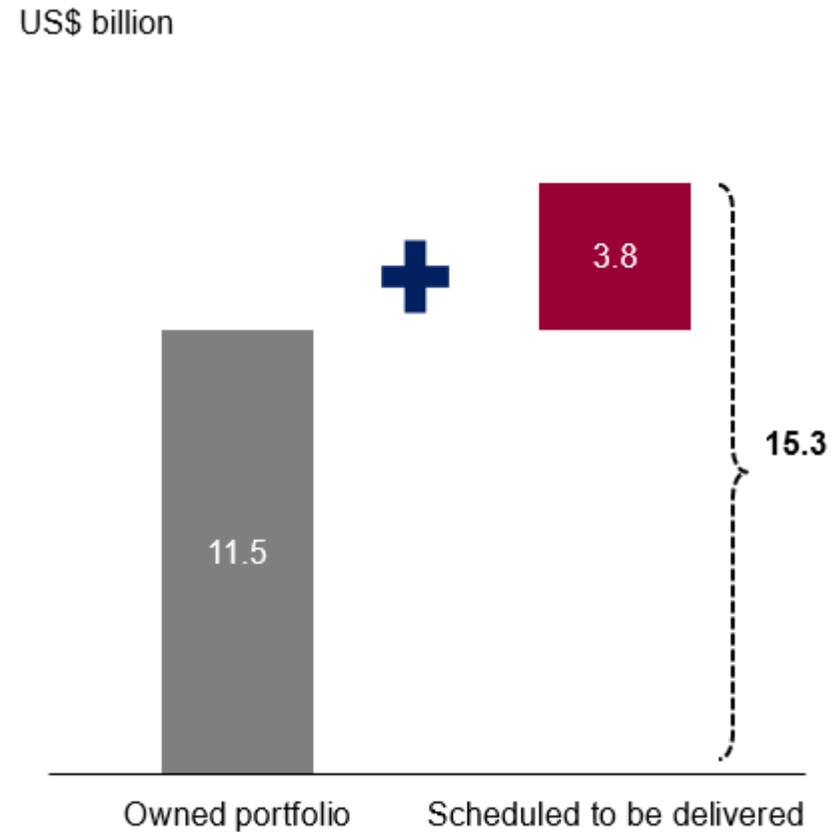


Value Driven by Fleet and Committed Lease Revenues

Net Book Value understates business value



Committed future revenues of > US\$15 billion



Committed future lease revenues create additional value

All data as at 31 December 2017

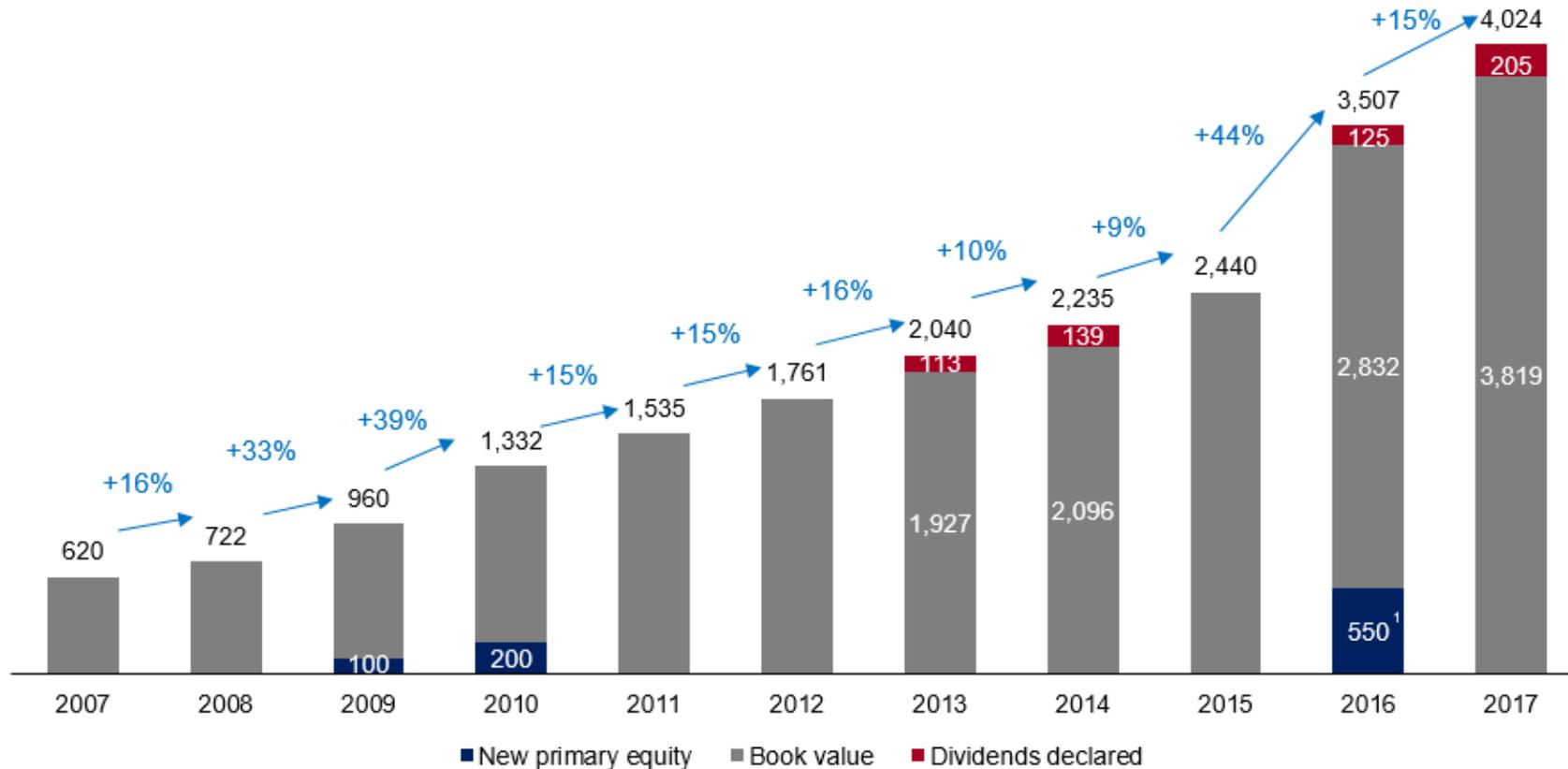
Note:

1. Based on an average of five independent appraisers' aggregate value for our owned fleet at US\$15.3 billion, on a full-life, current market value basis, which compared with a net book value of US\$13.7 billion



Growth in Cumulative Book Equity and Dividends

US\$ million



Shareholder wealth has grown at c.19% CAGR since acquisition by BOC

All data as at 31 December 2017

Notes:

1. IPO on 1 June 2016
2. Book value defined as Shareholders' Funds excluding new primary equity raised during the year, if any



Total Shareholder Return

Best in class returns YTD¹

BOC Aviation	60.0%
FLY Leasing	28.6%
Aercap	15.8%
China Aircraft Leasing Co.	10.5%
Aircastle	7.9%
Bohai Leasing	3.7%
CDB Financial Leasing	-12.4%
Avation PLC	-13.1%
Air Lease Corp	-18.5%

Total shareholder return ~25% since IPO

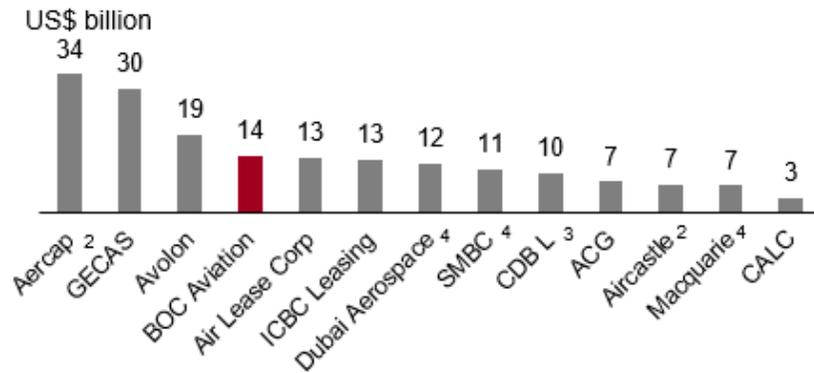


¹ Source: Bloomberg, Annualised YTD total shareholder return as at 16th May 2018

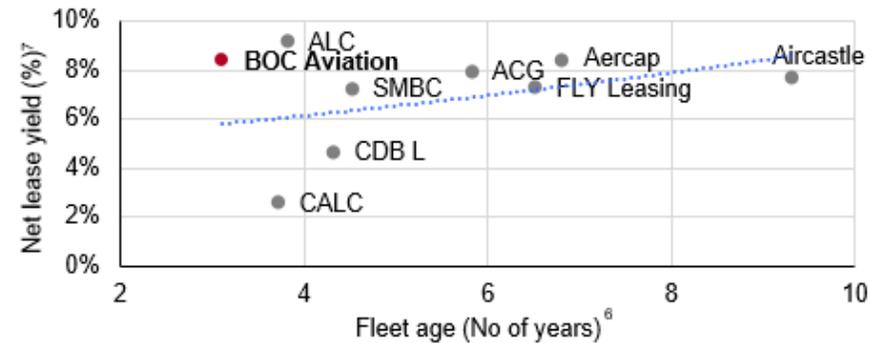


Benchmarking and Differentiation

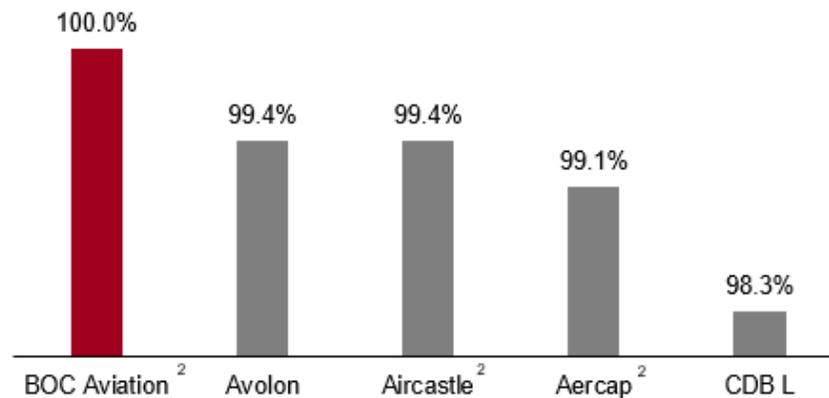
Aircraft net book value¹



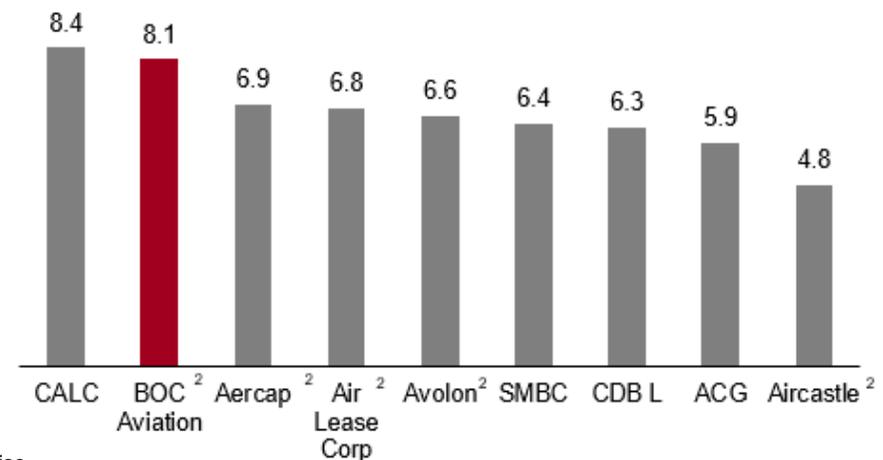
Net lease yield vs. fleet age⁵



Fleet utilisation



Avg. lease term remaining⁵



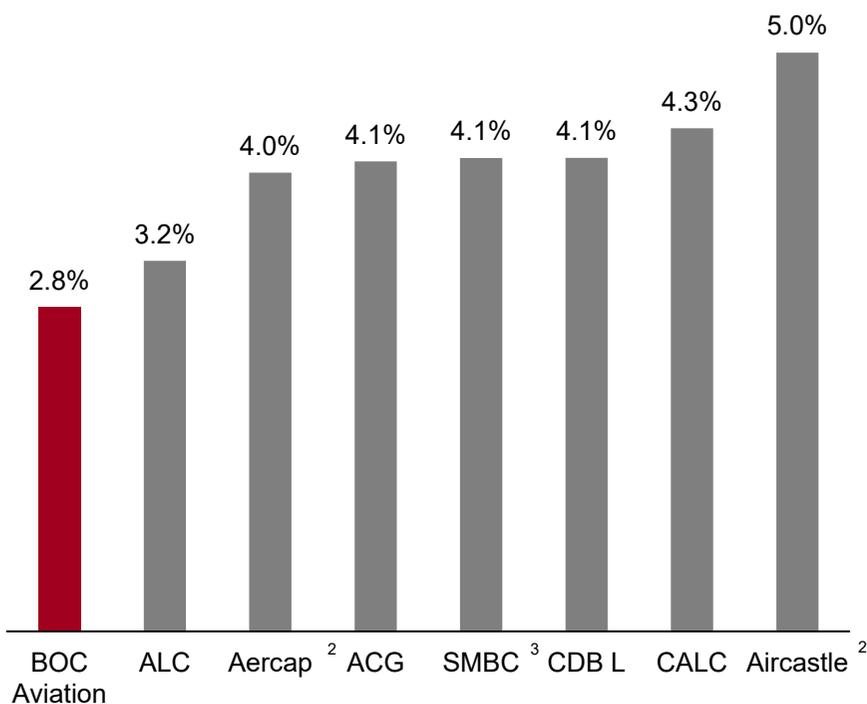
Source: Respective company websites, FlightGlobal, BOC Aviation's computations
 All data for the year ended 31 December 2017 or as at 31 December 2017 unless indicated otherwise
 Notes:

1. Including aircraft held for sale
2. As at 31 March 2018
3. Including finance leases
4. As at 30 September 2017
5. Weighted by NBV of owned fleet
6. As at 31 March 2018 for BOC Aviation, Aercap and Aircastle, 23 March 2018 for CALC, 31 December 2017 for CALC, ALC, SMBC, ACG
7. Annualised for the three months ended 31 March 2018 for Aercap and Aircastle



Benchmarking and Differentiation

Avg. cost of funds¹



Credit Rating

Lessor	Fitch	S&P
BOC Aviation	A-	A-
SMBC Aviation Capital	A-	BBB+
Aviation Capital Group	BBB	A-
Air Lease Corporation	BBB	BBB
Aercap	BBB-	BBB-
Avolon	BB	BB+
Aircastle	NR	BB+
Dubai Aerospace	NR	BB
Fly Leasing	NR	BB-

Source: Respective company websites; Bloomberg, BOC Aviation's computations
 All data for the year ended 31 December 2017 or as at 31 December 2017 unless indicated otherwise

Notes:

1. Calculated as annualized interest expense for the year divided by average debt.
2. Annualised for the three months ended 31 March 2018
3. As at 31 March 2017



Conclusion

- Attractively valued on any metric
- Leading player in a growth market and located at that market's epicentre
- Committed to increasing shareholder value
 - US\$15.3 billion pipeline of future committed revenue
 - Best in class funding costs
- Management team experience amongst the best in the world
 - Average 28 years of aviation, leasing and banking experience for senior management
 - Industry's longest-serving CEO with any one company
 - Management now even more aligned with investors through share ownership
- Established track record of operational and financial excellence as Asia's only major specialized aircraft operating leasing company

BOC Aviation - a Company worth investing in





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Incorporated in the Republic of Singapore with limited liability
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