

PRESS RELEASE

11 March 2021

BOC AVIATION REPORTS SOLID EARNINGS FOR 2020

BOC Aviation Limited (“BOC Aviation” or the “Company”) is pleased to announce its audited financial results for the full year ended 31 December 2020.

Robert Martin, Managing Director and Chief Executive Officer, said: “In 2020, BOC Aviation’s core business continued to perform well in the most challenging year in aviation history. Net profit after tax was US\$510 million and we will recommend to shareholders to approve a final dividend of 11.73 US cents per share, bringing total dividends for the full year to 35% of net profit after tax.

Total revenues and other income exceeded US\$2 billion for the first time in 2020, up 4% year-on-year, and our total assets rose to US\$23.6 billion as at 31 December 2020, 19% higher than 2019. Operating cash flows net of interest paid increased 13% for the full year compared with 2019.

We worked to support our customers by increasing purchase and lease back activity, while reducing and deferring orders from manufacturers in the near term. We delivered 54 aircraft to our airline customers, taking our owned and managed fleet to a new high of 398 aircraft.

BOC Aviation demonstrated resilience in the face of a global pandemic and we positioned the Company for long term earnings growth. The strength of our balance sheet and access to liquidity remain hallmarks of our Company. These place us well to deal with both the challenges that Covid-19 still presents to the world, as well as the recovery that we hope will gain momentum later this year. We would like to thank all of our stakeholders and colleagues for their support in this tumultuous year.”

Financial Highlights

Our financial highlights for the year ended 31 December 2020 are:

- Total revenues and other income were up 4% year-on-year, at US\$2,054 million
- Profit before tax was US\$563 million and net profit after tax was US\$510 million, both of which declined 27% from 2019
- Earnings per share of US\$0.73 and net assets per share of US\$6.88
- Total assets increased 19% year-on-year, to US\$23.6 billion at 31 December 2020
- Raised US\$5.5 billion in new financing
- Maintained strong liquidity with US\$408 million in cash and cash equivalents, and US\$4.7 billion in undrawn committed credit facilities at 31 December 2020
- Operating cash flows net of interest paid increased 13% year-on-year to US\$1,355 million
- Board recommended a final dividend for 2020 of US\$0.1173 per share, pending approval at the AGM to be held on 3 June 2021. The final dividend will be payable to Shareholders registered at the close of business on the record date, being 11 June 2021, bringing the total dividend for the financial year 2020 to US\$0.2571¹ per share

Portfolio and Operational Highlights

As at 31 December 2020, BOC Aviation:

- Had a total fleet of 553 aircraft owned, managed and on order², with an average aircraft age of 3.5 years and an average remaining lease term of 8.6 years for the 358 owned aircraft fleet, weighted by net book value³
- Leased aircraft to 87 airlines in 39 countries and regions
- Had taken delivery of 54 aircraft⁴ in 2020
- Sold 12 owned aircraft in 2020
- Signed 102 lease commitments in 2020
- Had an orderbook of 155 aircraft²
- Recorded aircraft utilisation of 99.6% for the owned portfolio for the year ended 31 December 2020

Key Financial Data

	Year ended 31 December		
	2020 US\$m	2019 US\$m	Change ⁵ %
Statement of Profit or Loss			
Revenues and other income	2,054	1,976	3.9
Costs and expenses	(1,491)	(1,201)	24.1
Profit before income tax	563	775	(27.3)
Net profit after income tax	510	702	(27.4)
Earnings per share (US\$) ⁶	0.73	1.01	(27.4)
	As at 31 Dec 2020 US\$m	As at 31 Dec 2019 US\$m	Change ⁵ %
Statement of Financial Position			
Cash and short-term deposits	408	287	41.9
Total current assets	656	739	(11.3)
Total non-current assets	22,913	19,025	20.4
Total assets	23,568	19,764	19.2
Total current liabilities	2,157	2,141	0.8
Total non-current liabilities	16,634	13,043	27.5
Total liabilities	18,792	15,184	23.8
Net assets	4,777	4,581	4.3
Financial Ratios			
Net assets per share (US\$) ⁷	6.88	6.60	4.3
Gross debt to equity (times) ⁸	3.5	2.9	
Net debt to equity (times) ⁹	3.4	2.9	

Note: Due to rounding, numbers presented throughout this announcement may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Portfolio as at 31 December 2020, by number of aircraft

Aircraft Type	Owned Aircraft	Managed Aircraft	Aircraft on Order ²	Total
Airbus A320CEO family	112	15	0	127
Airbus A320NEO family	68	0	58	126
Airbus A330CEO family	12	3	0	15
Airbus A330NEO family	4	0	2	6
Airbus A350 family	9	0	0	9
Boeing 737NG family	80	15	0	95
Boeing 737 MAX family	24	0	70	94
Boeing 777-300ER	24	4	3	31
Boeing 777-300	0	1	0	1
Boeing 787 family	20	1	22	43
Freighters	5	1	0	6
Total	358	40	155	553

The full year 2020 financial results presentation slides and consolidated financial statements are available on the Company website at <https://www.bocaviation.com/en/Investors/Financial-Results>, along with a recording of the earnings conference call that will be made available on 12 March 2021.

Notes:

1. Includes interim dividend of US\$0.1398 per share paid to Shareholders registered at the close of business on 6 October 2020.
2. Includes all commitments to purchase aircraft including those where an airline customer has the right to acquire the relevant aircraft on delivery.
3. Including net book value of aircraft on leases classified as finance leases in accordance with IFRS 16 (Leases).
4. Includes one aircraft acquired by an airline customer on delivery.
5. Percentage change is calculated based on numbers in US\$ thousands as shown in the financial statements.
6. Earnings per share is calculated by dividing net profit after tax by total number of shares outstanding at 31 December 2020, and 31 December 2019, in the respective columns. Number of shares outstanding at 31 December 2020 and 31 December 2019 was 694,010,334.
7. Net assets per share is calculated by dividing net assets by total number of shares outstanding at 31 December 2020, and 31 December 2019, in the respective columns.
8. Gross debt to equity is calculated by dividing gross debt by total equity at 31 December 2020, and 31 December 2019, in the respective columns.
9. Net debt is defined as gross debt less cash and short-term deposits. Net debt to equity is calculated by dividing net debt by total equity.

About BOC Aviation

BOC Aviation is a leading global aircraft operating leasing company with a fleet of 553 aircraft owned, managed and on order. Its owned and managed fleet was leased to 87 airlines worldwide in 39 countries and regions as at 31 December 2020. BOC Aviation is listed on the Hong Kong Stock Exchange (HKEx code: 2588) and has its headquarters in Singapore with offices in Dublin, London, New York and Tianjin. For more information, visit www.bocaviation.com.

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