

PRESS RELEASE

17 August 2023

BOC AVIATION REPORTS ROBUST 1H 2023 PERFORMANCE

BOC Aviation Limited (HKEX Code: 2588, "BOC Aviation") is pleased to announce its unaudited results for the six months ended 30 June 2023.

BOC Aviation reported net profit after tax ("NPAT") of US\$262 million for the first half of 2023 driven by higher lease rental income and on the back of rising global passenger traffic.

During the six months ended June 2023, we grew our total assets to almost US\$23 billion and committed to acquire 23 aircraft to close the first half of 2023 with record total committed capital expenditure of US\$11 billion.

The Board of Directors approved a distribution of US\$0.1131 per share by way of interim dividend, which represents 30% of our NPAT in the first half of 2023 and reflects the Board's continued confidence in our business outlook.

"In the first half of 2023, BOC Aviation reported NPAT of US\$262 million, a 27% improvement on the core net profit after tax of US\$206 million that we generated during the first half of last year," Steven Townend, Deputy Managing Director and Chief Financial Officer, BOC Aviation, commented. "We saw strong demand for our aircraft and this was reflected in the growth that we achieved in our balance sheet, income and cashflow. Our robust delivery pipeline positions us well to capitalise on rising airline customer demand for the young, fuel-efficient aircraft in our fleet."

Financial Overview

The following is our financial overview for the six months ended 30 June 2023:

- Total revenues and other income of US\$1,061 million
- Net profit after tax of US\$262 million, compared with net loss after tax of US\$313 million, or core net profit¹ after tax of US\$206 million, in the first half of 2022
- Earnings per share of US\$0.38 rose 27% compared with core¹ earnings per share of US\$0.30 in the first half of 2022
- Interim dividend of US\$0.1131 per share compared with US\$0.0889 per share for the first half of 2022
- Total assets rose 4% to US\$22.9 billion as at 30 June 2023 compared with 31 December 2022, reflecting ongoing investments in aircraft
- Record first half operating cash flow net of interest of US\$721 million
- Maintained strong liquidity with US\$547 million in cash and short-term deposits² in addition to US\$5.2 billion in undrawn committed credit facilities as at 30 June 2023

Portfolio and Operational Overview

Our operational overview as at 30 June 2023 included:

- A portfolio of 652³ aircraft owned, managed and on order
- Owned fleet of 404 aircraft, with an average age of 4.7 years and an average remaining lease term of 8.0 years, each weighted by net book value⁴
- An orderbook of 213³ aircraft scheduled for delivery through to 31 December 2029
- Total new aircraft deliveries of 16 aircraft, including one acquired by an airline customer on delivery
- Transitioned eight used aircraft to airline customers
- Sold three aircraft from the owned fleet
- Signed 45 lease commitments in the first half of 2023
- Customer base of 91 airlines in 42 countries and regions in the owned and managed fleet
- Owned aircraft utilisation at 99%
- Cash collection from airline customers of 101.8% for the first half of 2023 compared with 96.9% in the first half of 2022
- Managed fleet comprised 35 aircraft

Key Financial Data

	Unaudited	
	6 months ended 30 June	
	2023	2022
	US\$m	US\$m
Statement of Profit or Loss		
Revenues and other income	1,061	1,196
Costs and expenses	(765)	(1,543) ⁵
Profit/(Loss) before income tax	295	(347)
Net profit/(loss) after income tax	262	(313)
Core net profit after tax	262	206 ¹
Earnings/(Loss) per share (US\$) ⁶	0.38	(0.45)
Core earnings per share (US\$) ⁷	0.38	0.30 ¹

	Unaudited	Audited
	30 June	31 December
	2023	2022
	US\$m	US\$m
Statement of Financial Position		
Cash and short-term deposits ⁸	547	397
Total current assets	777	845
Total non-current assets	22,140	21,226
Total assets	22,918	22,071
Total current liabilities	3,958	2,719
Total non-current liabilities	13,602	14,150
Total liabilities	17,560	16,869
Net assets	5,358	5,202
Financial Ratios		
Net assets per share (US\$) ⁹	7.72	7.50
Gross debt to equity (times) ¹⁰	3.0	2.9
Net debt to equity (times) ¹¹	2.9	2.8

Aircraft portfolio as at 30 June 2023, by number of aircraft

Aircraft Type	Owned Aircraft	Managed Aircraft	Aircraft on Order ³	Total
Airbus A220 family	5	0	0	5
Airbus A320CEO family	95	15	0	110
Airbus A320NEO family	94	0	120	214
Airbus A330CEO family	8	1	0	9
Airbus A330NEO family	6	0	0	6
Airbus A350 family	9	0	0	9
Boeing 737NG family	72	13	0	85
Boeing 737-8/9	55	0	88	143
Boeing 777-300ER	27	4	0	31
Boeing 787 family	28	1	5	34
Freighters	5	1	0	6
Total	404	35	213	652

The first half 2023 financial results presentation slides and unaudited interim condensed 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 by 18 August 2023.

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

1. Excludes the impact of the write-down of aircraft in Russia in 1H 2022.
2. Includes encumbered cash and bank balances of US\$8.2 million.
3. Includes all commitments to purchase aircraft including those where an airline customer has the right to acquire the relevant aircraft on delivery.
4. Includes finance lease receivables in respect of aircraft on leases classified as finance leases in accordance with IFRS16 (Leases).
5. Includes the impairment of aircraft in Russia in 1H 2022.
6. Earnings/(Loss) per share is calculated by dividing net profit/(loss) after tax by total number of shares outstanding at 30 June 2023 and 30 June 2022. Number of shares outstanding at 30 June 2023 and 30 June 2022 was 694,010,334.
7. Core earnings per share is calculated by dividing core net profit after tax by total number of shares outstanding at 30 June 2023 and 30 June 2022.
8. Includes encumbered cash and bank balances of US\$8.2 million and US\$5.0 million at 30 June 2023 and at 31 December 2022, respectively.
9. Net assets per share is calculated by dividing net assets by total number of shares outstanding at 30 June 2023 and 31 December 2022.
10. Gross debt to equity is calculated by dividing gross debt by total equity at 30 June 2023 and 31 December 2022.
11. 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 652 aircraft owned, managed and on order. Its owned and managed fleet was leased to 91 airlines in 42 countries and regions worldwide as at 30 June 2023. 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.

For more information, please contact:

Timothy ROSS

Tel: +65 6325 9878

Mobile: +65 9837 9873

timothy.ross@bocaviation.com

www.bocaviation.com