



2023 INTERIM RESULTS REVIEW

AUGUST 2023

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1H 2023 OVERVIEW

A Strong 1H 2023

Key Indicators	1H 2023	Core 1H 2022 ¹		Statutory 1H 2022 ³
	US\$ million	US\$ million	Variance ²	US\$ million
Total revenues and other income	1,061	973	 9%	1,196
Profit/(Loss) before tax	295	234	 26%	(347)
Net profit/(loss) after tax	262	206	 27%	(313)
Earnings/(Loss) per share (US\$) ⁴	0.38	0.30	 27%	(0.45)

Strong profit recovery amidst robust demand

Notes:

1. Excluded the net impact of aircraft in Russia in 1H 2022
2. Comparing 1H 2023 with core 1H 2022 financials
3. 1H 2022 statutory financial statements reported on 18 August 2022
4. Calculated by dividing net profit/(loss) after tax by number of shares outstanding as at 30 June 2023 and 30 June 2022

Interim Dividend Per Share Increased 27%

Key Indicators	1H 2023	1H 2022	Variance
Total interim dividends	US\$78 million	US\$62 million	 27%
Interim dividend payout ratio	30% of NPAT	30% of NPAT ¹	 In line
Interim dividend per share	US\$0.1131²	US\$0.0889	 27%

Cumulative dividends of US\$1.4 billion paid since IPO

Notes:

1. Refers to core NPAT that excluded the net impact of aircraft in Russia in 1H 2022
2. Payable to shareholders registered at the close of business on the record date, being 29 September 2023

Robust Balance Sheet and Liquidity

Key Indicators	30 June 2023	31 December 2022	Variance
Total assets (US\$ billion)	22.9	22.1	 4%
Total available liquidity (US\$ billion)	5.7	5.3	 8%
Total equity (US\$ billion)	5.4	5.2	 3%
Net assets per share (US\$)	7.72	7.50	 3%
Gross debt to equity (times)	3.0	2.9	 0.1x

Key 1H 2023 Highlights

Robust 1H 2023 earnings

NPAT of US\$262 million in 1H 2023;
Cumulative earnings of more than US\$5.7 billion¹

Record high lease rental income

1H 2023 lease rental income of US\$940 million

Expanded customer network

Added eight new customers in 1H 2023;
Customer base of 91 airlines in 42 countries and regions

Significant future capex

Committed to purchase 23 aircraft;
Orderbook of 213 aircraft²

Strong asset quality

Average fleet age of 4.7 years³;
Average lease term remaining of 8.0 years³

High level of liquidity

Total liquidity > US\$5.7 billion

Improving collection rate

Collection rate of 102% contributed to record high operating cash flow net of interest of US\$721 million

Strong credit ratings

A- with stable outlook reaffirmed by Fitch Ratings and S&P Global

A successful first half sets a strong foundation for further growth

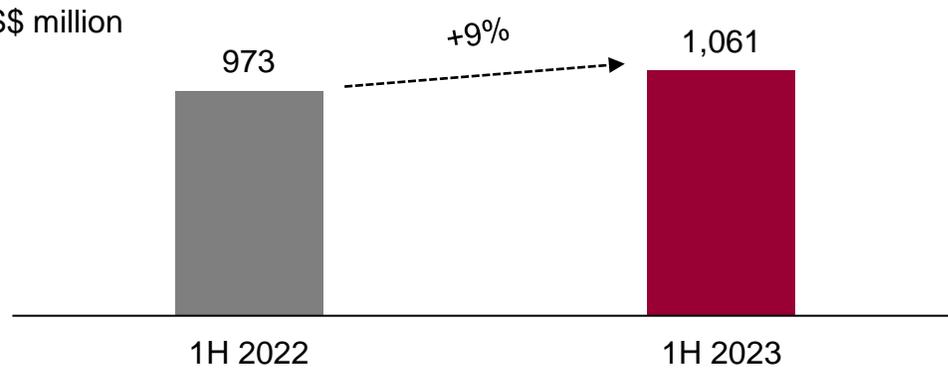
Notes:

1. Since the Company's inception in 1993
2. Includes all commitments to purchase aircraft including those where an airline customer has the right to acquire the relevant aircraft on delivery
3. Weighted by net book value of owned fleet and including aircraft on leases classified as finance leases

Returning to Growth

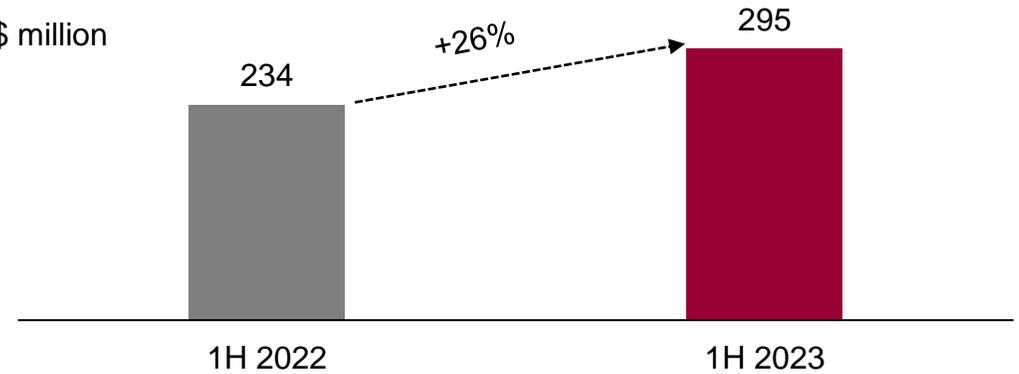
Core revenues¹

US\$ million



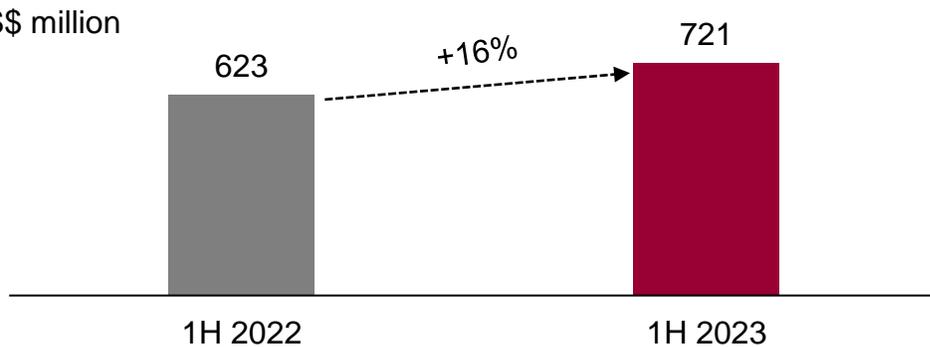
Core profit before tax¹

US\$ million



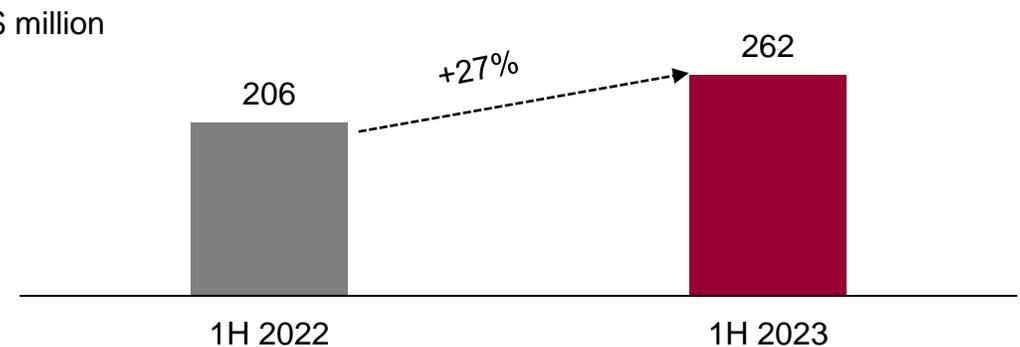
Core operating cash flow net of interest^{1,2}

US\$ million



Core net profit after tax¹

US\$ million

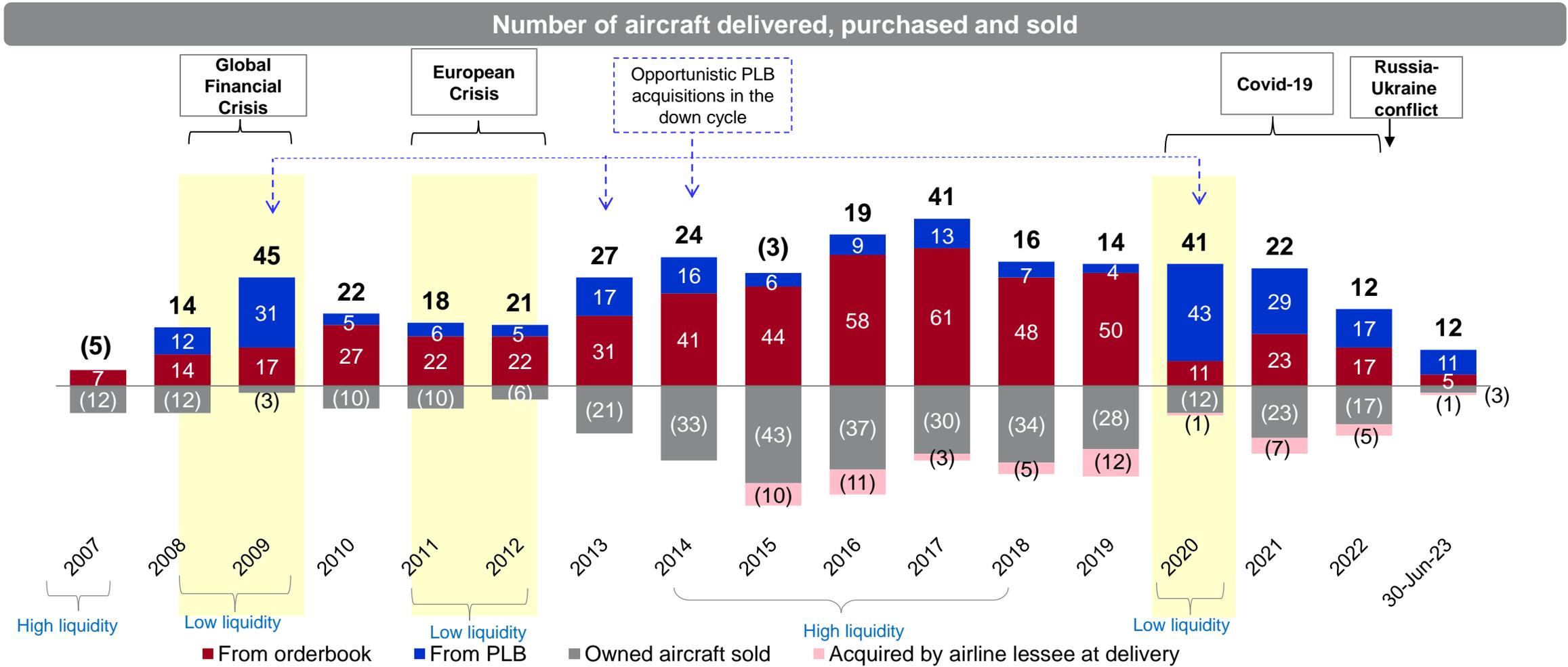


Significant improvement in all key metrics

Notes:

1. Excluding the net impact of aircraft in Russia in 1H 2022
2. Calculated as net cash flow from operating activities less finance expenses paid

How We Invest



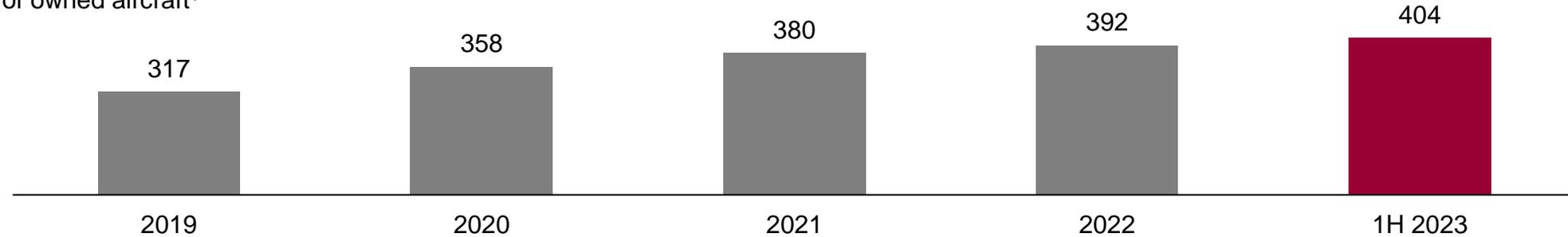
Committed to acquire more than 1,000 aircraft since inception



Growing Balance Sheet and Fleet

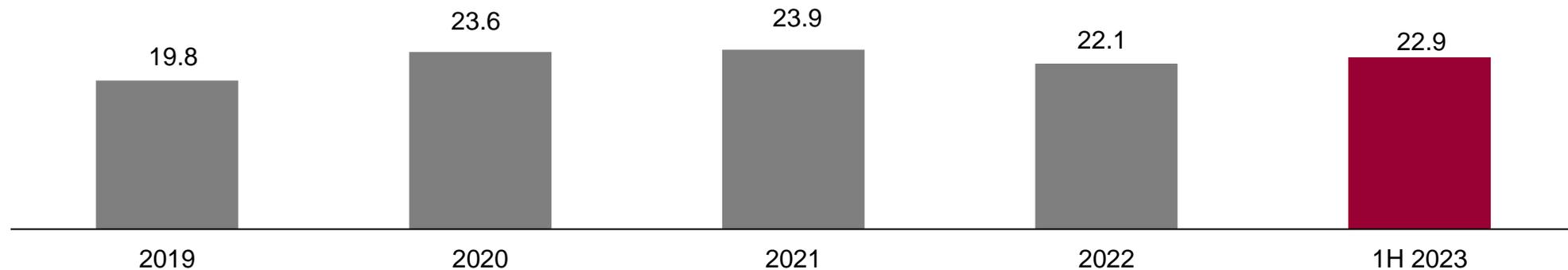
Owned fleet exceeded 400 aircraft

Number of owned aircraft¹



Returning to asset growth

Total assets (US\$ billion)



Continued aircraft investment supported by rising aircraft valuations



Note:

1. Includes aircraft on leases classified as finance lease in accordance with IFRS 16 (*Leases*)

100% of Orderbook Comprises Latest Technology Aircraft

Our aircraft portfolio				
Aircraft type	Owned aircraft	Managed aircraft	Aircraft on order ¹	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

71% of existing fleet is latest technology aircraft²

All data as at 30 June 2023

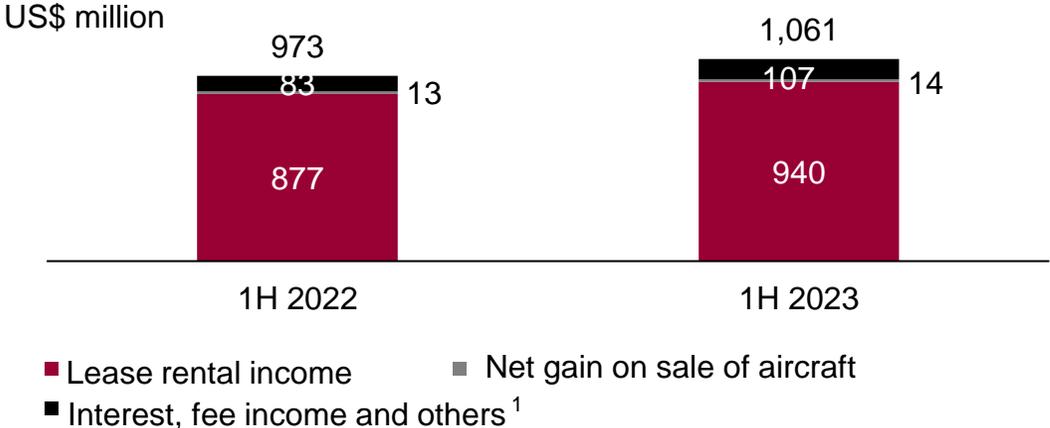
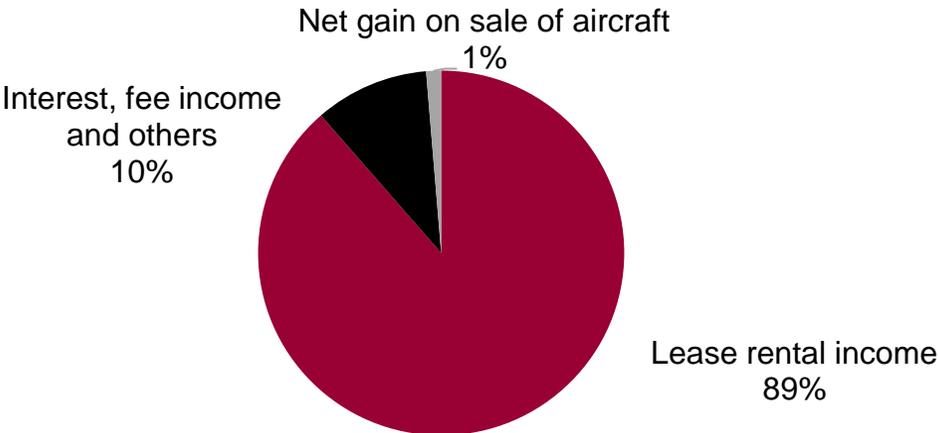
Notes:

1. Includes all commitments to purchase aircraft including those where an airline customer has the right to acquire the relevant aircraft on delivery
2. Based on net book value and including aircraft subject to finance leases

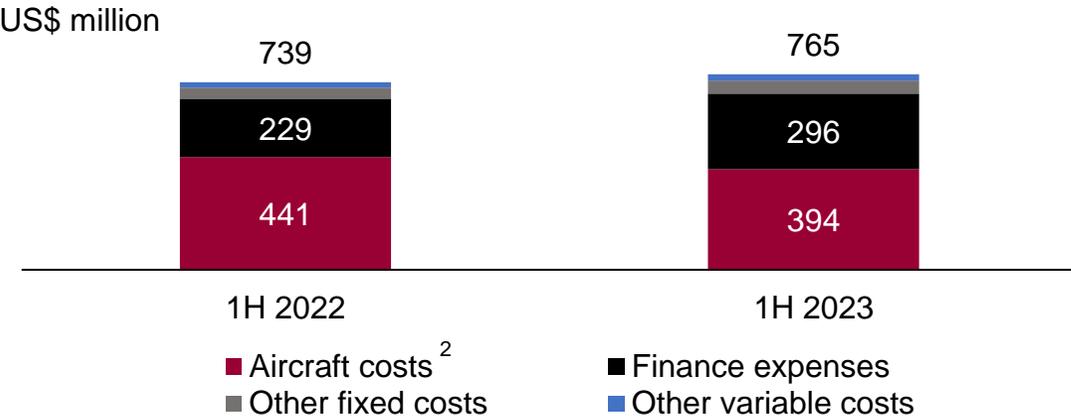
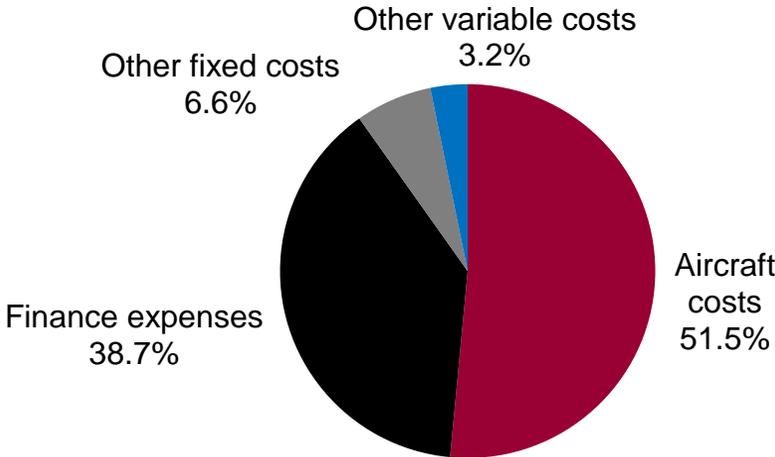


Lease Rental Income Continues to Drive Revenue

Lease rental income drives total revenues and other income



Depreciation of aircraft and financing costs are key costs

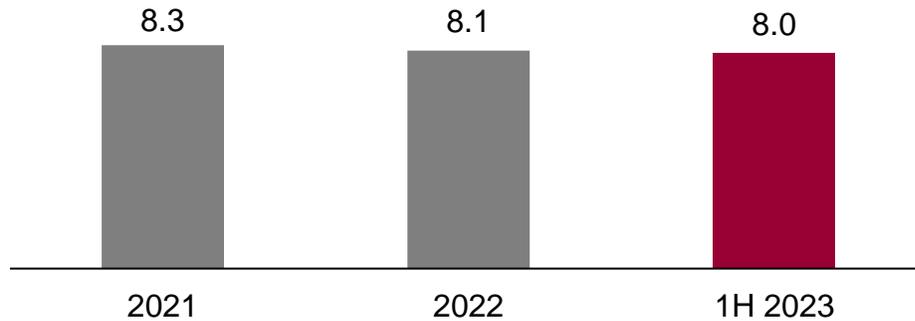


Notes:
 1. Excludes income arising from termination of leases with airlines in Russia in 1H 2022
 2. Comprises aircraft depreciation and impairment charges (excludes the impairment of aircraft in Russia in 1H 2022)

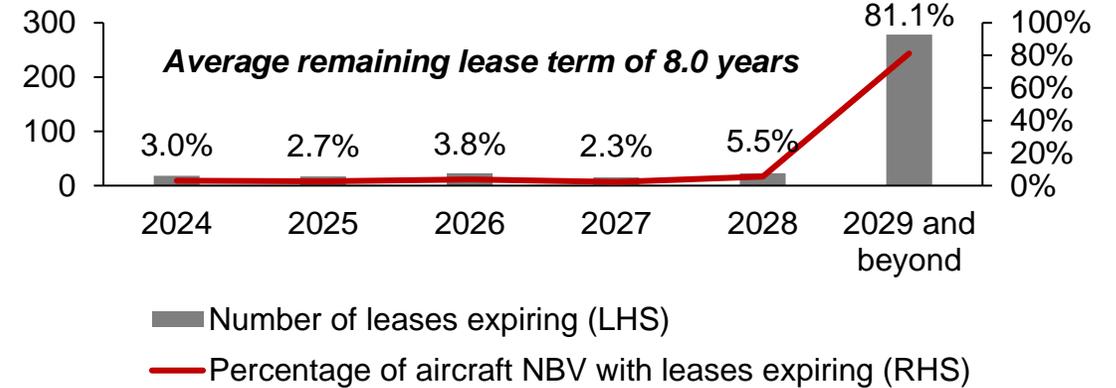
Long-Term Leases Enhance Revenue Visibility

A long average remaining lease term¹

Number of years

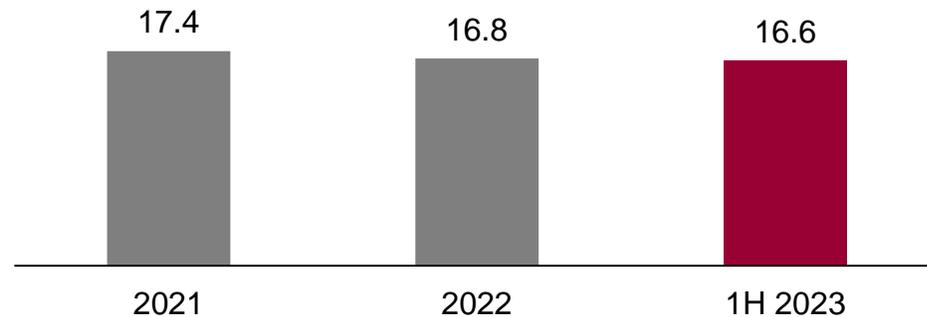


Well-dispersed scheduled lease expiries²



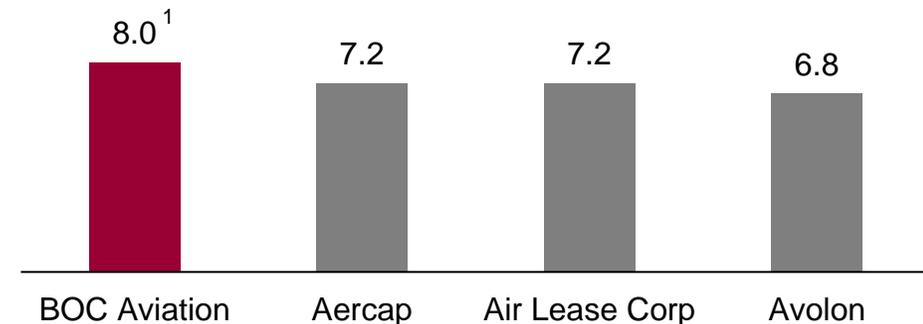
High future committed lease revenue

US\$ billion



Industry-leading average remaining lease term³

Number of years

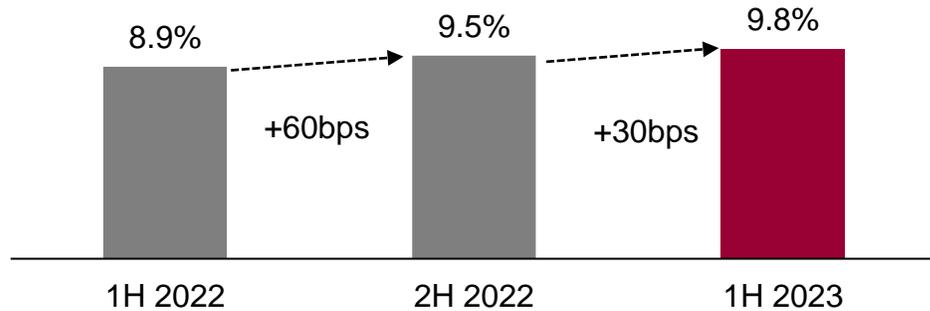


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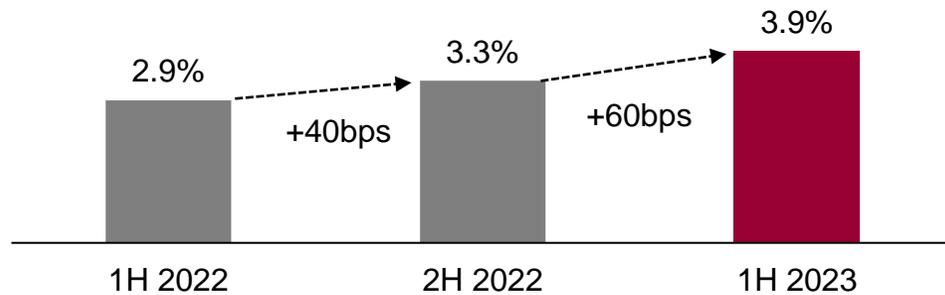
1. Weighted by net book value of owned fleet and finance lease receivables in respect of aircraft on leases classified as finance leases in accordance with IFRS 16 (Leases)
2. Owned aircraft with leases expiring in each calendar year, weighted by net book value including finance lease receivables in respect of aircraft on leases classified as finance leases in accordance with IFRS 16 (Leases), and excluding any aircraft for which the Company has sale, lease or lease extension commitments, and any off-lease aircraft
3. Updated as at 30 June 2023 for AerCap, Air Lease and Avolon

Lease Rate Factor Trending Higher in 2023

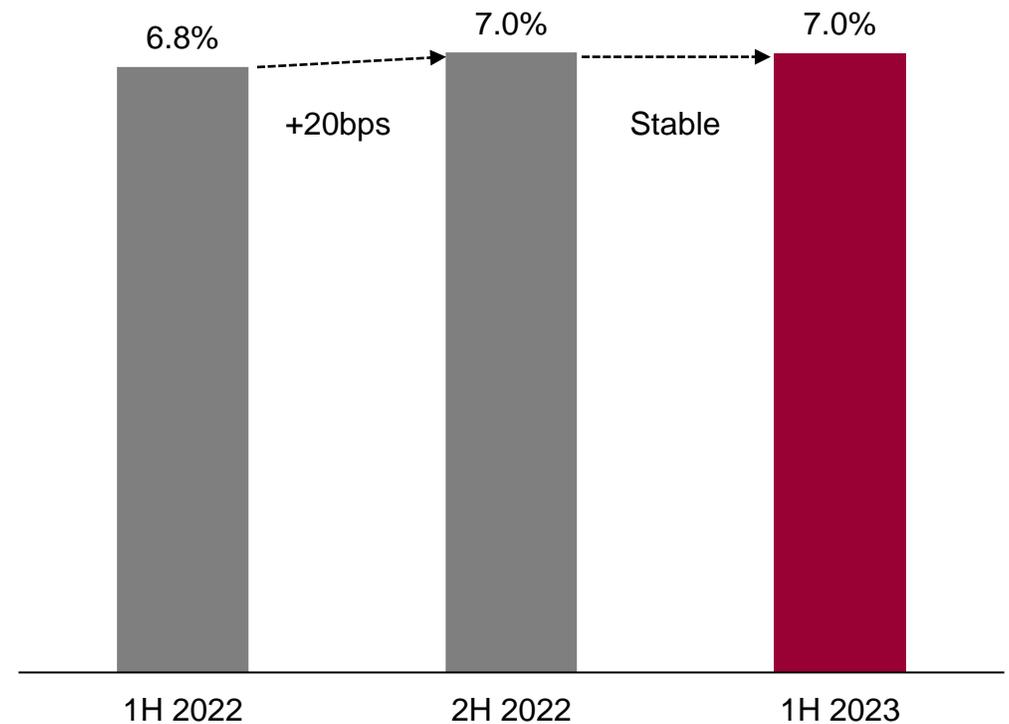
Lease rate factor¹



Cost of debt²



Net lease yield³

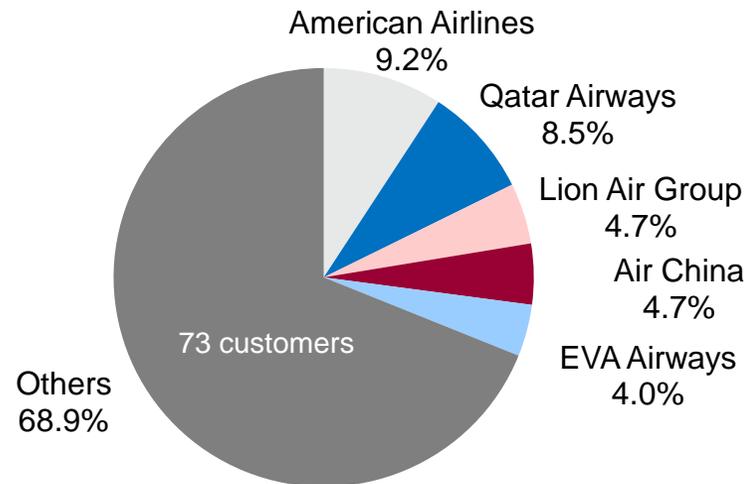


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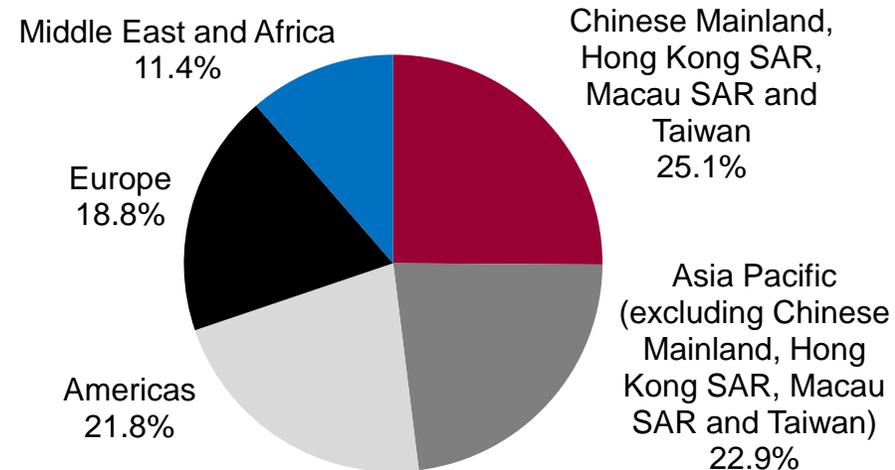
1. Calculated as contractual operating lease rental income and finance lease receipts divided by average net book value of aircraft and finance lease receivables, and multiplied by 100%. Semi-annual lease rate factors are calculated on an annualised basis
2. Calculated as the sum of finance expenses and capitalised interest, divided by average total indebtedness. Total indebtedness represents loans and borrowings before adjustments for deferred debt issue costs, fair values, revaluations and discounts/premiums to medium term notes. Semi-annual cost of debt is calculated on an annualised basis
3. Calculated as contractual operating lease rental income and finance lease receipts less finance expenses allocated to operating and finance leases, divided by average of aircraft net book value and finance lease receivables. Semi-annual net lease yields are calculated on an annualised basis

Globally Diversified Portfolio

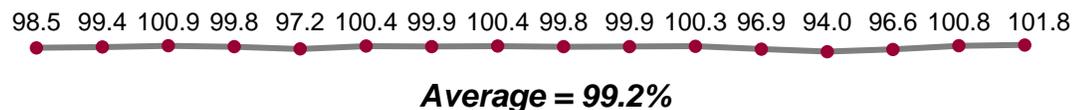
Lease portfolio diversified by customer^{1,2}



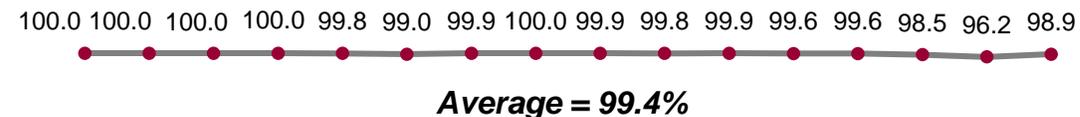
...and increasingly diversified by geography^{3,4}



Collection rate (%)



Fleet utilisation (%)⁵



All data as at 30 June 2023

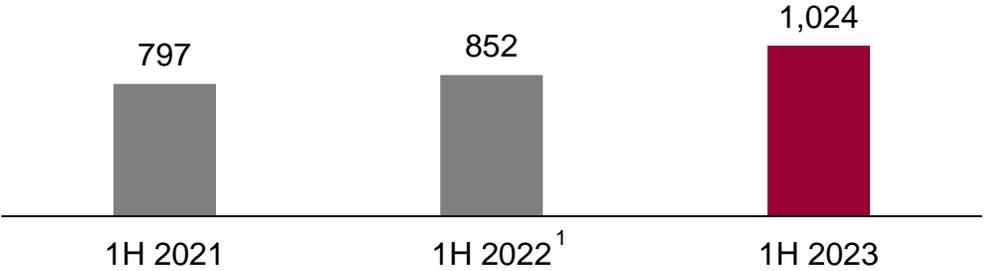
Notes:

1. Based on net book value (excluding off lease aircraft) and including finance lease receivables in respect of aircraft on leases classified as finance leases in accordance with IFRS 16 (*Leases*)
2. For certain airlines, the percentage includes leases to affiliated airlines whose obligations are guaranteed by the named airline
3. Based on net book value of aircraft including finance lease receivables in respect of aircraft on leases classified as finance leases in accordance with IFRS 16 (*Leases*)
4. Off lease aircraft are allocated to the region of the prospective operator if a lease commitment is in place or to the region of the prior operator if no lease commitment is in place
5. Fleet utilisation is the total days on-lease in the period as a percentage of total available lease days in the period

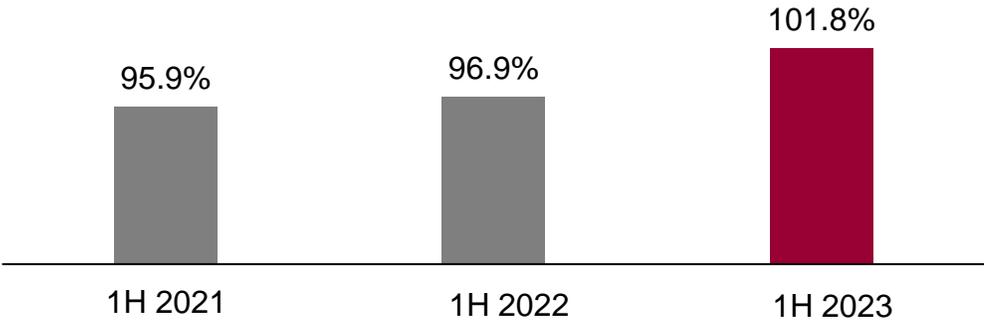
Record High Operating Cash Flow Net of Interest

Net cash flow from operating activities

US\$ million

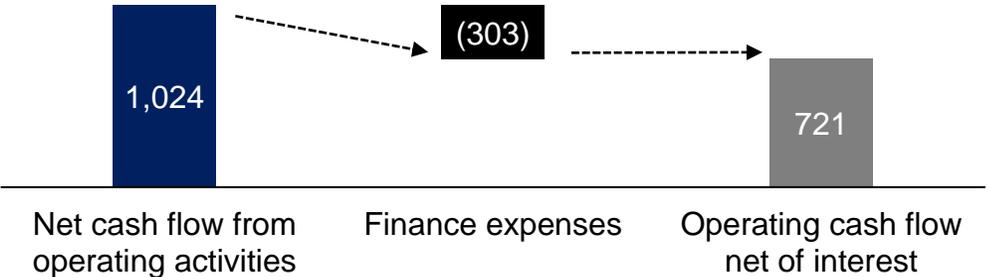


Collection rate in excess of 100%



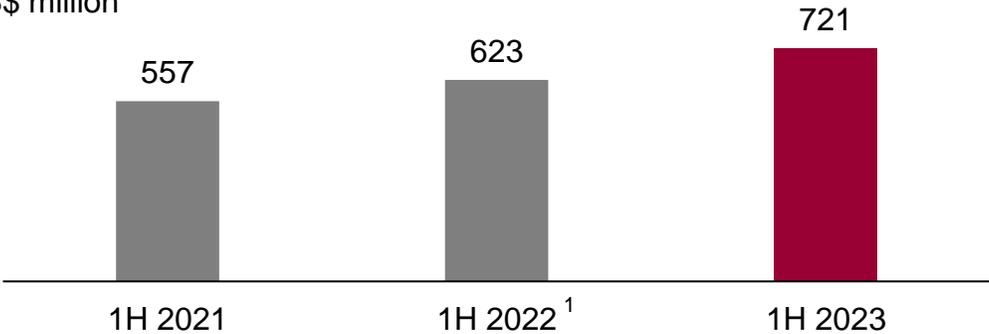
1H 2023 operating cash flow net of interest²

US\$ million



Improving operating cash flow net of interest²

US\$ million



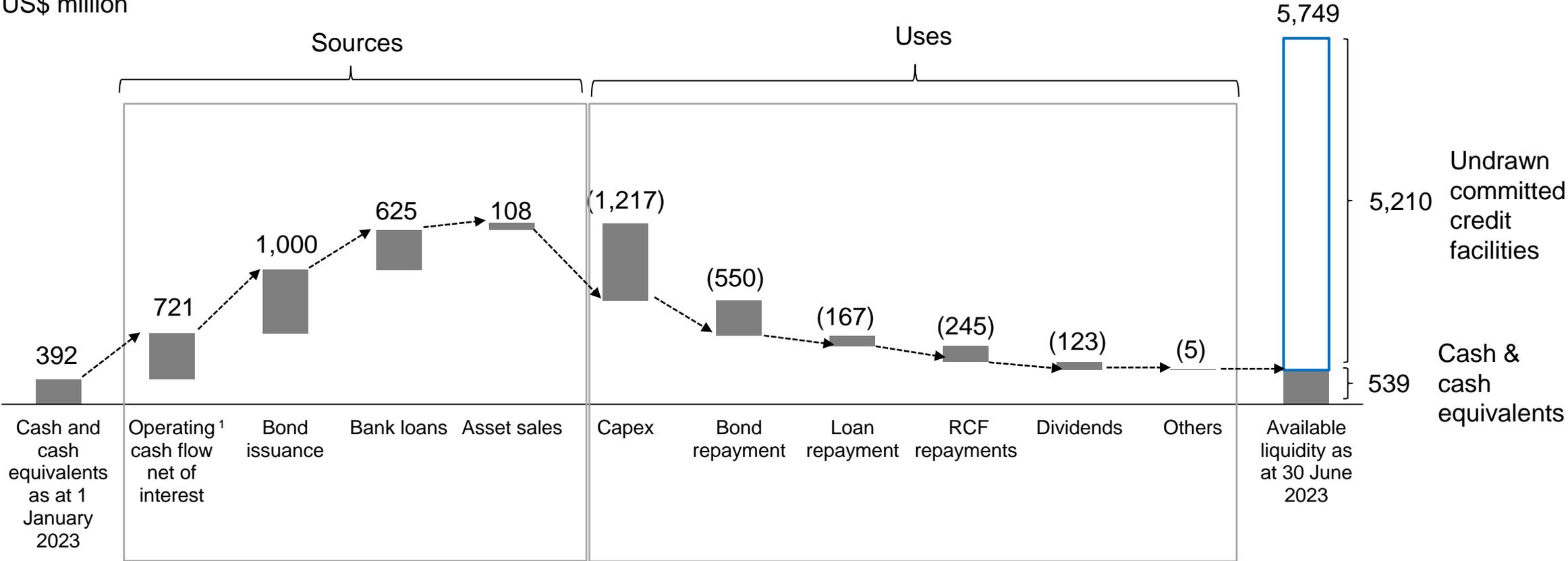
High collection rate contributes to record high cash flow

Notes:
 1. Excluded the net impact of aircraft in Russia
 2. Calculated as net cash flow from operating activities less finance expenses paid

Diverse Funding Channels Utilised in 1H 2023

Sources and Uses of Cash

US\$ million



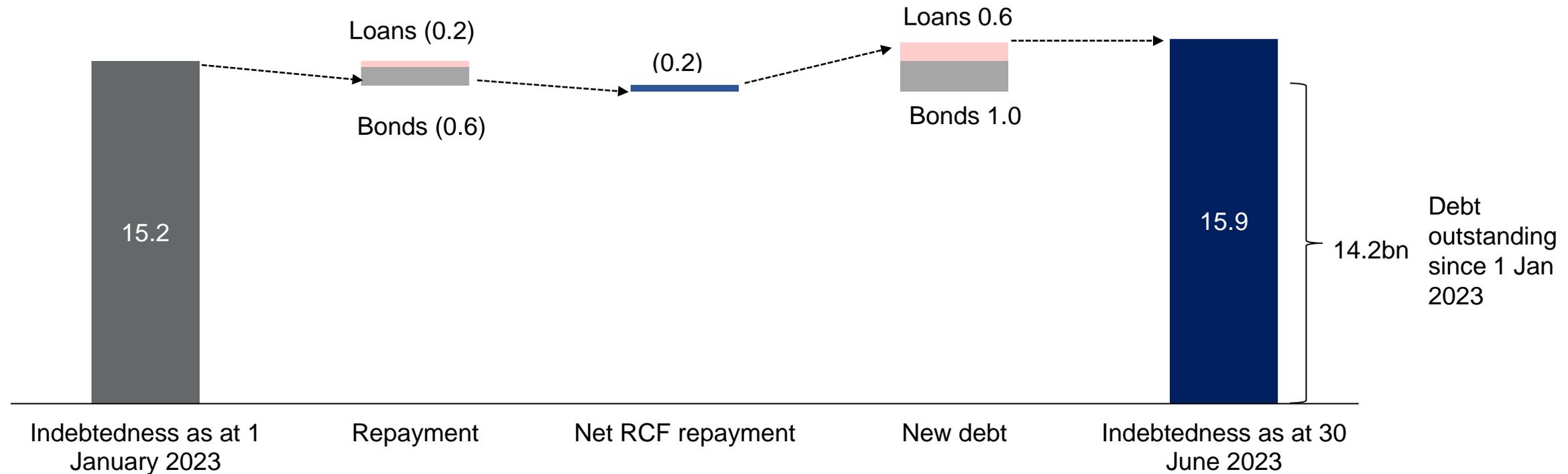
More than US\$5.7 billion of committed liquidity

Note:
1. Calculated as net cash flow from operating activities less finance expenses paid



Stable Debt Structure

US\$ billion



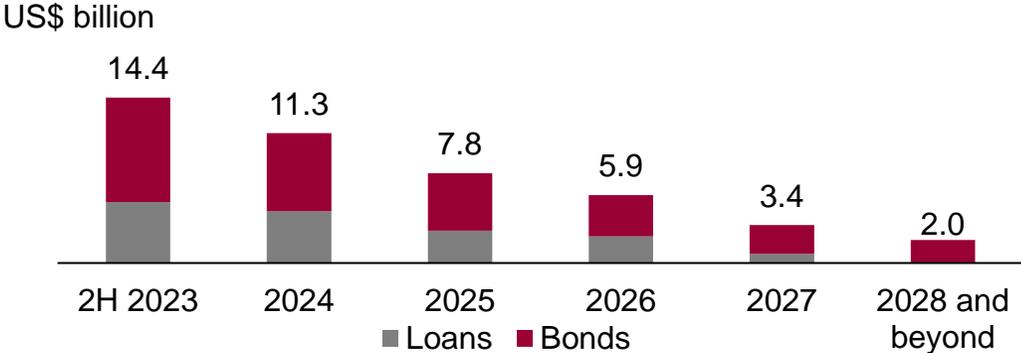
More than 90% of debt unchanged with debt to equity of 3.0:1 at end-June 2023

Due to rounding, numbers presented may not add up precisely to the totals provided

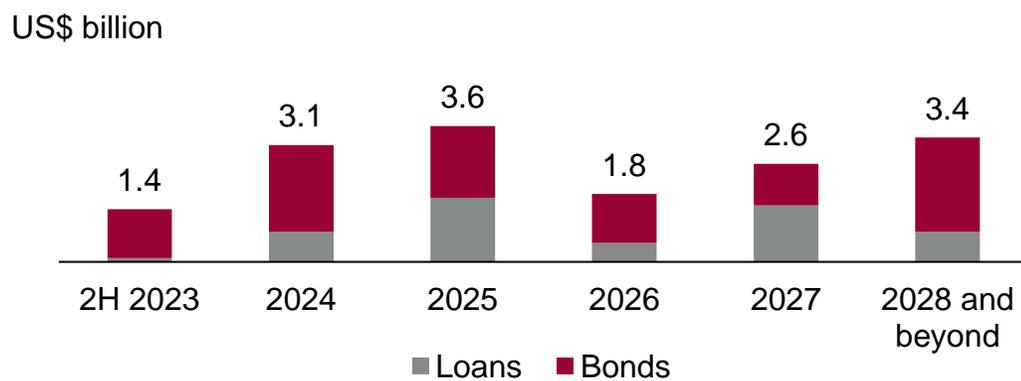


Flexible Capital Structure

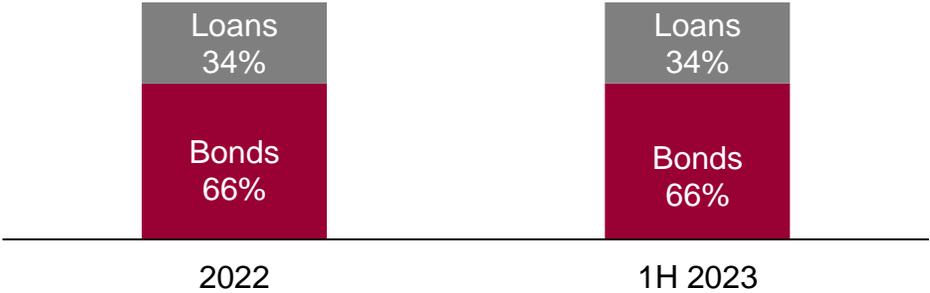
Outstanding debt amortises over a long term



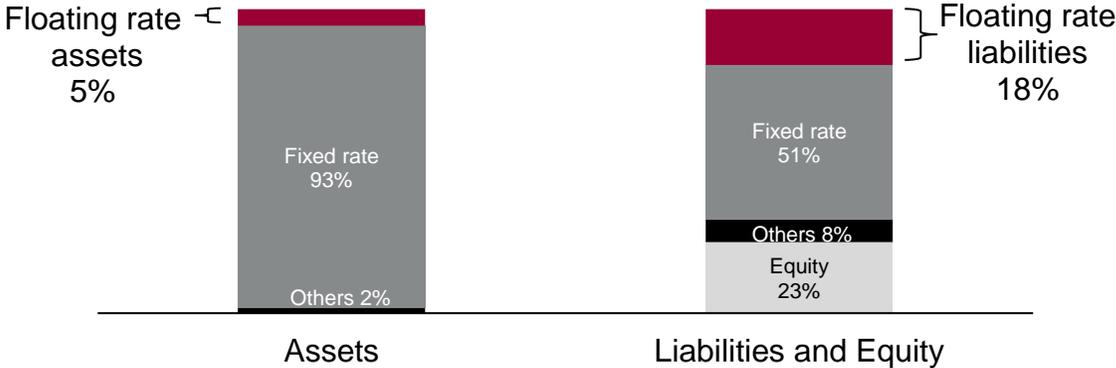
Outstanding debt maturity profile



Sources of debt¹



Asset and liability profile



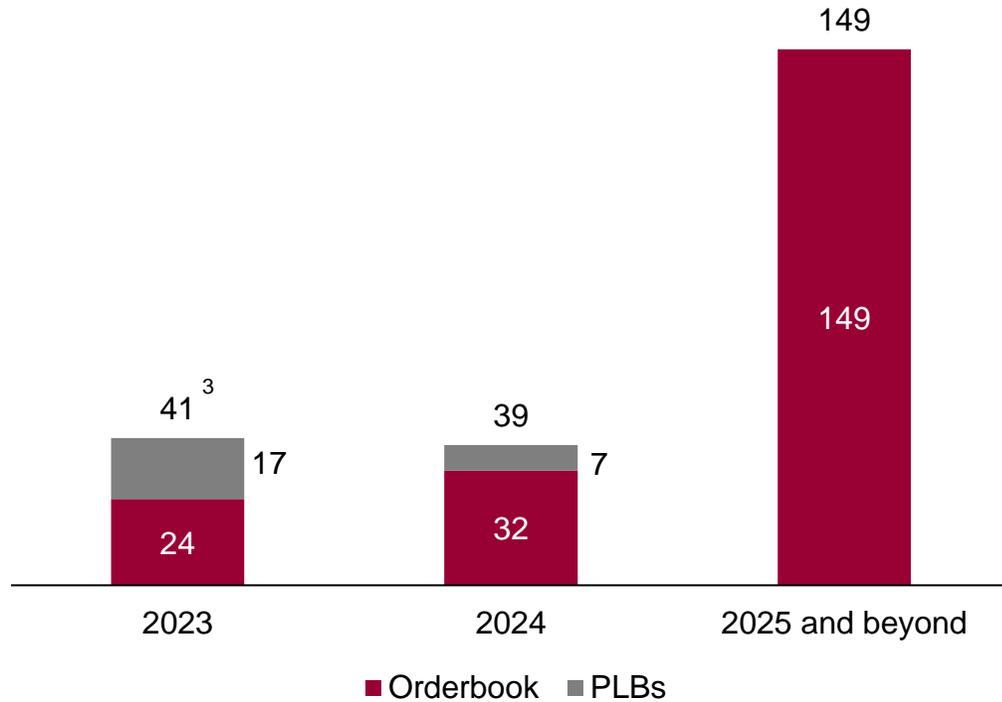
Long-term unsecured debt is a key strength

All data as at 30 June 2023
 Note:
 1. Drawn debt only

Record High Committed Capex

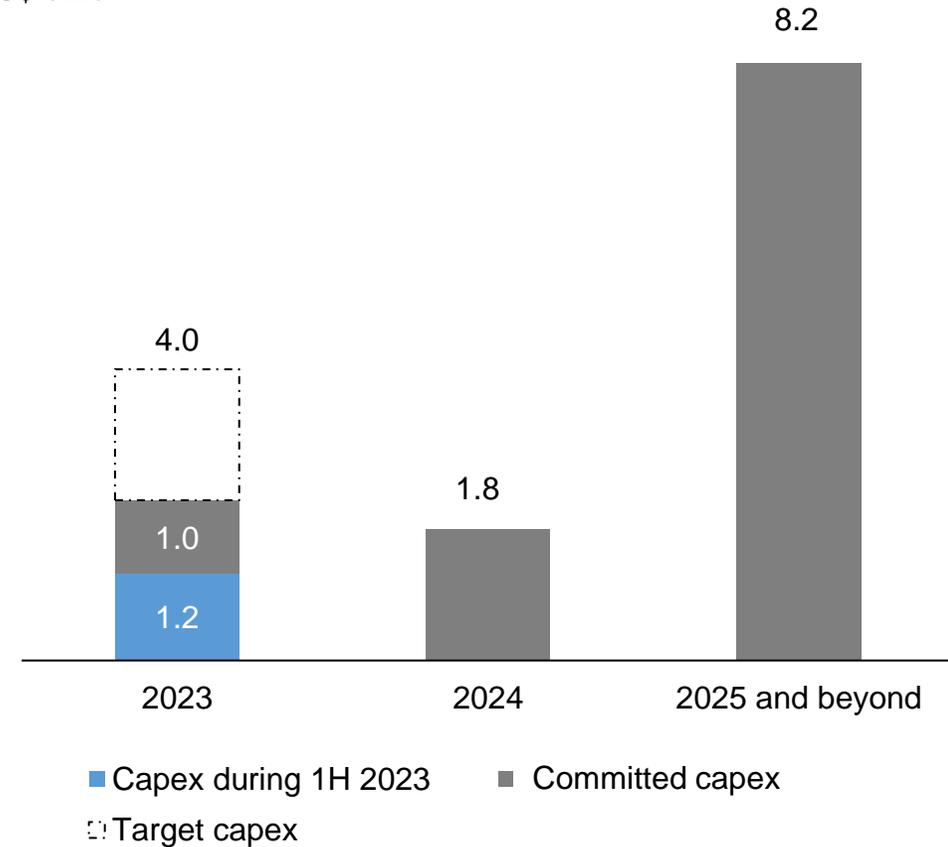
Orderbook by direct orders vs PLBs^{1,2}

Number of aircraft



Total committed capex of US\$11 billion⁴

US\$ billion



Robust capex provides future growth visibility

All data as at 30 June 2023 unless otherwise indicated

Notes:

1. Includes all commitments to purchase aircraft including those where an airline customer has the right to acquire the relevant aircraft on delivery
2. Based on expected delivery dates as at 30 June 2023
3. Includes 16 aircraft delivered in 1H 2023
4. As at 30 June 2023

Conclusion

- On track for 30th year of unbroken profitability
 - More than US\$5.7 billion of cumulative earnings¹
- A very active first half of the year
 - Net profit after tax (NPAT) rose 27%² to US\$262 million
 - Record high lease rental income of US\$940 million
 - Record high operating cash flow net of interest of US\$721 million
 - Maintained interim dividend at 30% of 1H 2023's NPAT
 - Maintained credit ratings of A- from S&P Global and Fitch Ratings
 - Owned fleet exceeded 400 aircraft
- Focused on growth
 - Global passenger traffic is close to 2019 levels
 - Rebound in airline profits is translating to demand for new aircraft, rising aircraft valuations and lease rates recovery
 - Significant future capex of US\$11 billion provides future balance sheet growth
 - High liquidity of more than US\$5.7 billion to support further aircraft investments

Capitalising on growth

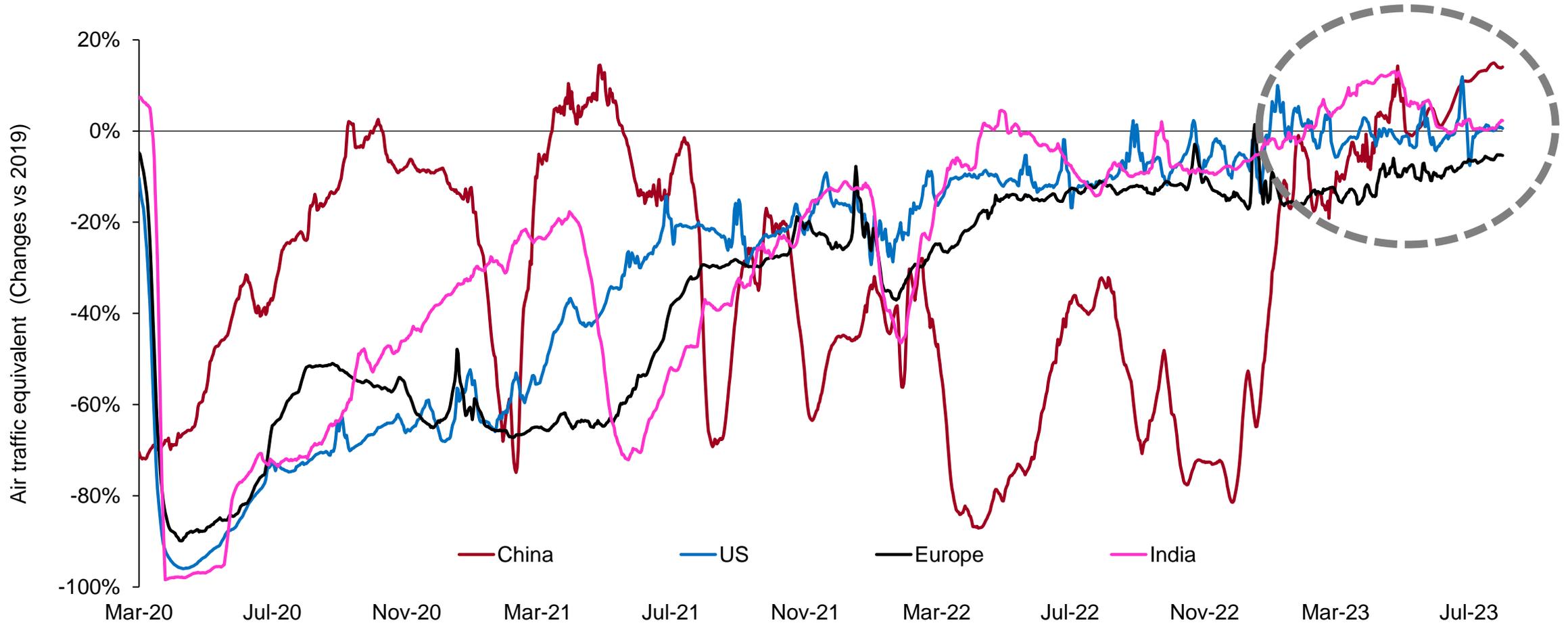
All data as at 30 June 2023 unless otherwise indicated

Notes:

1. Since the Company's inception in 1993
2. Compared to core NPAT of US\$206 million in 1H 2022

APPENDICES

Major Passenger Markets Have Broadly Regained Pre-Covid Levels



Airline industry profits expectation is lifted to US\$9.8 billion for 2023E¹

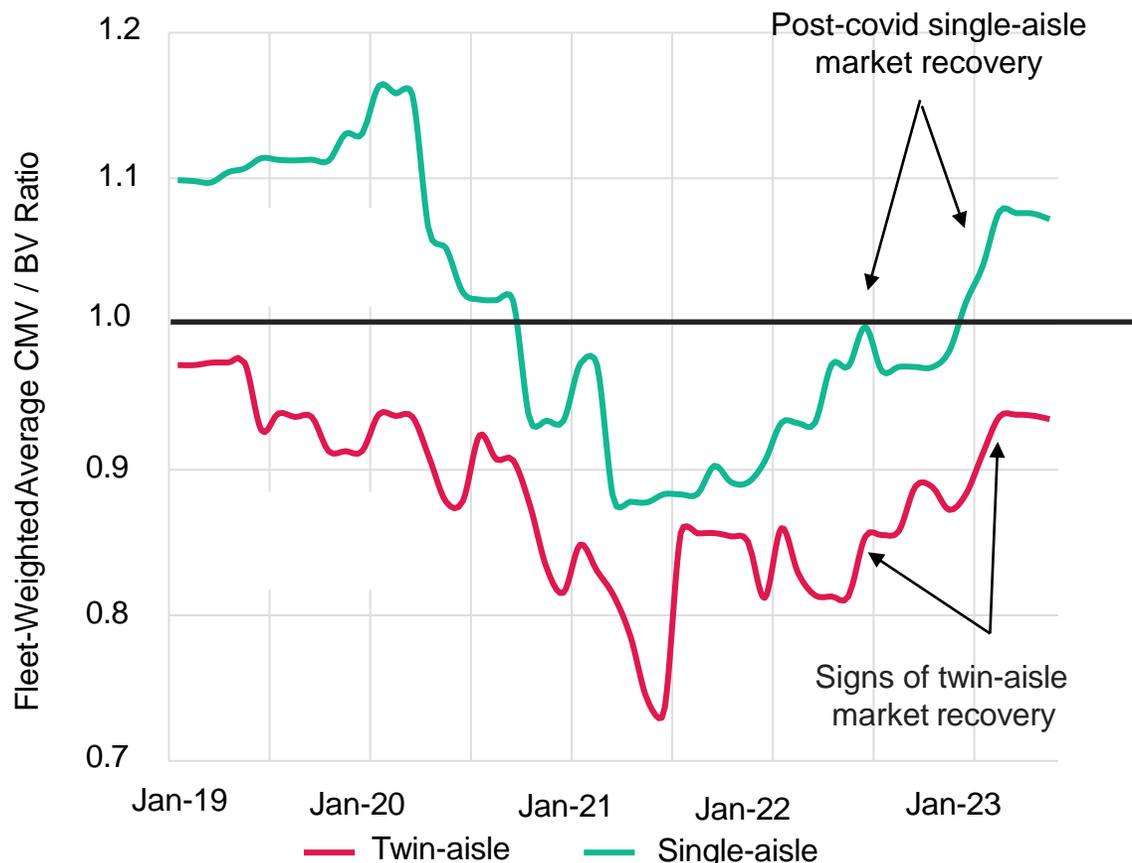
Sources: China MoT (Air Pax YoY) TravelSky (Traffic), TSA (Throughput), Eurocontrol (Flights), AWN ADS-B (Flights)

Note:

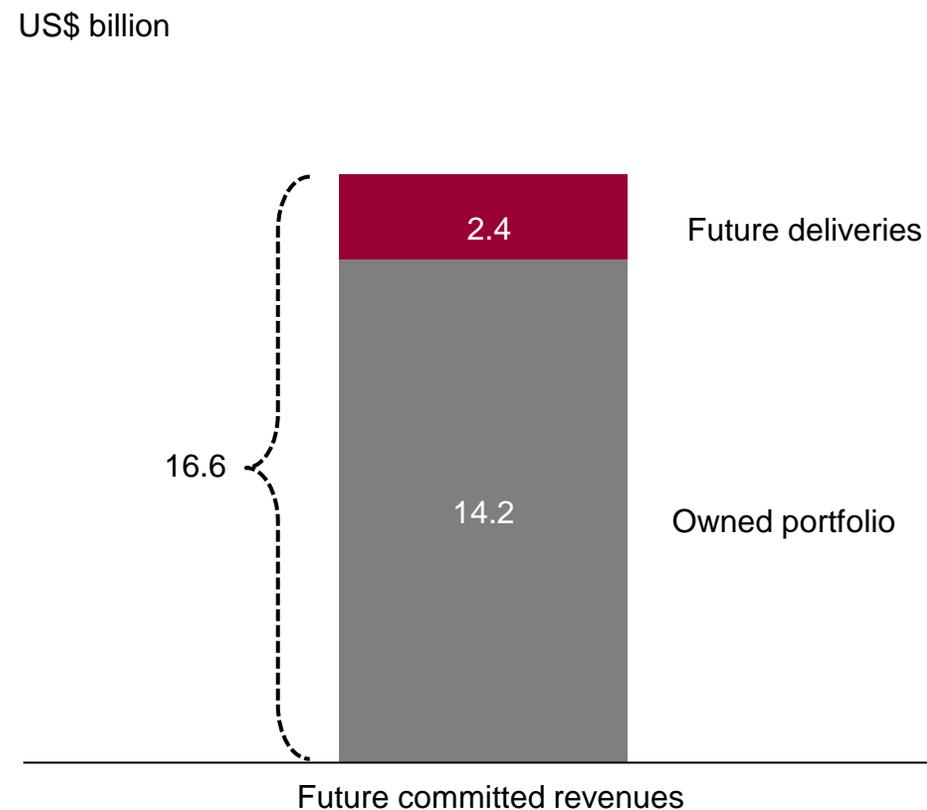
1. IATA (Global outlook for air transportation, June 2023)

Rising Aircraft Values Reflect Recovery in the Aviation Industry

Rising aircraft market values¹



Committed future revenues of around US\$17 billion^{2,3}

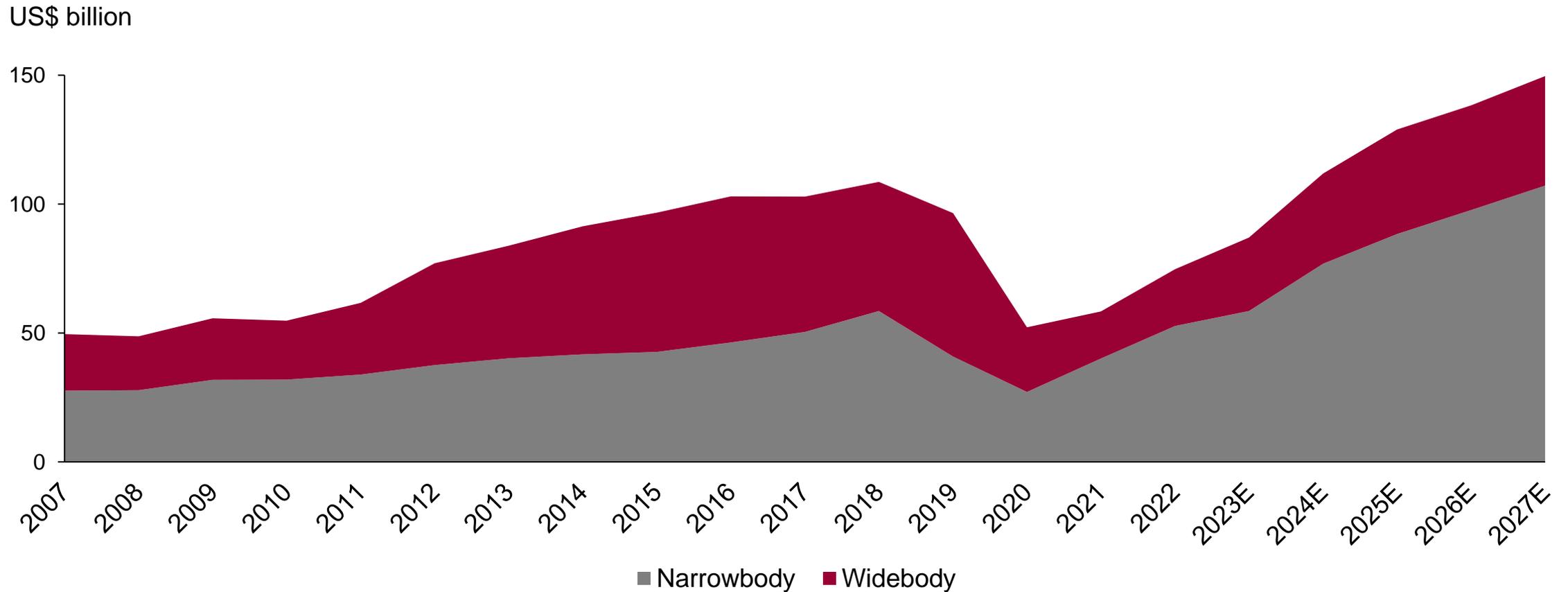


Future committed revenues and rising aircraft values underpin value creation

Notes:

1. Source: Ascend Commercial Aviation Monitor (5 May 2023), Cirium Values Analyzer, passenger jets only
2. As at 30 June 2023
3. Excludes aircraft on leases classified as finance lease in accordance with IFRS 16 (*Leases*)

Airlines' Capital Investments Are Projected to Exceed US\$125 Billion by 2025

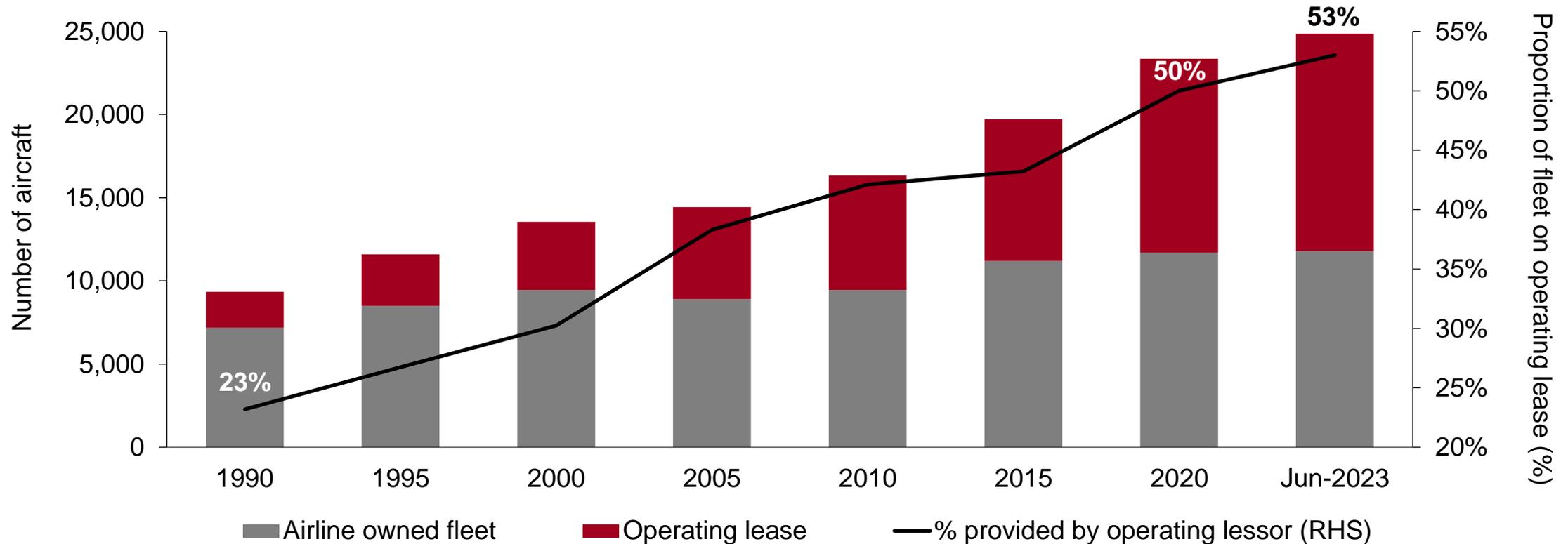


Value of deliveries expected to rise in the next four years

All data as at 30 June 2023
Source: BOC Aviation Analysis

Operating Lessors' Share of the Market

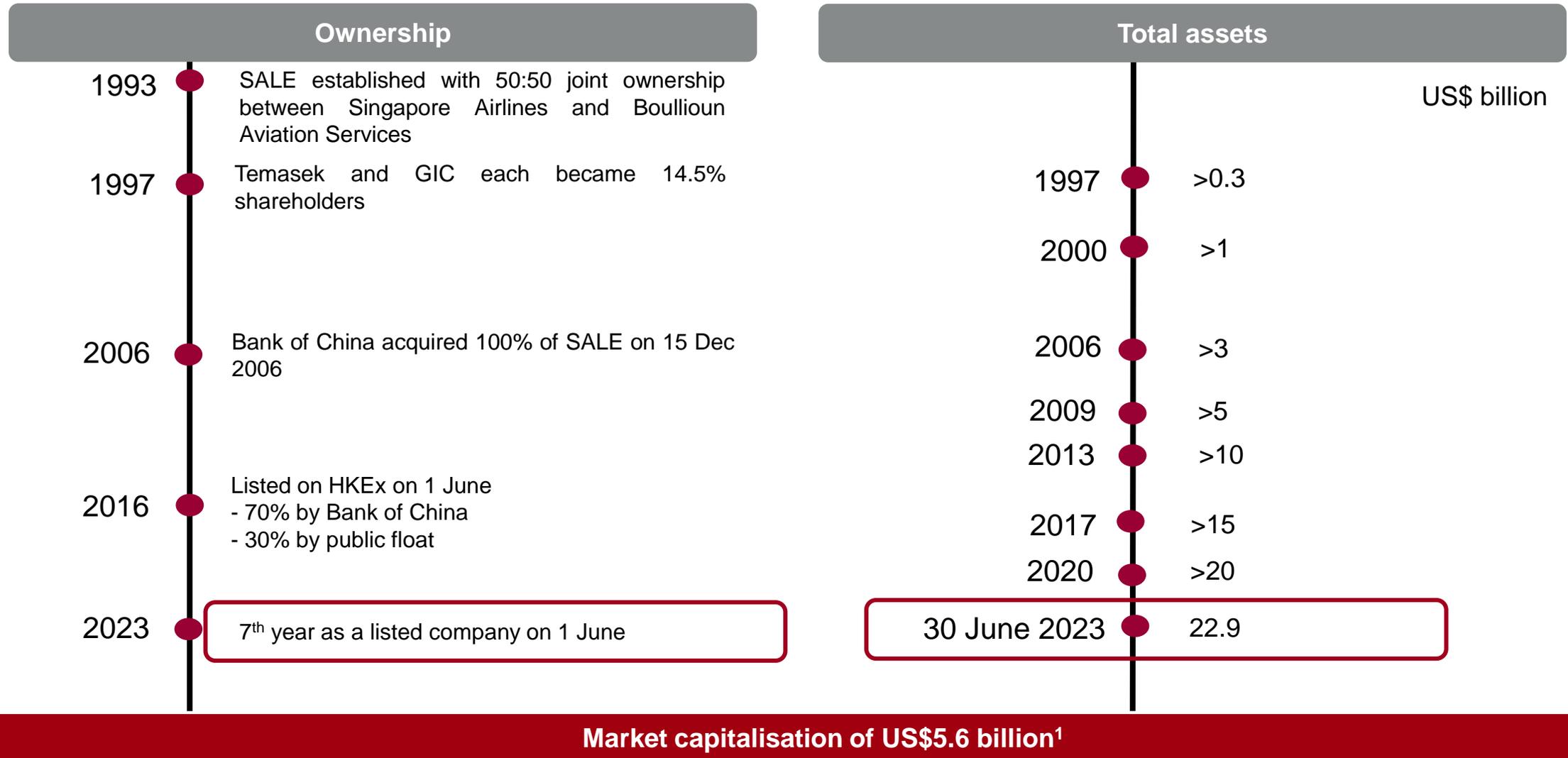
Proportion of fleet on operating lease



Lessors own 53% of the aircraft market today

Sources: Ascend, as at 30 June 2023, based on aircraft of 100+ seats. Fleet data for 2020 onwards includes aircraft in-service and aircraft additionally parked from end-2019 due to Covid-19 fleet grounding

The BOC Aviation Journey – 30 Years in 2023



All data as at the end of the relevant period

Note:

1. Source: Bloomberg (as at 30 June 2023)

BOC Aviation – Who are We?

Top 5

Global aircraft operating lessor¹

Listed on HKEX

HKEX code: 2588

>US\$5.7 billion

Cumulative profits since inception

>US\$5.7 billion

Available liquidity

213

Aircraft on order²

Bank of China

70% owned by BOC

A- Investment grade credit ratings from S&P and Fitch

US\$22.9 billion

Total assets

652

Aircraft in fleet³

4.7 years; 8.0 years

Average fleet age & lease term remaining⁴

Industry leader focused on long-term sustainable earnings

All data as at 30 June 2023

Notes:

1. By net book value of owned aircraft
2. Includes all commitments to purchase aircraft including those where an airline customer has the right to acquire the relevant aircraft on delivery
3. Includes owned, managed and aircraft on order as at 30 June 2023
4. Weighted by net book value of owned fleet as at 30 June 2023

Our Management Team



Robert Martin
Managing Director & Chief Executive Officer

Zhang Xiaolu
Vice-Chairman & Deputy Managing Director

Steven Townend
Deputy Managing Director & Chief Financial Officer

Tom Chandler
Chief Operating Officer

Deng Lei
Chief Commercial Officer (Asia Pacific & the Middle East)

Paul Kent
Chief Commercial Officer (Europe, Americas & Africa)

- 35 years of banking and leasing experience
- Managing Director and Board Director since July 1998

- 33 years of banking experience
- In charge of Risk Management, Market Research, Board Secretariat and Corporate Affairs departments

- 32 years of banking and leasing experience
- In charge of Finance, Treasury, Tax, Investor Relations and Settlement

- 25 years of airline, legal and banking experience
- In charge of Procurement, Technical, all operations and related departments

- 25 years of banking experience
- In charge of revenue activities for Asia Pacific and Middle East

- 27 years of aircraft finance and leasing experience
- In charge of revenue activities for Europe, Americas and Africa

Nationality



Highly experienced senior management team

All data as at August 2023



Core Competencies - BOC Aviation Track Record

Since inception in 1993:

- Purchasing More than 1,000 aircraft purchased totalling around US\$60 billion
- Leasing More than 1,250 leases executed with >190 airlines in > 60 countries and regions
- Financing¹ More than US\$40 billion in debt raised

- Sales More than 400 owned and managed aircraft sold
- Transitions More than 130 transitions
- Repossessions² 65 aircraft in 19 jurisdictions

The outcome:

- Total number of aircraft delivered **836**
- Proportion of aircraft sold³ **50%**
- Proportion of transitions⁴ **11%**
- Proportion of repossessions⁴ **5%**

All data as at 30 June 2023, since inception unless otherwise indicated

Notes:

1. Since 1 January 2007
2. Includes repossessions and consensual early returns
3. As a proportion of aircraft delivered
4. As a proportion of leases executed



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