

PRESS RELEASE

14 March 2024

BOC AVIATION REPORTS RECORD EARNINGS IN 2023

BOC Aviation Limited (HKEX Code: 2588, "BOC Aviation") is pleased to announce its audited results for the year ended 31 December 2023.

BOC Aviation reported net profit after tax ("NPAT") of US\$764 million for 2023, exceeding 2019's previous record of US\$702 million. The improvement reflected underlying growth across the business, combined with insurance settlements in respect of aircraft in Russia.

Our balance sheet grew by 10% during 2023 to more than US\$24 billion, reflecting investment in new aircraft. In 2023, we committed to acquire 95 aircraft and ended the year with record total committed capital expenditure of US\$12 billion and an orderbook of 224 aircraft.

The Board of Directors has recommended a distribution of US\$0.2721 per share by way of final dividend, taking total dividend for the year to US\$0.3852¹. This represents 35% of our 2023 NPAT and will be the highest dividend paid in our company's history.

"We are delighted to report record earnings as we celebrate our 30th anniversary," Steven Townend, Chief Executive Officer and Managing Director, BOC Aviation, commented. "We achieved record fleet growth in 2023, which also drove our revenues, cashflows and asset values to record highs. With passenger travel growth expected to remain firm, we are well placed to leverage continued strong demand for the modern aircraft that comprise our fleet and orderbook."

Financial Highlights

Our financial highlights for the year ended 31 December 2023 are:

- Total revenues and other income rose 7% year-on-year, to US\$2.5 billion
- Record net profit after tax of US\$764 million compared with US\$20 million in 2022
- Earnings per share of US\$1.10 and net assets per share of US\$8.28
- Operating cash flow net of interest rose 8% to US\$1.6 billion
- Total assets of US\$24.2 billion at 31 December 2023, up 10% on 2022
- Raised US\$4.1 billion of new debt financing comprising US\$2.5 billion of loans and US\$1.7 billion of bonds
- Maintained strong liquidity of US\$5.6 billion, comprising US\$392 million in cash and cash equivalents and US\$5.2 billion in undrawn committed credit facilities at 31 December 2023

- The Board recommended a final dividend for 2023 of US\$0.2721 per share, pending approval at the AGM to be held on 30 May 2024. The final dividend will be payable to shareholders registered at the close of business on the record date, being 7 June 2024, bringing the total dividend for the financial year 2023 to US\$0.3852¹ per share, calculated at 35% of net profit after tax

Portfolio and Operational Highlights

As at 31 December 2023, BOC Aviation had:

- A total fleet of 684 aircraft owned, managed and on order, with an average aircraft age of 4.6 years and an average remaining lease term of 8.1 years for the 426 owned aircraft fleet, weighted by net book value²
- A customer base of 91 airlines in 45 countries and regions in the owned and managed portfolios
- Executed a record 348 transactions in 2023, including:
 - Commitments to purchase 95 aircraft
 - Delivery of 65 aircraft (excluding two acquired by an airline customer on delivery)
 - Sale of 20 aircraft and one engine
 - 142 lease commitments
- An orderbook of 224 aircraft
- Recorded aircraft utilisation of 99% for the owned portfolio for the year ended 31 December 2023

Key Financial Data

	Audited	
	12 months ended 31	
	December	
	2023	2022
	US\$m	US\$m
Statement of Profit or Loss		
Revenues and other income	2,461 ³	2,307
Costs and expenses	(1,601)	(2,278) ⁴
Profit before income tax	861	29
Net profit after income tax	764	20
Earnings per share (US\$) ⁵	1.10	0.03
	Audited	Audited
	31 December	31 December
	2023	2022
	US\$m	US\$m
Statement of Financial Position		
Cash and short-term deposits	392	397
Total current assets	831	845
Total non-current assets	23,338	21,226
Total assets	24,170	22,071
Total current liabilities	3,402	2,719
Total non-current liabilities	15,019	14,150
Total liabilities	18,421	16,869
Net assets	5,748	5,202
Financial Ratios		
Net assets per share (US\$)	8.28	7.50
Gross debt to equity (times)	2.9	2.9
Net debt to equity (times)	2.8	2.8

Aircraft portfolio as at 31 December 2023, by number of aircraft

Aircraft Type	Owned Aircraft ⁶	Managed Aircraft ⁶	Aircraft on Order	Total
Airbus A220 family	18	0	0	18
Airbus A320CEO family	83	14	0	97
Airbus A320NEO family	122	0	124	246
Airbus A330CEO family	8	1	0	9
Airbus A330NEO family	6	0	0	6
Airbus A350 family	9	0	0	9
Boeing 737NG family	61	13	0	74
Boeing 737-8/9	60	0	93	153
Boeing 777-300ER	27	4	0	31
Boeing 787 family	27	1	7	35
Freighters	5	1	0	6
Total	426	34	224	684

The full year 2023 financial results presentation slides and audited final 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 15 March 2024.

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

- ^{1.} Includes interim dividend of US\$0.1131 per share paid to Shareholders registered at the close of business on 29 September 2023.
- ^{2.} Includes finance lease receivables in respect of aircraft on leases classified as finance leases in accordance with IFRS 16 (Leases).
- ^{3.} Includes the insurance recovery in respect of aircraft in Russia of US\$258 million in FY2023.
- ^{4.} Includes the impairment of aircraft in Russia in FY2022.
- ^{5.} Earnings per share is calculated by dividing net profit after tax by total number of shares outstanding at 31 December 2023 and 31 December 2022. Number of shares outstanding at 31 December 2023 and 31 December 2022 was 694,010,334.
- ^{6.} Adjusted for disposition of 11 owned and one managed aircraft under insurance settlements.

About BOC Aviation

BOC Aviation is a leading global aircraft operating leasing company with a fleet of 684 aircraft owned, managed and on order. Its owned and managed fleet was leased to 91 airlines in 45 countries and regions worldwide as at 31 December 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.

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