

PRESS RELEASE

20 August 2020

BOC AVIATION REPORTS 1H 2020 PERFORMANCE

BOC Aviation Limited (HKEX Code: 2588, "BOC Aviation") is pleased to announce its unaudited results for the six months ended 30 June 2020.

BOC Aviation reported net profit after tax ("NPAT") of US\$323 million in the first half of 2020, an increase in both NPAT and earnings per share compared with the same period last year. Total revenues and other income rose at around the same pace as our total assets in the first half of 2020, up 11% to US\$1,035 million from US\$930 million in the first half of last year. The Board of Directors approved a distribution of US\$0.1398 per share by way of interim dividend, which represents 30% of our NPAT in the first half of 2020, which is the same proportion of NPAT that we distributed as an interim dividend in prior years.

During the six months ended June 2020, we generated positive operating cash flow net of finance expenses of US\$555 million compared with US\$629 million in the first half of 2019, and ended the half year with US\$4 billion in available liquidity.

"BOC Aviation successfully navigated its way through the first half and delivered a resilient performance in a challenging environment. We proactively supported our airline customers through purchase and leasebacks," Robert Martin, Managing Director and Chief Executive Officer, BOC Aviation, commented. "We successfully accessed the debt capital markets on three occasions in January, April and June, ending the half year with US\$4 billion of liquidity available."

Financial Highlights

Our financial highlights for the six months ended 30 June 2020 are:

- Total revenues and other income rose 11% to US\$1,035 million
- Net profit after tax rose to US\$323 million, compared with US\$321 million in the first half of 2019
- Earnings per share of US\$0.47
- Interim dividend of US\$0.1398 per share, up from the 2019 interim dividend of US\$0.1388 per share
- Total assets increased 14% to US\$22.6 billion as at 30 June 2020 from 31 December 2019
- Utilised US\$3.8 billion in bonds and term loans

- Maintained strong liquidity of US\$4 billion as at 30 June 2020, comprising US\$398 million in cash and cash equivalents, and US\$3.6 billion in undrawn committed unsecured revolving credit facilities

Portfolio and Operational Highlights

Our operational transactions as at 30 June 2020 included:

- A portfolio of 571¹ owned, managed and committed aircraft
- Reshaped the orderbook, committing to purchase 86 incremental aircraft and restructuring our Boeing 737 MAX order, ending the period with an orderbook of 197¹ aircraft scheduled for delivery through to 31 December 2024
- Signed 76 lease commitments in the first half of 2020, with all aircraft scheduled for delivery from our orderbook before 2023 now placed with airline customers
- Total deliveries of 23 aircraft, including one acquired by an airline customer on delivery, in the first half of 2020
- Sold five aircraft, all from the owned fleet
- Owned fleet of 334 aircraft, with an average age of 3.5 years and an average remaining lease term of 8.5 years, each weighted by net book value
- Customer base of 91 airlines in 40 countries and regions in the owned and managed fleet
- Owned aircraft utilisation at 99.8%, with two owned single aisle aircraft off lease at 30 June 2020, and cash collection from airline customers of 88.8% for the first half of 2020
- Managed fleet comprised 40 aircraft, with one managed single aisle aircraft off lease at 30 June 2020

Key Financial Data

	Unaudited	
	6 months ended 30 June	
	2020	2019
	US\$m	US\$m
Statement of Profit or Loss		
Revenues and other income	1,035	930
Costs and expenses	(681)	(579)
Profit before income tax	354	352
Net profit after income tax	323	321
Earnings per share (US\$) ²	0.47	0.46
	Unaudited	Audited
	30 June	31 December
	2020	2019
	US\$m	US\$m
Statement of Financial Position		
Cash and short-term deposits ³	436	287
Total current assets	793	739
Total non-current assets	21,826	19,025
Total assets	22,619	19,764
Total current liabilities	2,091	2,141
Total non-current liabilities	15,887	13,043
Total liabilities	17,977	15,184
Net assets	4,642	4,581
Financial Ratios		
Net assets per share (US\$) ⁴	6.69	6.60
Gross debt to equity (times) ⁵	3.5	2.9

Aircraft Portfolio as at 30 June 2020, by number of aircraft

Aircraft Type	Owned Aircraft	Managed Aircraft	Aircraft on Order¹	Total
Airbus A320CEO family	114	15	0	129
Airbus A320NEO family	52	0	88	140
Airbus A330CEO family	12	3	0	15
Airbus A330NEO family	2	0	6	8
Airbus A350 family	9	0	0	9
Boeing 737NG family	85	15	0	100
Boeing 737 MAX family	16	0	73	89
Boeing 777-300ER	24	4	3	31
Boeing 777-300	0	1	0	1
Boeing 787 family	15	1	27	43
Freighters	5	1	0	6
Total	334	40	197	571

Certain airline customers notified us of their intention to acquire on delivery a total of 15 of our aircraft on order, one of which is expected to be delivered in the second half of 2020.

The first half 2020 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 21 August 2020.

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 all commitments to purchase aircraft including those where an airline customer has the right to acquire the relevant aircraft on delivery.
- ² Earnings per share is calculated by dividing net profit after tax by total number of shares outstanding at 30 June 2020, and 30 June 2019, in the respective columns. Number of shares outstanding at 30 June 2020 and 30 June 2019 was 694,010,334.
- ³ Includes encumbered cash and bank balances of US\$38 million and US\$35 million at 30 June 2020 and at 31 December 2019, respectively.
- ⁴ Net assets per share is calculated by dividing net assets by total number of shares outstanding at 30 June 2020, and 31 December 2019, in the respective columns. Number of shares outstanding at 31 December 2019 was 694,010,334.
- ⁵ Gross debt to equity is calculated by dividing gross debt by total equity at 30 June 2020, and 31 December 2019, in the respective columns.

About BOC Aviation

BOC Aviation is a leading global aircraft operating leasing company with a fleet of 571 aircraft owned, managed and on order. Its owned and managed fleet was leased to 91 airlines worldwide in 40 countries and regions as at 30 June 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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