

## PRESS RELEASE

9 March 2023

### **BOC AVIATION REPORTS 29<sup>th</sup> YEAR OF PROFITABILITY**

BOC Aviation Limited (HKEX Code: 2588, “BOC Aviation”) is pleased to announce its audited results for the year ended 31 December 2022.

BOC Aviation recorded a net profit after tax (NPAT) for the period of US\$20 million, as a strong second half performance offset the first half write down of the value of aircraft formerly leased to airlines in Russia. Our core NPAT and core earnings per share of US\$527 million and US\$0.76, respectively, when adjusted to exclude the Russian impact, were little changed from the US\$561 million and US\$0.81 that we reported in 2021.

During the year ended December 2022, we generated record operating cash flow net of interest expense of US\$1.5 billion as our collection rate exceeded 100%, and we ended the year with US\$5.3 billion in available liquidity.

The Board has decided to base the final dividend for 2022 on core net profit after tax and has recommended a final dividend of US\$0.1770 per share, 2% greater than that paid for the same period in 2021. This will bring the total dividend for 2022 to US\$0.2659<sup>1</sup> per share and recognises the importance many of our investors place on steady distributions.

“The recovery of the world’s aviation industry clearly gathered pace in 2022 and supported our 2H 2022 NPAT of US\$333 million, which not only eclipsed the first half, but also 2H 2021’s earnings,” Robert Martin, Managing Director and Chief Executive Officer, BOC Aviation, commented. “We made commitments to purchase 147 new aircraft during the year, which will allow us to capitalise on the airline industry’s growth demands and to drive future earnings.”

### **Financial Overview**

An overview of our financial position for the year ended 31 December 2022 includes:

- Total revenues and other income were up 6% year-on-year, at US\$2.3 billion
- Core net profit after tax was US\$527 million, excluding the impact of the write-down of aircraft in Russia
- Recorded a second half net profit after tax of US\$333 million, up 8% on US\$307 million in 2H 2021
- Net assets per share of US\$7.50
- Operating cash flows net of interest rose 14% to US\$1.5 billion

- Total assets of US\$22.1 billion at 31 December 2022
- Utilised US\$1.7 billion of debt financing comprising US\$1.4 billion of loans and US\$300 million of bonds
- Maintained strong liquidity of US\$5.3 billion, comprising US\$392 million in cash and cash equivalents and US\$4.9 billion in undrawn committed credit facilities at 31 December 2022
- Board recommended a final dividend for 2022 of US\$0.1770 per share, calculated at 35% of core net profit after tax pending approval at the AGM to be held on 30 May 2023. The final dividend will be payable to Shareholders registered at the close of business on the record date, being 7 June 2023, bringing the total dividend for the financial year 2022 to US\$0.2659<sup>1</sup> per share

### **Portfolio and Operational Overview**

Our operational overview as at 31 December 2022 included:

- A total fleet of 633 aircraft owned, managed and on order<sup>2</sup>, with an average aircraft age of 4.4 years and an average remaining lease term of 8.1 years for the 392 owned aircraft fleet, weighted by net book value
- A customer base of 84 airlines in 39 countries and regions in the owned and managed portfolios
- Executed 298 transactions in 2022, including:
  - Commitments to purchase 147 aircraft
  - Delivery of 34 aircraft (including five acquired by airline customers on delivery)
  - Sale of 18 aircraft, including one from the managed fleet
  - 78 lease commitments
- Placed two large orders with Airbus and Boeing for 120 aircraft in total, to close the year with an orderbook of 206 aircraft<sup>2</sup>
- Recorded aircraft utilisation of 96% for the owned portfolio for the year ended 31 December 2022

## Key Financial Data

	<b>Audited</b>	
	<b>12 months ended 31</b>	
	<b>December</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$m</b>	<b>US\$m</b>
<b>Statement of Profit or Loss</b>		
Revenues and other income	2,307	2,183
Costs and expenses	(2,278) <sup>3</sup>	(1,545)
Profit before income tax	29	639
<b>Net profit after income tax</b>	<b>20</b>	<b>561</b>
Core net profit after tax	527 <sup>4</sup>	561
Earnings per share (US\$) <sup>5</sup>	0.03	0.81
Core earnings per share (US\$) <sup>6</sup>	0.76	0.81
	<b>Audited</b>	<b>Audited</b>
	<b>31</b>	<b>31 December</b>
	<b>December</b>	<b>2021</b>
	<b>2022</b>	<b>2021</b>
	<b>US\$m</b>	<b>US\$m</b>
<b>Statement of Financial Position</b>		
Cash and short-term deposits <sup>7</sup>	397	486
Total current assets	845	673
Total non-current assets	21,226	23,207
<b>Total assets</b>	<b>22,071</b>	<b>23,879</b>
Total current liabilities	2,719	2,206
Total non-current liabilities	14,150	16,408
<b>Total liabilities</b>	<b>16,869</b>	<b>18,613</b>
<b>Net assets</b>	<b>5,202</b>	<b>5,266</b>
<b>Financial Ratios</b>		
Net assets per share (US\$) <sup>8</sup>	7.50	7.59
Gross debt to equity (times) <sup>9</sup>	2.9	3.2
Net debt to equity (times) <sup>10</sup>	2.8	3.1

**Aircraft portfolio as at 31 December 2022, by number of aircraft**

Aircraft Type	Owned Aircraft	Managed Aircraft	Aircraft on Order <sup>2</sup>	Total
Airbus A320CEO family	98	15	0	113
Airbus A320NEO family	91	0	115	206
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 MAX family	52	0	82	134
Boeing 777-300ER	27	4	0	31
Boeing 787 family	24	1	9	34
Freighters	5	1	0	6
<b>Total</b>	<b>392</b>	<b>35</b>	<b>206</b>	<b>633</b>

The 2022 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 10 March 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. Includes interim dividend of US\$0.0889 per share paid to Shareholders registered at the close of business on 30 September 2022.
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 the impairment of the aircraft in Russia.
4. Excludes the impact of the write-down of aircraft in Russia.
5. Earnings per share is calculated by dividing net profit after tax by total number of shares outstanding at 31 December 2022 and 31 December 2021. Number of shares outstanding at 31 December 2022 and 31 December 2021 was 694,010,334.
6. Core earnings per share is calculated by dividing core net profit after tax by total number of shares outstanding at 31 December 2022 and 31 December 2021.
7. Includes encumbered cash and bank balances of US\$5.0 million and US\$1.2 million at 31 December 2022 and at 31 December 2021, respectively.
8. Net assets per share is calculated by dividing net assets by total number of shares outstanding at 31 December 2022 and 31 December 2021.
9. Gross debt to equity is calculated by dividing gross debt by total equity at 31 December 2022 and 31 December 2021.
10. 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 633 aircraft owned, managed and on order. Its owned and managed fleet was leased to 84 airlines in 39 countries and regions worldwide as at 31 December 2022. 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](http://www.bocaviation.com).

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