



# PRESENTATION FOR SHAREHOLDERS

Q3 2017



NOVEMBER 2017

- 1 AVIAAM LEASING AT A GLANCE
- 2 MORE THAN JUST A LEASING COMPANY
- 3 MANAGEMENT BOARD AND SHAREHOLDERS
- 4 FINANCIAL PERFORMANCE OVERVIEW
- 5 REVENUE OVERVIEW
- 6 EBITDA
- 7 DEBT
- 8 FLEET OVERVIEW
- 9 AIRCRAFT FLEET
- 10 P&L SUMMARY
- 11 BALANCE SHEET SUMMARY
- 12 CASH FLOW SUMMARY
- 13 WHY AIRLINES CHOOSE LEASING COMPANIES TO FINANCE AIRCRAFT?

# AVIAAM LEASING AT A GLANCE



A [Warsaw Stock Exchange](#) listed global aviation holding company engaged in commercial aircraft acquisition, leasing and sales



Specializes in mainline narrow-body aircraft as well as high-potential regional jets



Actively operating in [global aviation market](#)



Global presence, choice of aircraft register



Member of [ISTAT](#)



Strong balance sheet



High yield on [aircraft portfolio](#)



Good prospects for growth and strengthening position in the market

# MORE THAN JUST A LEASING COMPANY



AviaAM Leasing is an integrated aviation company delivering a full range of aircraft leasing, trading and management services. We provide a complete set of customized services and products to address most distinctive and unique needs of our clients



## AIRCRAFT LEASING

- Net operating (dry) or financial leases
- Short-term: up to 3 yrs
- Long-term: 3 yrs and above

## AIRCRAFT TRADING

- Aircraft purchases, customization and sales
- Aircraft remarketing for lease or sale
- Identification of acquisition and lease prospects
- Market analysis

## CONSULTING SERVICES

- Fleet structuring
- Aircraft registration services
- Aircraft repossessions
- Maintenance analysis

## ASSET MANAGEMENT

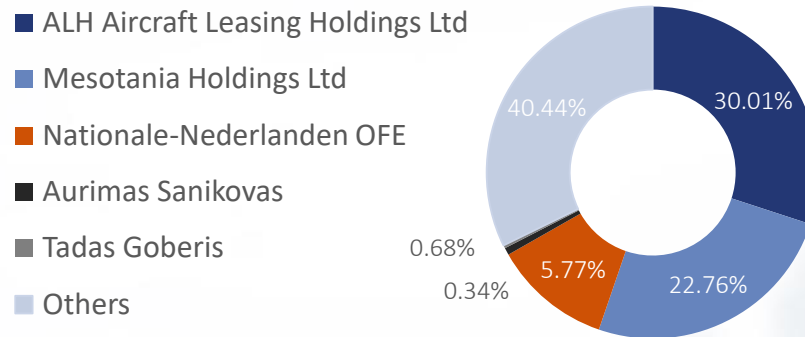
- Technical management
- Contract management
- Financial engineering
- Asset value protection

## ENGINE LEASING

- Operating Engine leasing
- Engine sale & lease back
- Guaranteed spare engine availability
- Engine exchanges

# MANAGEMENT BOARD AND SHAREHOLDERS

## SHAREHOLDER STRUCTURE



**TADAS GOBERIS**

Chairman of the Management Board and CEO



**JUSTINAS GILYS**

Member of the Management Board & Executive Director



**AURIMAS SANIKOVAS**

Member of the Management Board



**DOMAS GIRTAVICIUS**

Member of the Management Board

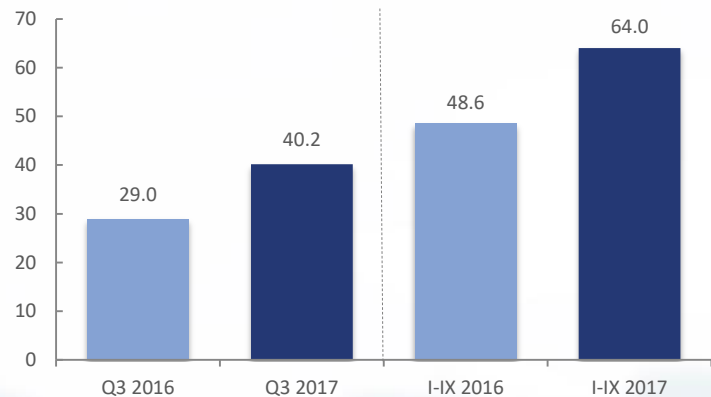


**TOMAS SIDLAUSKAS**

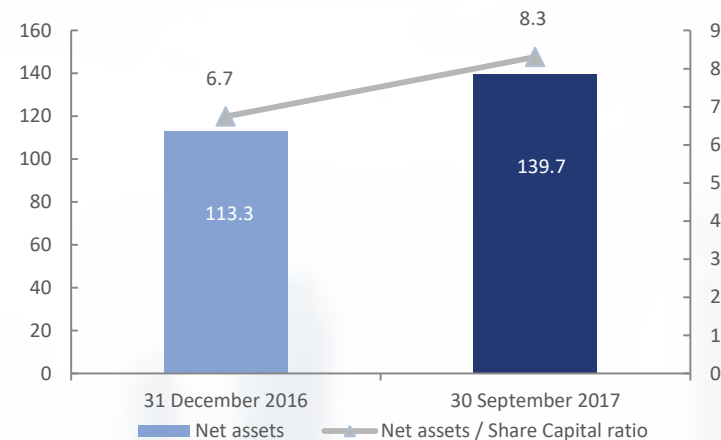
Member of the Management Board & Vice President Development

# FINANCIAL PERFORMANCE OVERVIEW

## REVENUES (USDm)



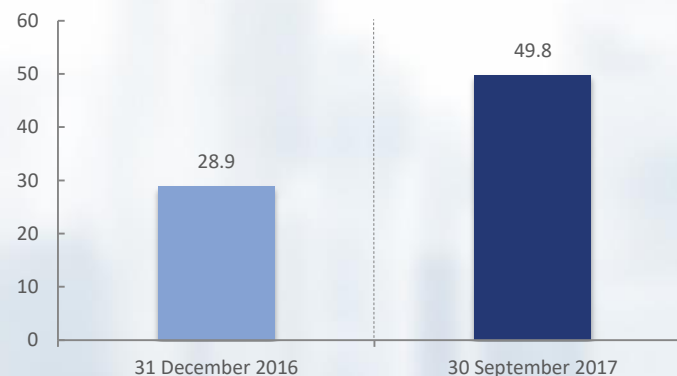
## NET ASSETS AND SHARE CAPITAL RATIO (USDm)



## NET PROFIT (USDm)

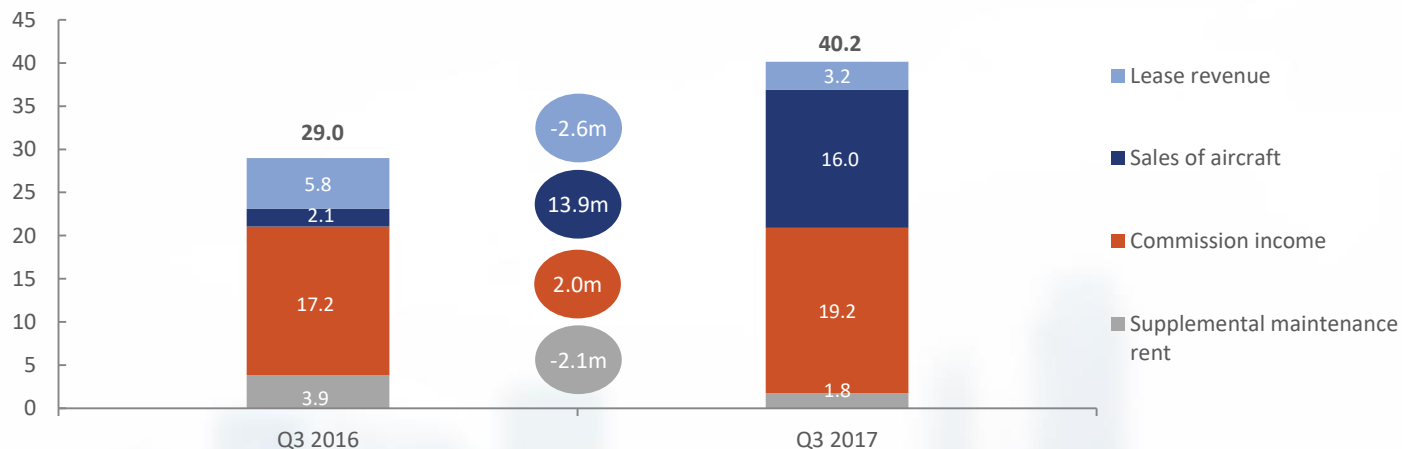


## CASH AND CASH EQUIVALENTS (USDm)

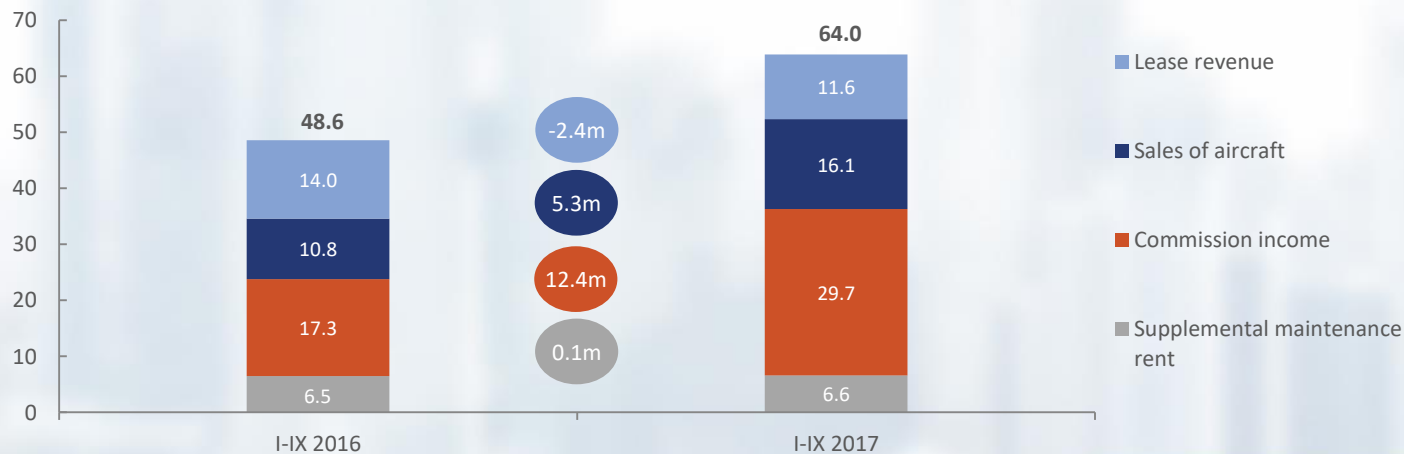


# REVENUE OVERVIEW

REVENUE Q3 2016 vs. Q3 2017 (USDm)

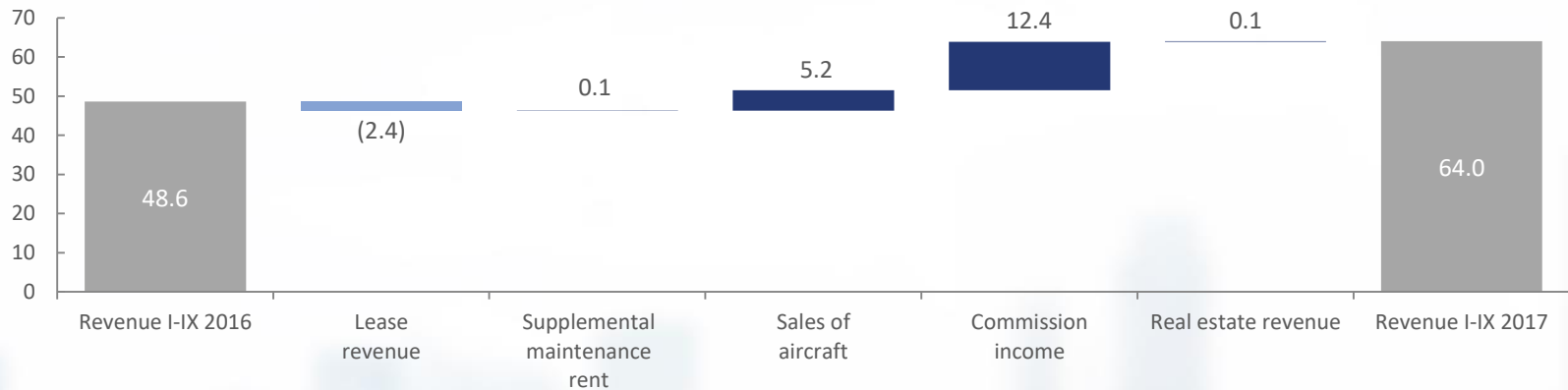


REVENUE I-IX 2016 vs. I-IX 2017 (USDm)

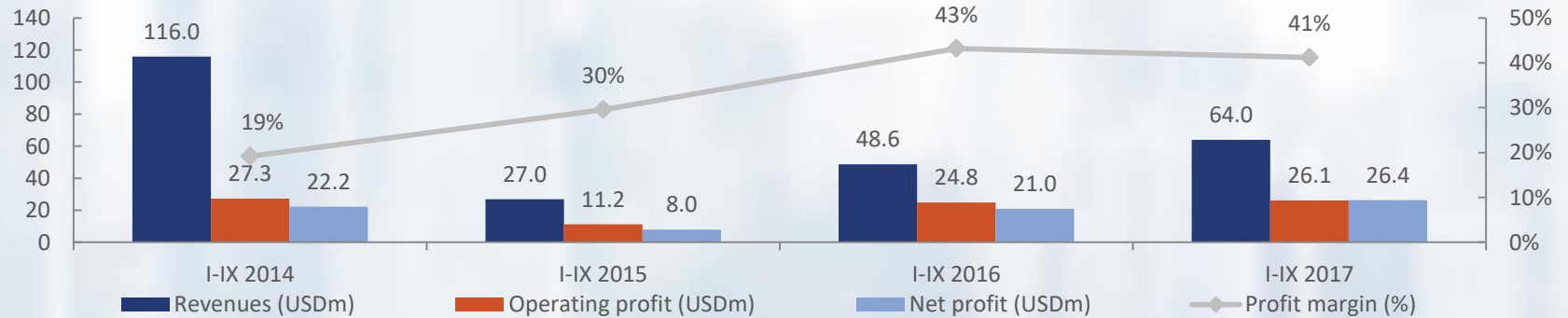


# REVENUE OVERVIEW

REVENUE I-IX 2016 vs. I-IX 2017 (USDm)



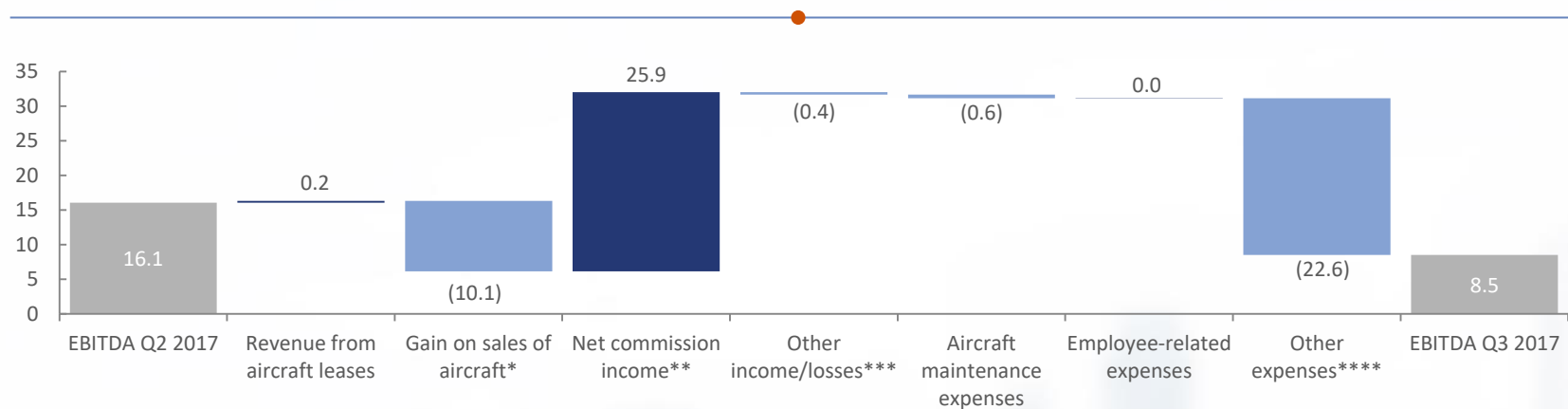
REVENUES, OPERATING PROFIT AND NET PROFIT COMPARISON WITH PRIOR YEARS (USDm)



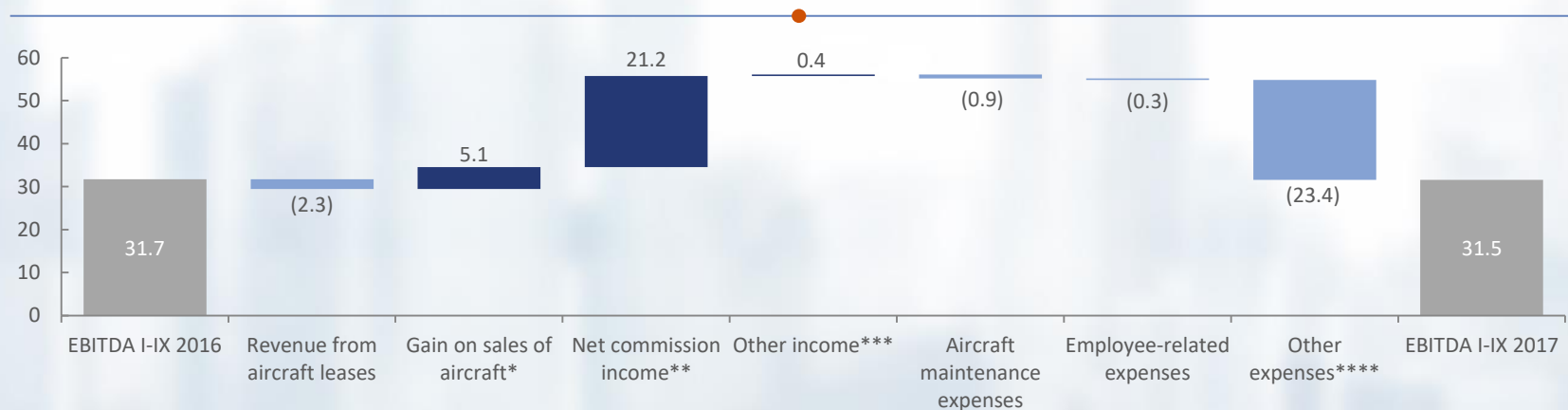


# EBITDA

### EBITDA Q2 2017 vs. Q3 2017 (USDm)



### EBITDA I-IX 2016 vs. I-IX 2017 (USDm)



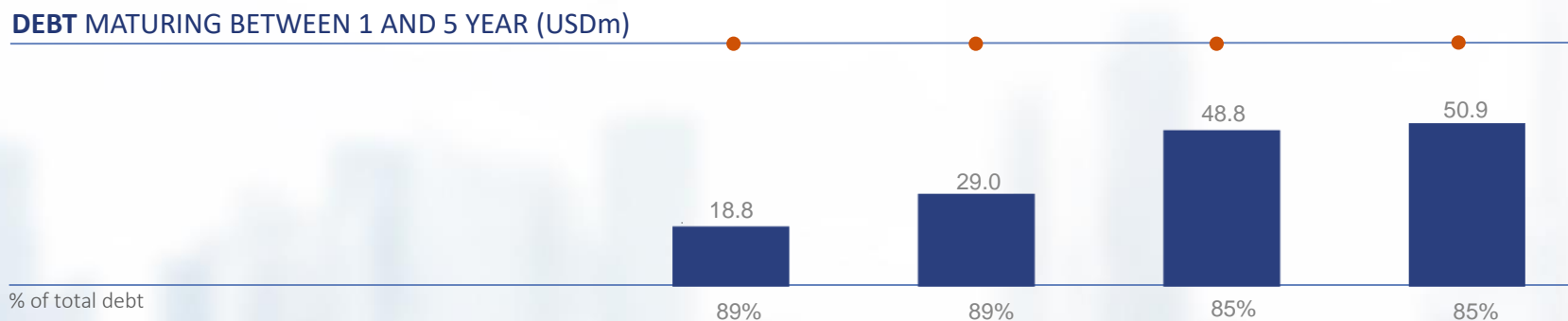
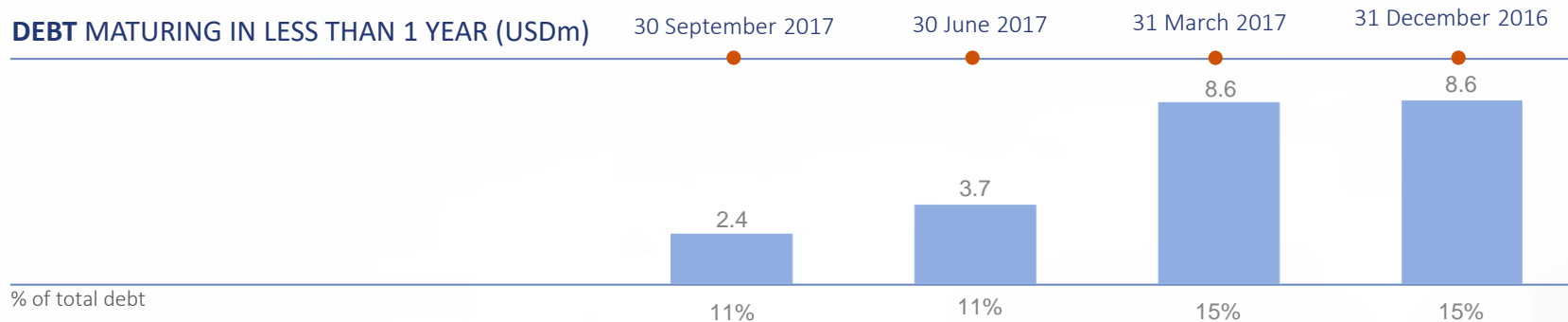
\*Calculated as revenue from aircraft sales plus gain on sale of PPE less costs of aircraft sold

\*\*Calculated as commission income less costs of services rendered

\*\*\*Calculated as sum of interest income on loans and other gain (losses) net

\*\*\*\*Calculated as sum of other operating expenses and impairment of receivables and prepayments and revaluation of aircraft and investment property

# DEBT



Total debt	21.2	32.7	57.4	59.5
Cash	49.8	72.0	39.1	28.9
<b>Net debt</b>	<b>(28.6)</b>	<b>(39.3)</b>	<b>18.2</b>	<b>30.6</b>
<b>Ratios</b>				
Debt/assets	0.09	0.14	0.25	0.25
Net debt/Equity	(0.20)	(0.30)	0.15	0.26
Weighted average interest rate	2.52%	5.45%	5.23%	5.21%

# FLEET OVERVIEW



1 x

Airbus A321



1 x

Boeing 737-300



2 x

Boeing 737-500



8 x

CRJ200LR



2 x

CRJ200LR  
Business Jets

## FLEET DISTRIBUTION

Domicile country of the lessee	Country of aircraft registration	Aircraft type	Number of aircraft on lease
Russia	Bermuda	CRJ200	8
Kazakhstan	Lithuania	B737-500	1
Belarus	Belarus	B737-300	1
Lithuania	Lithuania	CRJ200 Business Jets	2*
Russia	Bermuda	Airbus A321	1
Lithuania	Lithuania	B737-500	1
<b>Total</b>			<b>14</b>

## COMMENTS

- 14 aircraft are leased out under long term operating lease agreements
- All leases are secured by security deposits paid by lessees at the inception of leases
- The vast majority of the leased aircraft are registered in renowned aircraft registration jurisdictions – Bermuda, Poland and Lithuania
- Successful risk and relationship management – no overdue receivables from any of the lease customers
- Strict operating monitoring procedures of the financial position of the lessees and aircraft maintenance status

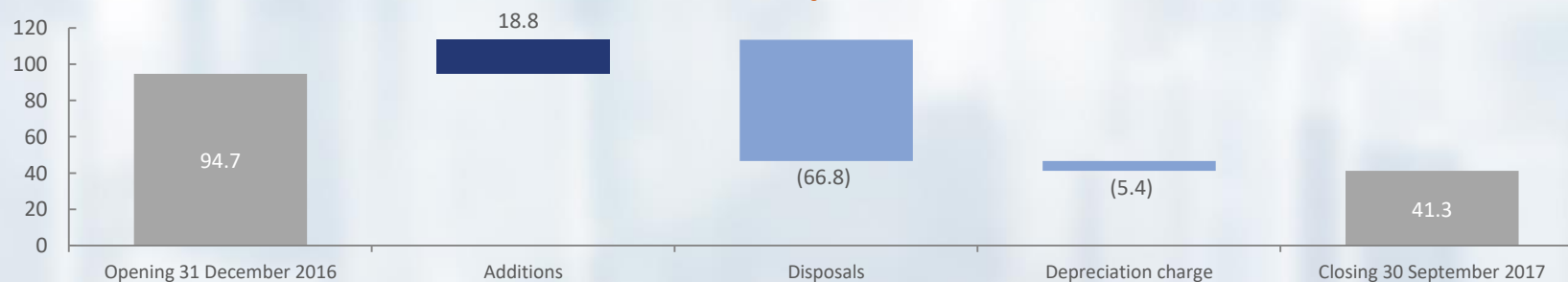
\* The business jets are operated by KlasJet (subsidiary of Avia Solutions Group)

# AIRCRAFT FLEET

## AIRCRAFT TRANSACTIONS SUMMARY 31 March 2016 – 30 September 2017

	31 March 2016		30 September 2016		31 December 2016		31 March 2017		30 September 2017	
Bombardier CRJ200	9	+1	10		10		10		10	
Boeing 737-500	1	+1	2		2		2		2	
Boeing 737-300	1		1		1		1		1	
Airbus A320	1	-1	0		0	1	0		0	
Airbus A321	6	-2	4		4	-3	1	-2	+2	1
	Σ 18		Σ 17		Σ 17		Σ 14		Σ 14	

## NET BOOK VALUE OF AIRCRAFT AND AIRCRAFT UNDER PREPARATION FOR USE (USDm)



# P&L SUMMARY



P&L (USD '000)	Q3 2017	Q3 2016	I-IX 2017	I-IX 2016
Revenue from aircraft leases	4,945	9,663	18,185	20,453
Gain on sales of aircraft	1,067	254	12,276	7,142
Net commission income	27,641	8,471	29,672	8,519
Other income	410	(265)	1,626	1,248
Aircraft maintenance expenses	(1,716)	(779)	(4,256)	(3,340)
Depreciation and amortisation	(1,170)	(3,402)	(5,432)	(6,924)
Employee-related expenses	(338)	(214)	(966)	(637)
Other expenses	(23,494)	(602)	(24,994)	(1,694)
<b>Operating profit</b>	<b>7,345</b>	<b>13,126</b>	<b>26,111</b>	<b>24,767</b>
<b>EBITDA</b>	<b>8,515</b>	<b>16,528</b>	<b>31,543</b>	<b>31,691</b>
<b>Profit (loss) before income tax</b>	<b>9,796</b>	<b>12,678</b>	<b>29,676</b>	<b>23,780</b>
<b>Profit (loss) for the period</b>	<b>8,971</b>	<b>11,141</b>	<b>26,410</b>	<b>20,990</b>

# BALANCE SHEET SUMMARY

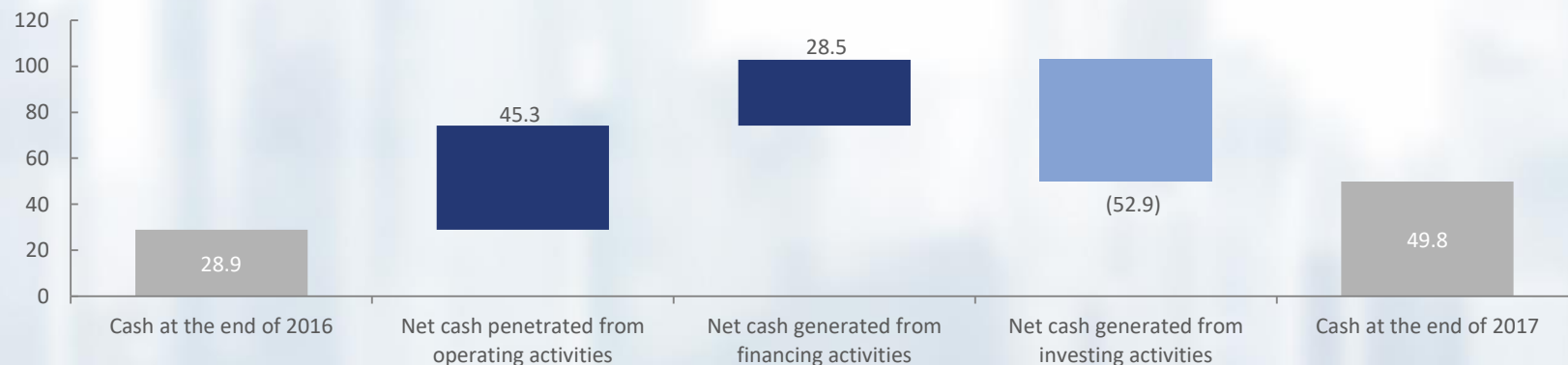


Balance sheet (USD '000)	30 September 2017	31 December 2016
<b>Total assets, of which:</b>	<b>228,941</b>	<b>210,889</b>
Non-current assets	108,855	119,738
Current assets	120,086	91,151
<b>Equity</b>	<b>139,749</b>	<b>113,339</b>
<b>Non-current liabilities, of which:</b>	<b>28,389</b>	<b>58,778</b>
Borrowings	18,823	50,859
Security deposits received	6,830	5,210
Deferred income tax liabilities	2,736	2,709
<b>Current liabilities, of which:</b>	<b>60,803</b>	<b>38,772</b>
Borrowings	2,374	8,642
Trade and other payables	39,579	25,104
Security deposits received	10,000	-
Advances received	1	292
Current income tax liabilities	8,849	4,735
<b>Total equity and liabilities:</b>	<b>228,941</b>	<b>210,889</b>

# CASH FLOW SUMMARY

Cash flow (USD '000)	I-IX 2017	I-IX 2016
Net cash generated from (used in) operating activities	45,310	45,068
Net cash generated from (used in) investing activities	28,473	(80,685)
Net cash generated from (used in) financing activities	(52,907)	49,334
<b>Cash at the beginning of the period</b>	<b>28,916</b>	<b>27,093</b>
Increase (decrease) in cash and cash equivalents	43,051	13,717
<b>Cash at the end of the period</b>	<b>49,792</b>	<b>40,810</b>

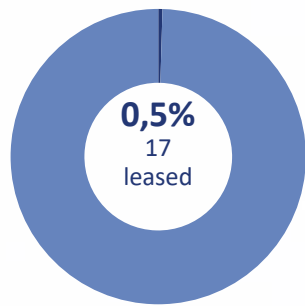
**CASH BALANCE 2016 vs. 2017 (USDm)**



# WHY AIRLINES CHOOSE LEASING COMPANIES TO FINANCE AIRCRAFT?

OVER HALF OF WORLD AIRLINE FLEET NOW LEASED

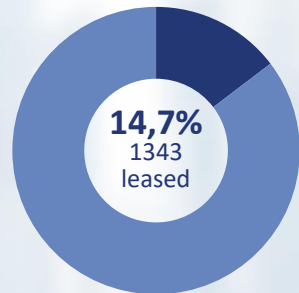
Operating leases: 1970 to 2014



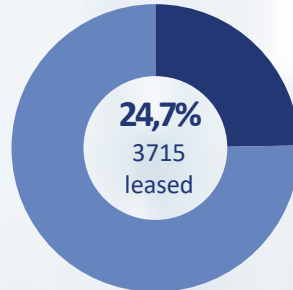
**1970**  
3722 Aircraft



**1980**  
6037 Aircraft



**1990**  
9160 Aircraft



**2000**  
15032 Aircraft



**2014**  
20726 Aircraft



**2020**  
forecast

- Greater financial flexibility
- Greater fleet flexibility
- Access to attractive delivery slots
- Availability of capital
- Avoid pre-delivery payments
- Zero residual value risk
- Growth in Low Cost Carriers (LCC's)



# CONTACT US



Smolensko st. 10,  
LT-03201 Vilnius  
Lithuania

E. [info@aviaam.com](mailto:info@aviaam.com)  
T. +44 20 808 99779

[www.aviaam.com](http://www.aviaam.com)