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DISCUSSION: AIRCRAFT LEASE RATES AND AIR FARES

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Today's panel

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Aircraft Lease Rates & Air Fares:

Today we'll be discussing the relationship between aircraft lease rates and air fares

- With airline CEOs wondering when aircraft orders will be delivered, demand for aircraft has never been higher.
- At the same time, aircraft lease rates have flipped from all-time lows in 2020 to all time highs in 2023.
- What can we expect for the rest of the year and into 2025?
- Should airlines pass on the costs or take a hit on profits as they navigate through the latest challenge?

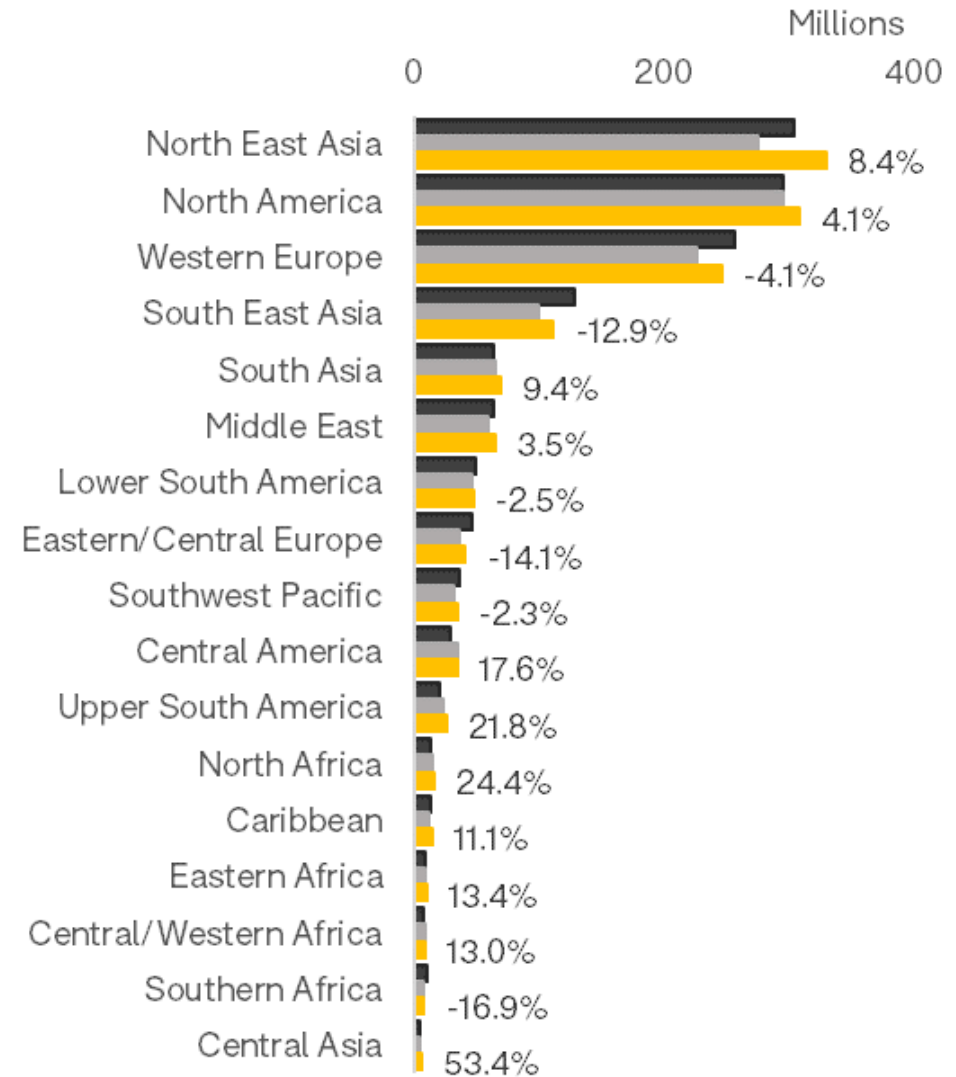
We'll take questions as we go. Please use the chat function to ask your questions



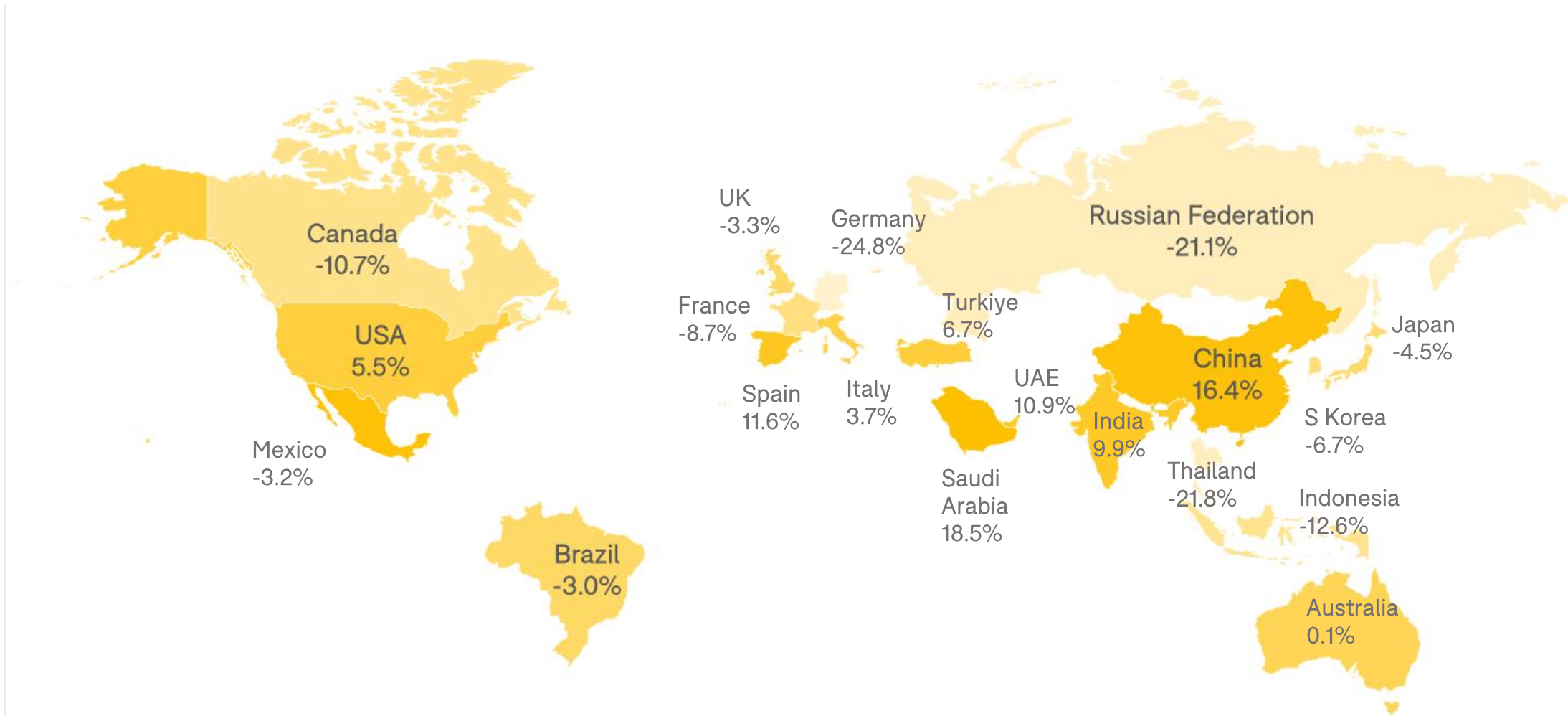
Global Capacity Update

- Globally capacity this quarter is expected to be 2% ahead of Quarter 1 in 2019, and 10.1% ahead of the same quarter in 2023
- This masks differing performance across the regions. Eastern Europe is the only region which remains below 2019 levels because of the ongoing Russia/Ukraine war and capacity is still down by 5.7% across Europe.
- By contrast, Africa is now 9.1% ahead of 2019, with strong capacity growth across most parts of the continent continuing (with the exception of South Africa).
- Latin America is almost at the same level, with capacity across the continent up by 8.9% on 2019
- Even the Asia Pacific region has now reached recovery overall, up 3.1%. South East Asia lags however, down 12.9% on 2019, and the SouthWest Pacific region is also behind, by 2.3%

Global Capacity by Region



Capacity Recovery by Top 20 Country Markets for Q1 2024 v Q1 2019



Current Market Values and Market Lease Rates – 10 year old aircraft

- Market Lease Rates for new build aircraft have increased in the last 12 months for almost every category
- Lease Rates for 10 year old aircraft gave also seen considerable increases across most aircraft types, with exception of the B767/777s and some regional jets where rates have fallen

	Delivered In 2023	Ordered In 2023	Backlog As of end 2023
Airbus	735	2,319	8,598
Boeing	528	1,314	6,216

NEW - BUILD AIRCRAFT (Constant age comparison)								
Type	CMV 1-Jan-20	CMV 1-Jan-23	CMV 12-Jan-24	% Change Jan 23-Present	MLR 1-Jan-20	MLR 1-Jan-23	MLR 12-Jan-24	% Change Jan 23-Present
A220-300	\$35.90m	\$37.50m	\$39.50m	5%	\$0.260m	\$0.264m	\$0.285m	8%
A320neo	\$50.25m	\$53.50m	\$54.80m	2%	\$0.345m	\$0.346m	\$0.375m	8%
A321neo	\$58.50m	\$58.30m	\$63.75m	9%	\$0.410m	\$0.381m	\$0.420m	10%
A330-900	\$111.75m	\$109.50m	\$111.00m	1%	\$0.810m	\$0.838m	\$0.875m	4%
A350-900	\$152.70m	\$146.50m	\$157.00m	7%	\$1.020m	\$0.943m	\$1.050m	11%
B737 MAX 8	\$49.95m	\$50.25m	\$53.00m	5%	\$0.305m	\$0.340m	\$0.365m	7%
B737 MAX 9	\$53.00m	\$52.15m	\$54.90m	5%	\$0.335m	\$0.350m	\$0.380m	9%
B777-200LRF	\$158.75m	\$146.55m	\$150.00m	2%	\$1.200m	\$1.144m	\$1.144m	0%
B787-9	\$146.55m	\$135.00m	\$142.95m	6%	\$0.995m	\$0.919m	\$0.945m	3%
B787-10	-	\$138.50m	\$148.75m	7%	-	\$0.930m	\$0.980m	5%
ATR 72-600	\$19.75m	\$21.00m	\$21.00m	0%	\$0.180m	\$0.181m	\$0.190m	5%
E175 E1	\$23.63m	\$22.95m	\$24.80m	8%	\$0.210m	\$0.197m	\$0.212m	8%
E195 E2	\$35.85m	\$34.25m	\$37.15m	8%	\$0.275m	\$0.240m	\$0.260m	8%

CMV = Current Market value

MLR = Market Lease Rate

10-YEAR-OLD AIRCRAFT (Constant age comparison)								
Type	CMV 1-Jan-20	CMV 1-Jan-23	CMV 09-Feb-24	% Change Jan 23-Present	MLR 1-Jan-20	MLR 1-Jan-23	MLR 09-Feb-24	% Change Jan 23-Present
A320-200	\$20.50m	\$17.50m	\$19.60m	12%	\$0.220m	\$0.155m	\$0.177m	14%
A321-200	\$25.60m	\$21.50m	\$22.90m	7%	\$0.260m	\$0.187m	\$0.214m	14%
B737-800	\$18.00m	\$21.00m	\$20.25m	-4%	\$0.170m	\$0.171m	\$0.194m	13%
B737-900ER	\$23.50m	\$21.25m	\$22.35m	18%	\$0.242m	\$0.181m	\$0.212m	14%
A330-200	\$38.60m	\$19.00m	\$22.35m	18%	\$0.295m	\$0.245m	\$0.280m	14%
A330-300	\$47.00m	\$20.20m	\$24.20m	20%	\$0.360m	\$0.250m	\$0.300m	20%
B767-300ER	\$25.00m	\$21.80m	\$21.50m	-1%	\$0.290m	\$0.215m	\$0.215m	0%
B777-200ER	\$39.00m	\$19.50m	-	-	\$0.290m	\$0.180m	-	-
B777-300ER	\$73.00m	\$32.00m	\$38.72m	21%	\$0.550m	\$0.375m	\$0.375m	0%
ATR 72-600	\$11.50m	\$9.20m	\$10.20m	11%	\$0.110m	\$0.090m	\$0.090m	0%
Dash 8-Q400	\$8.50m	\$6.20m	\$8.10m	31%	\$0.099m	\$0.076m	\$0.075m	-1%
CRJ700	\$8.30m	\$7.70m	\$7.35m	-5%	\$0.105m	\$0.088m	\$0.085m	-3%
E175LR	\$11.00m	\$10.30m	\$11.45m	11%	\$0.138m	\$0.116m	\$0.130m	12%

CMV = Current Market value

MLR = Market Lease Rate



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