



# AerCap Holdings N.V. (NYSE: AER)

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AerCap Holdings N.V. is an Ireland-based aircraft lessor, with strong performance drivers, historical recession resilience, and very positive future growth outlook

## Business Overview

- AerCap is the industry leader across all areas of aviation leasing with a portfolio consisting of 3,532 aircraft, engines and helicopters
- Provides a range of assets for lease, including narrowbody and widebody aircraft, jets, freighters, engines and helicopters



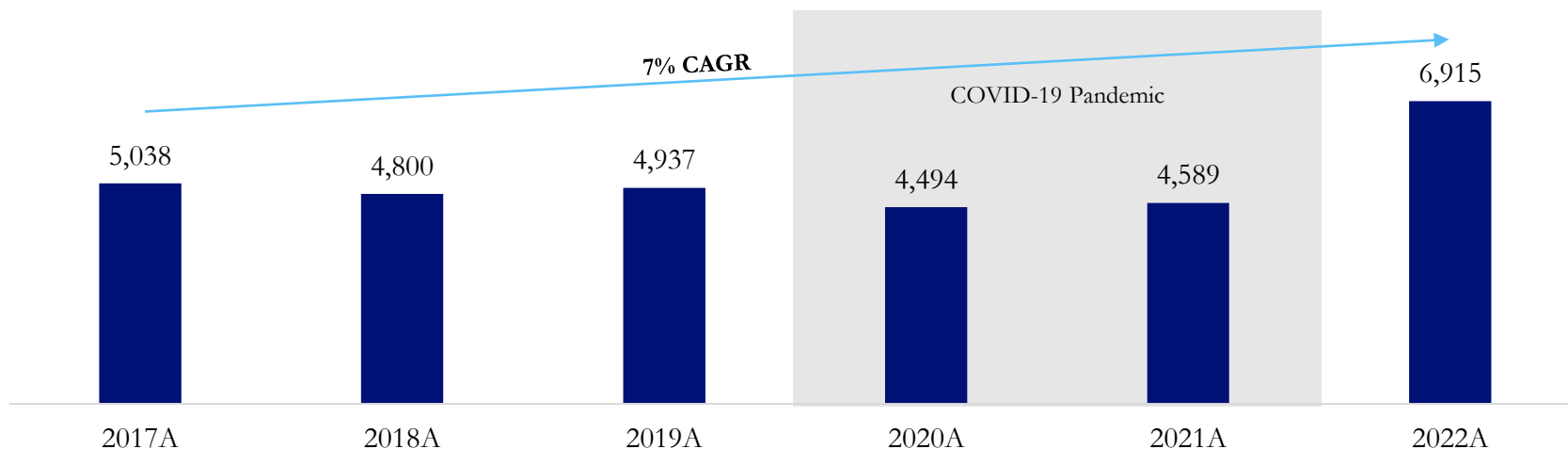
GECAS

**2021:** Acquisition of largest competitor GE Capital Aviation Services for \$31.1b

## Aggressive Acquisition Strategy

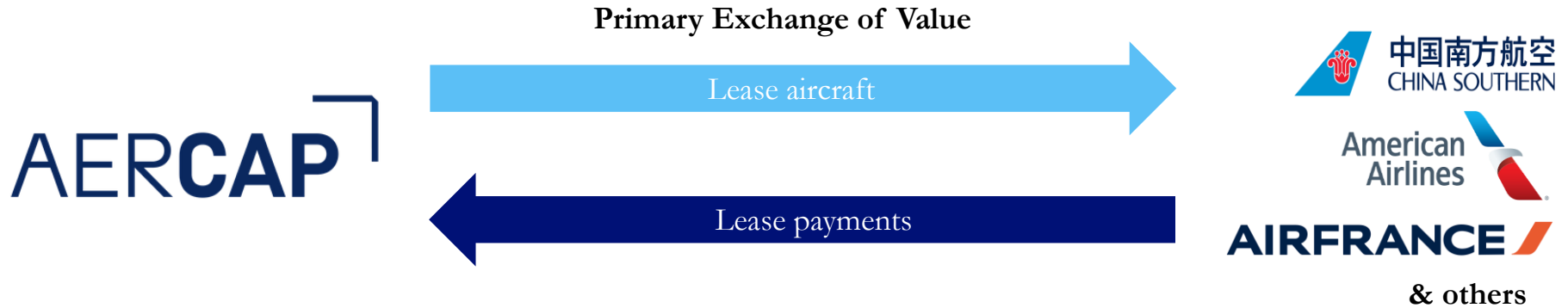
- Low cost of debt** Strategic rate swaps and caps allowed cost of debt decrease even through 2022
- Modernized fleet** Fleet modernization initiative allows higher lease rates at capital cost
- High rate spread** Lease rate to debt cost spread is highest in their industry
- Efficient capital allocation** Management devotes capital to modernizing fleet and share repurchases
- Diversified customer base** Aircraft are leased globally, decreasing exposure to geopolitical risk

## Revenue Resilience (\$mm)

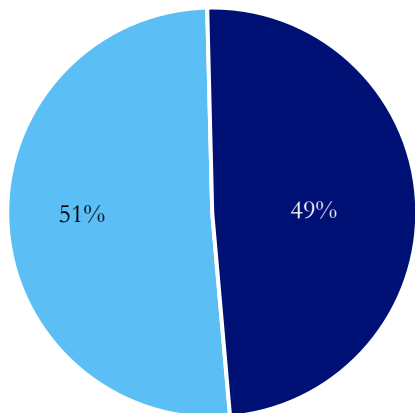


# Leasing Revenue Breakdown

AerCap leases its fleet to airline customers under both operating and financing leases in exchange for lease payments. Most of its leases are operating leases

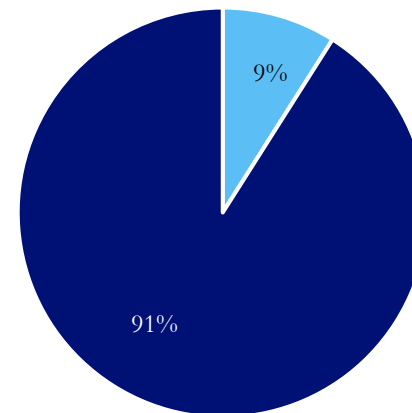


Global Aircraft on Lease



■ Leased ■ Owned

Composition of Lease Type



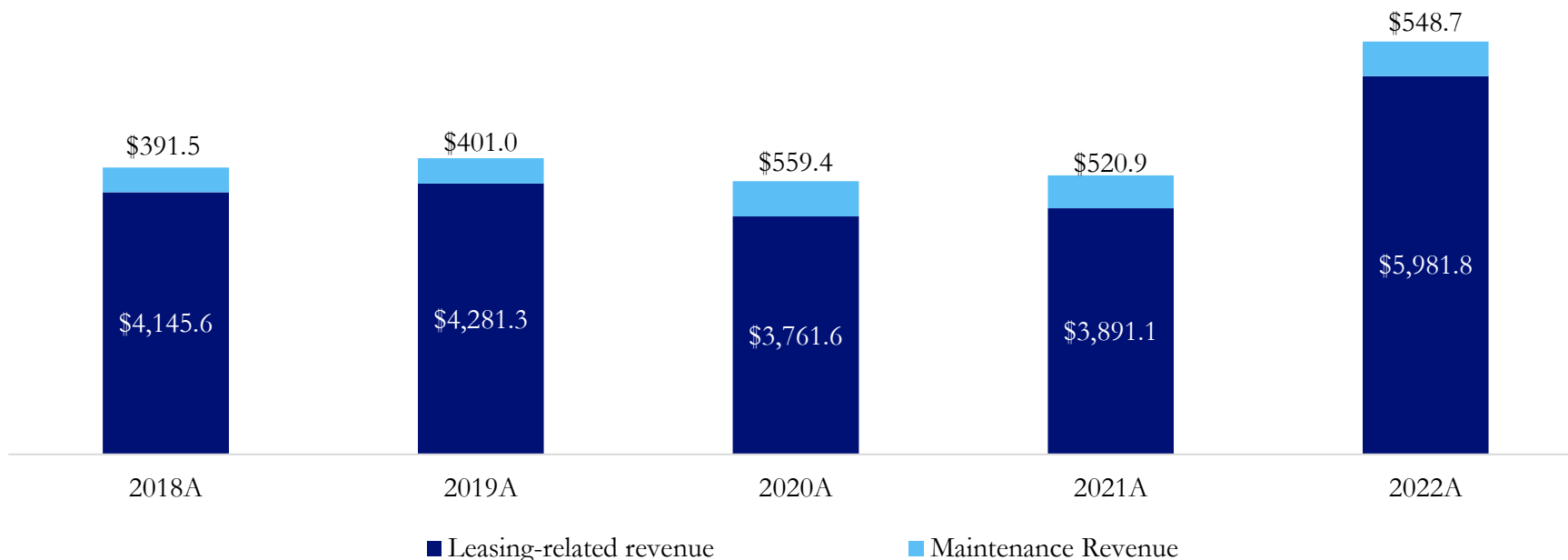
■ Financing Leases ■ Operating Leases

# Business Segments

As the global leader in the aviation leasing industry, the overwhelming majority of AerCap's revenue comes from its aircraft, engine, and helicopter leasing businesses

	Aircraft Leasing	Engine Leasing	Helicopter Leasing	Materials
Description	AerCap is the global leader in aircraft leasing with 2,194 owned aircraft and customers in every major geographical region	900 owned and managed engines leased to approximately 75 customers	AerCap subsidiary Milestone Aviation Group is the world's leading helicopter leasing company	AerCap Materials Inc., is a global distributor of airframe and engine components

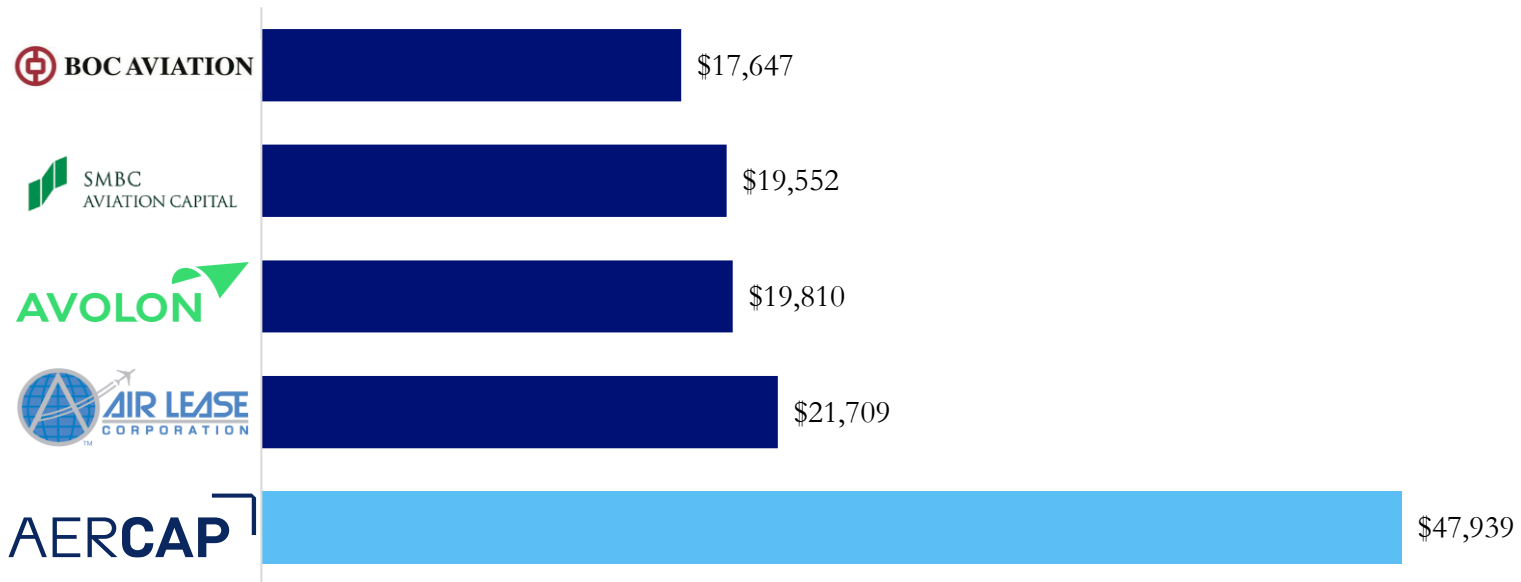
Lease Revenue by Segment (\$mm)



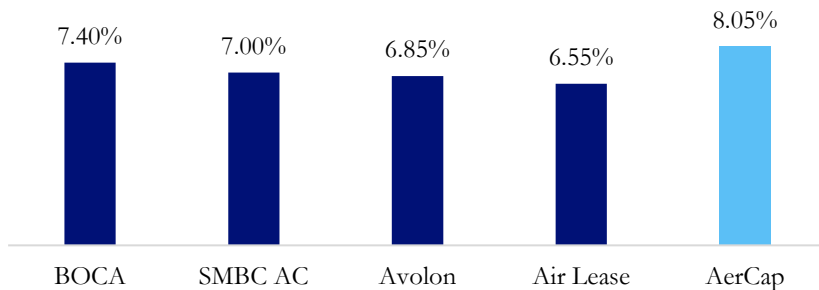
# Competitor Analysis

AerCap's dominant scale implies attractive economies of scale relative to leading competitors

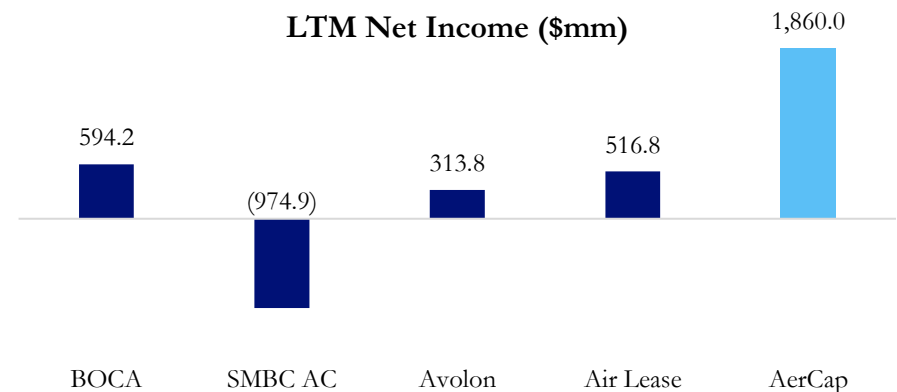
Global Aviation Lessors by MV of Fleet (\$mm)



4Q22 Net Spread (Lease Yield - Avg. Debt Cost)



LTM Net Income (\$mm)



## Investment Thesis

1

### Supply/Demand Imbalance

AER is an attractive growth investment, positioned to take advantage of an underestimated supply/demand imbalance

2

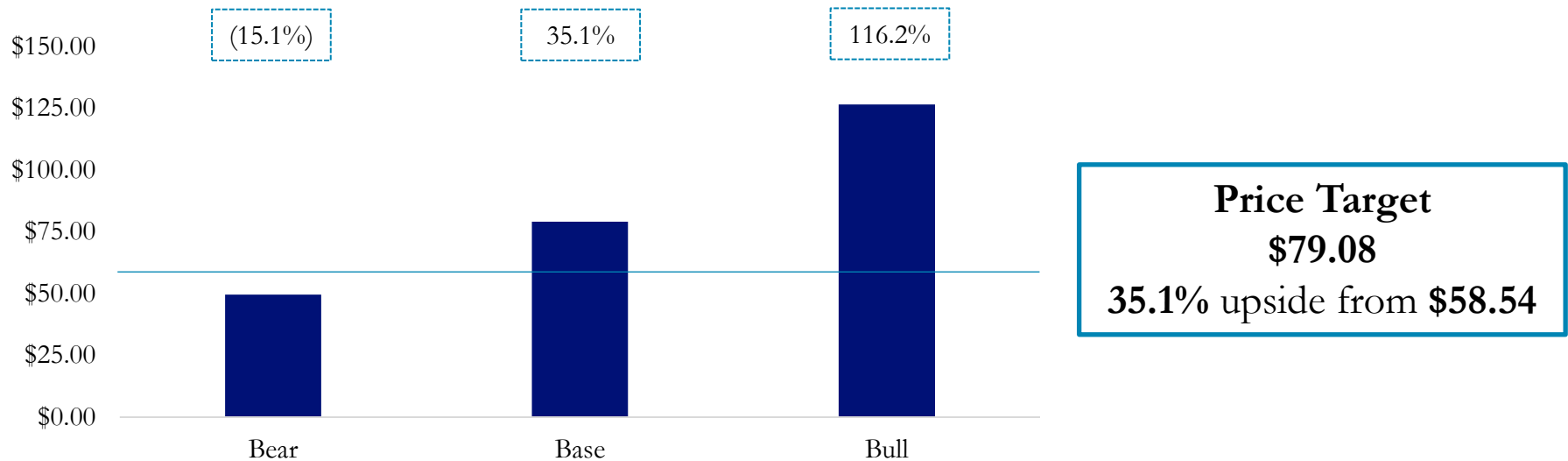
### Fleet Modernization

AER's dominant scale will allow it to modernize its fleet with relatively cheap debt while leasing at relatively high rates

3

### Aggressive Buybacks at a Discount

AER will continue its aggressive buyback of its fundamentally undervalued equity, which is currently trading at a discount to book value



A long-term supply chain bottleneck in the aircraft manufacturing industry positions AerCap to lease its planes at higher lease rates to a larger number of customers

## Supply Chain Bottlenecks

Boeing, Airbus, and other aircraft manufacturers have struggled to meet resurgent demand from airlines

- Boeing and Airbus have pledged to ramp up production to normal levels by the end of 2024
- Industry experts doubt the viability of accelerating production at unprecedented speed

## Key Drivers of Imbalance

Skilled labor shortage

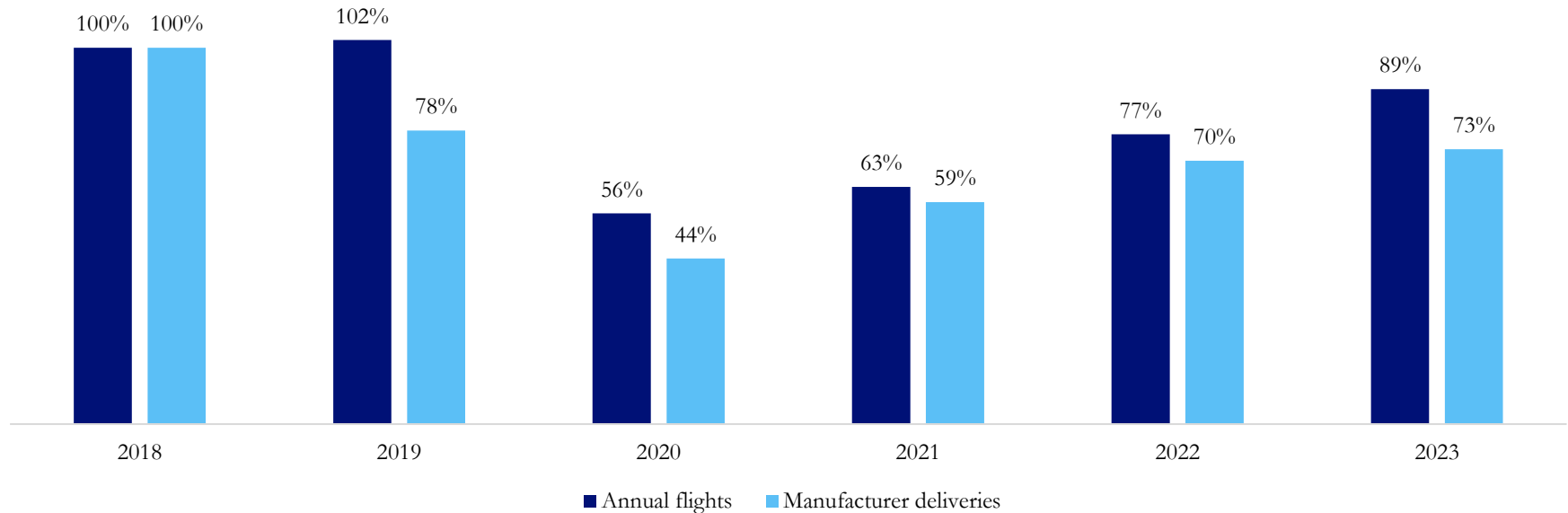
Quick pivot to high-demand scenario

Shortage of electric components

Shortage of titanium and aluminum

Future reopening of air travel to and from China

Annual Manufacturer Deliveries vs. Annual Flights (Indexed to 2018)

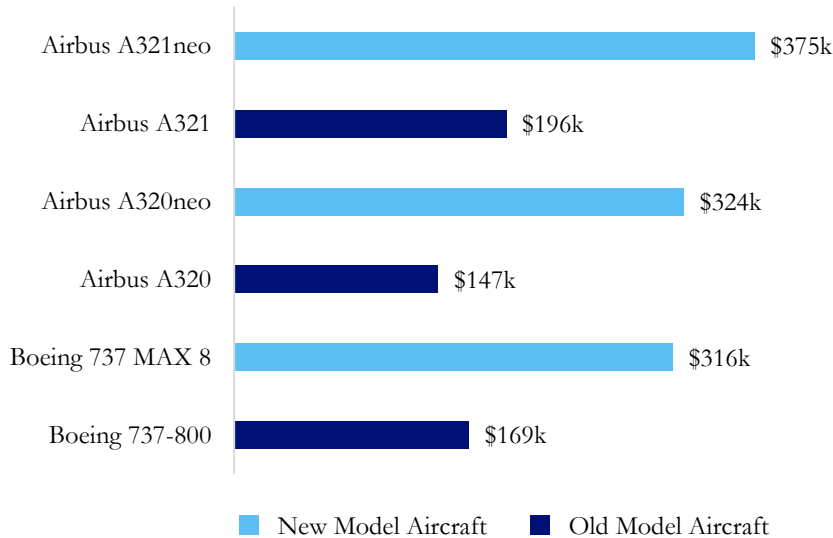


Airlines have increasing demand for newer model aircraft due to their improved fuel efficiency and passenger capacity, yet rely on lessors such as AerCap for supply

## New Model Demand

- Newer models are more fuel efficient and spacious, helpful for reducing costs and environmental impact.
- Over 50% of American Airlines Fleet is comprised of aircraft models designed before 1995

### Monthly Lease Rates by Model



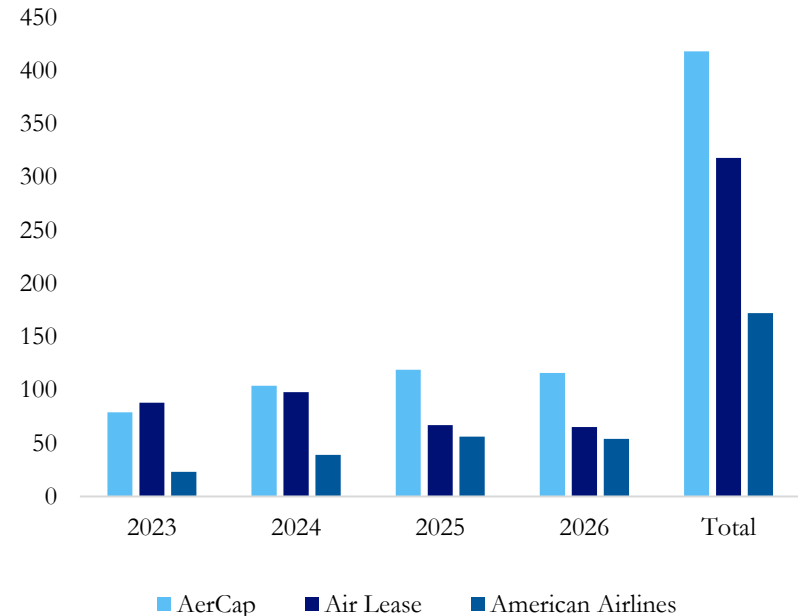
Modern aircraft garner almost double the monthly lease rates of their older counterparts, despite costing only around 20% more on average

## Rate of Modernization

AerCap uses their dominant scale and supplier relationships to secure large orders at favorable prices



### Aircraft on Order





# Debt/Leverage Risk Overestimated

The market has unfairly punished AerCap for its sound use of debt to finance its groundbreaking acquisition of GECAS

## Market Outlook

Prevailing market sentiment is that AerCap is dangerously over-levered and vulnerable to high rates

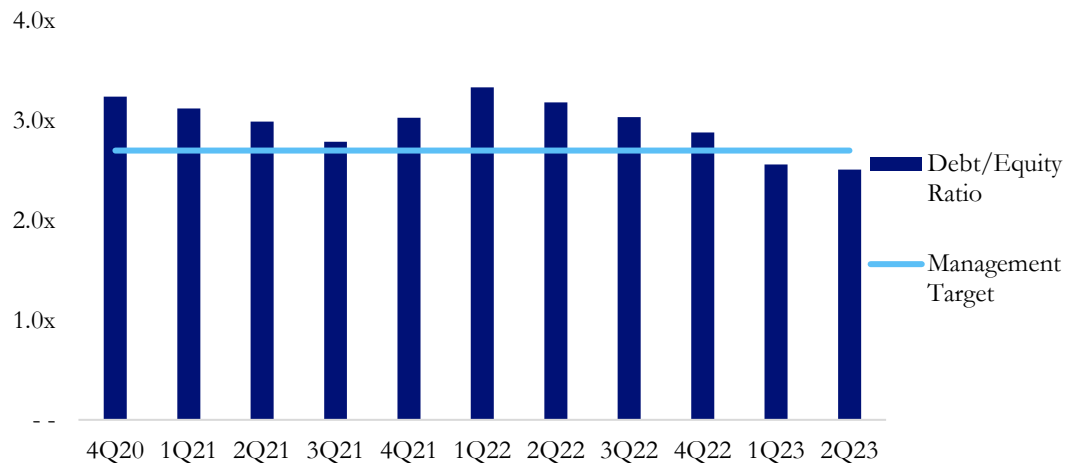
- AerCap is dependent on capital markets to finance debt
- Investors determine AerCap's leverage risk based solely on long term debt balance and debt-equity ratio, without fully considering surrounding context
- Many believe that high interest rates will negatively impact net income through a higher cost of debt

## Management Outlook

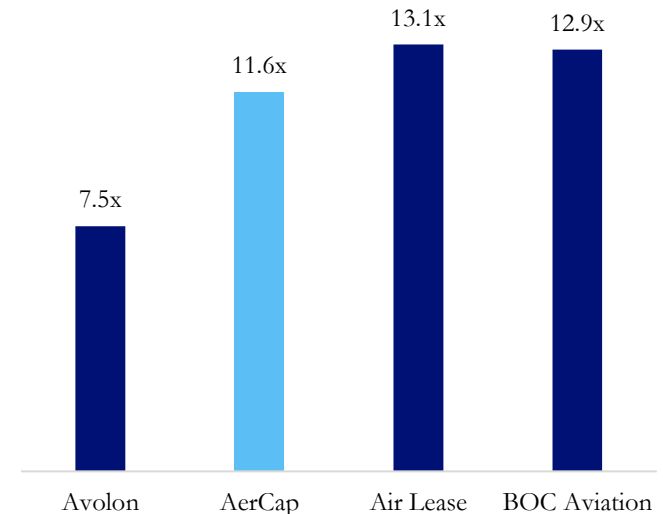
AerCap's capital structure and rate risks are not concerning to its management team

- Leverage of 2.5x remains below the 2.7x target set by management
- The secured debt-to-total assets remained unchanged at ~14%, the lowest level in company history
- AerCap's cost of debt has only slightly risen due to higher interest rates, and it has been able to pass these higher costs onto lessors through higher lease rates

AerCap Historical Debt/Equity Ratio



LTM Debt/EBITDA



## Current Geopolitical Conflicts

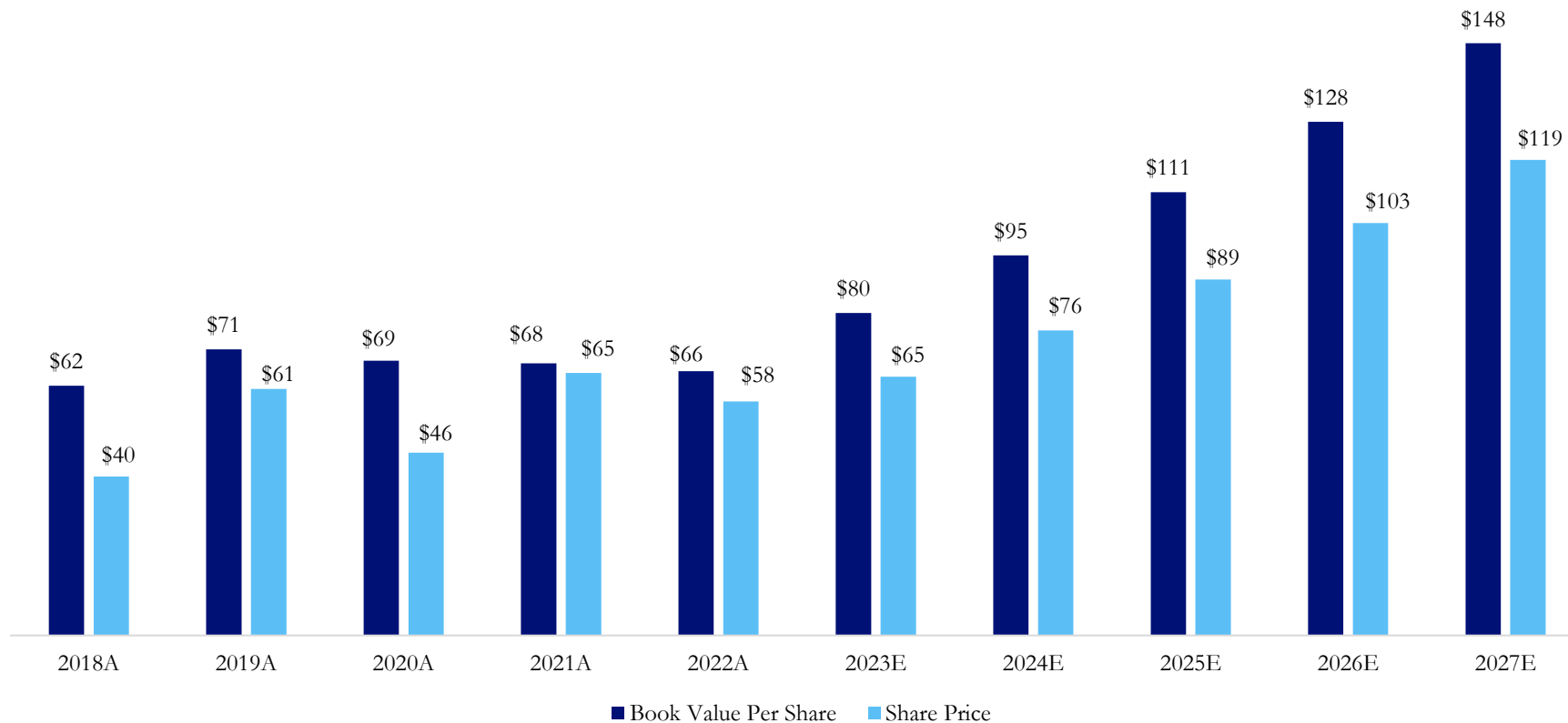
	Ukraine-Russia War	Israel-Hamas War	China-Taiwan Conflict
Actual Exposure	<ul style="list-style-type: none"> <li>During 2022, recognized a net charge of <b>\$2.7 billion in write-offs</b> of assets leased in Russia</li> <li>In June 2022, filed suit to recover up to \$3.5 billion in connection with previously submitted insurance claim</li> </ul>	<ul style="list-style-type: none"> <li>Only \$400mm in exposure in Israel</li> <li><b>0.7% of its total net book value</b> of \$55.2bn</li> <li>El Al has not expressed worries about ability to protect leased assets</li> </ul>	<ul style="list-style-type: none"> <li>China Southern Airlines is AerCap's second largest customer with 18% of aircraft leases</li> <li>If China-Taiwan conflict were to escalate, loss would be substantial for AerCap</li> <li><b>Large opportunity</b> if Chinese demand reaches pre-pandemic levels</li> </ul>
Investor Reaction	<ul style="list-style-type: none"> <li><b>Overreaction</b> to write-offs' effect on net income</li> <li><b>Overreaction</b> to uncertainty of insurance claim trial outcome</li> </ul>	<ul style="list-style-type: none"> <li><b>Overreaction</b> to impact of Israel-Hamas war on operations</li> </ul>	<ul style="list-style-type: none"> <li><b>Overreaction</b> to risk of China-Taiwan conflict escalation</li> <li><b>Underreaction</b> to AerCap's opportunities for growth in China</li> </ul>

Investors have overreacted to AerCap's risk exposure to various geopolitical conflicts, pricing in all AerCap's potential risk and much more. Moreover, investors have failed to price in AerCap's potential insurance claim lawsuit win and competitive advantage in Chinese market.

# Trading at a Discount

AerCap's low P/B ratio coupled with factors such as management confidence, share buyback programs, and sale of assets above book value, indicate they trade at an incorrect book value multiple

## Book Value & Share Price



Share repurchase indicate **management's confidence** in the company as they focus on buybacks over delevering

Management confidence and strong asset resale indicate AerCap is **misvalued at its current P/B ratio**

# Turning Garbage Into Gold

AerCap is disposing of old assets above their book value, assisting in the financing of modernization efforts. Selling aircraft at a premium to book value strengthens case for a current price-to-book misevaluation of AerCap

## Aircraft Life Cycle

### Purchase New Aircraft & Repurchase Stock

- Purchase orders for over 400 new aircraft
- Public-private arbitrage by using premiums to buyback shares at a discount

400+  
Aircraft on  
Order

### Lease Aircraft to Airline Partners

- Leases owned fleet of aircraft to airlines
- Newer models allow for higher lease rates

95%  
Aircraft  
Leased

### Sell Aircraft at Premium to Book Value

- Selling old aircraft at a premium to book value
- Profits from asset sale fuels modernization

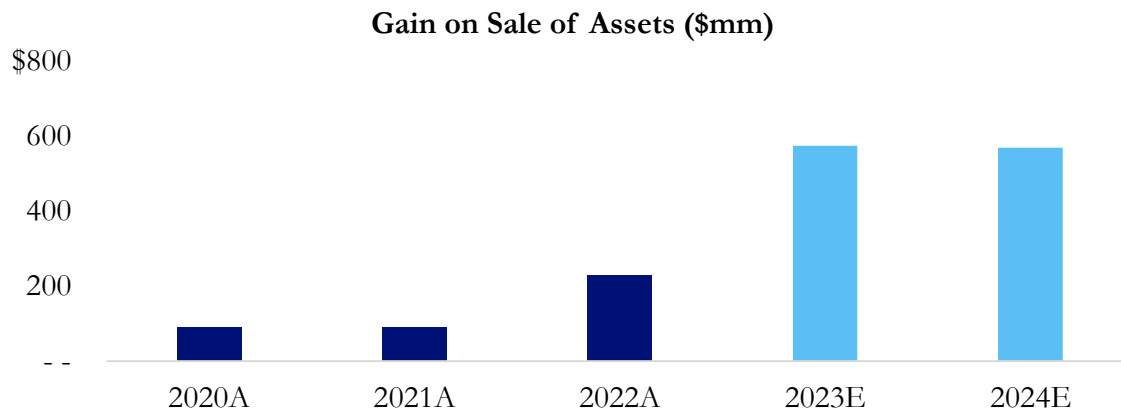
25%  
Premium to  
Book Value

### Provide Maintenance Services

- Exclusive maintenance rights through lease life
- Retain ownership in majority of leases

16yr  
Maximum  
Lease Life

## Increasing Asset Sale Initiative



156%

2022 increase in  
asset sale revenue

120

Aircraft sold in  
2022

*“This is a reason to be bullish about the shares and bonds of large leasing companies such as AerCap, which have severely underperformed the S&P 500 since the pandemic.”*

Wall Street Journal, October 20, 2023

# Scenario Analysis

AerCap stands to benefit from numerous industry tailwinds as well as strong strategic initiatives. Estimates based on the success of these programs indicate now is a favorable time to capitalize on the upside of this undervalued company

## Bear Case

## Base Case

## Bull Case

1

Lease Rate Growth Stagnates  
+  
Supply Chain Bottleneck Ends

Lease Rate Growth Increases  
+  
Supply Chain Bottleneck Persists

Lease Rate Growth Increases  
+  
Supply Chain Bottleneck Persists  
Much Longer Than Expected

2

Reach Modernization Goals  
+  
Deleverage With Excess Capital

Reach Modernization Goals  
+  
Deleverage With Excess Capital

3

Share Buyback Program Continues  
+  
P/B Return to Historical Average

Share Buyback Program Expands  
+  
P/B Ratio Increase to 2021 Level

4

Ukraine Conflict Settlement Payout

# Implied Price Calculation

## Exit Multiple Method

Discount Rate	6.42%
Tax Rate	14%

## Terminal Value:

2027E EBITDA	\$5,728.2
Exit Multiple	12.1x
Terminal Value	\$69,311.1
<b>PV of Terminal Value</b>	<b>\$53,409.7</b>

## Enterprise Value

PV of Period Cash Flow	\$8,232.4
PV of Terminal Value	\$53,409.7
Implied EV	\$61,642.1
(-) Debt	(46,533.0)
(+) Cash	1,597.1
Implied Equity Value	\$16,706.3
Shares Outstanding	182.2
<b>Implied Share Price</b>	<b>\$91.7</b>

## Blended Implied Share Price

Multiple Method	\$	91.7
Book Value Method	\$	66.5
<b>Blended Share Price</b>	<b>\$</b>	<b>79.1</b>

## Price to Book Value

Price To Book Multiple 0.84x

## Common Equity:

2027E Total Equity	\$27,022.81
(-) Non-Controlling Interest	\$77.5
<b>2027E Common Equity</b>	<b>\$26,945.3</b>

## Book Value per Share:

Common Equity	<b>\$26,945.3</b>
Shares Outstanding (Millions)	182.2
<b>2027E Book Value per Share</b>	<b>\$147.9</b>

## PV of Book Value

Book Value per Share	\$147.9
Discount Period	4.2
Discount Factor	0.5
Price to Book Multiple	0.84x
<b>PV of Book Value</b>	<b>\$66.5</b>

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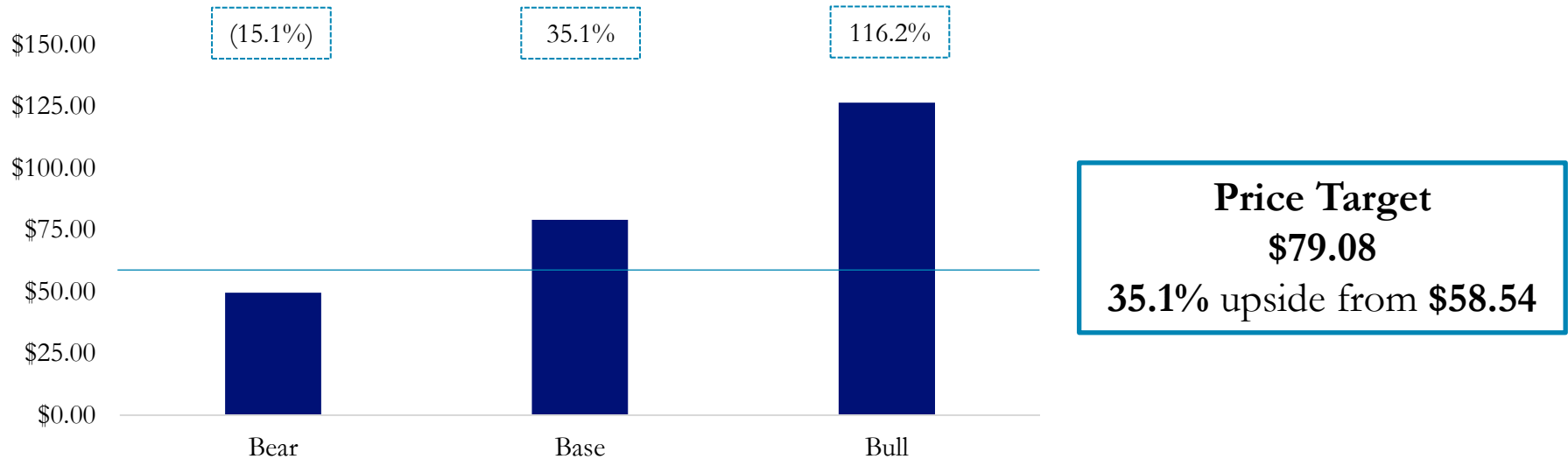
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# Appendix



# Base Case DCF

<b>AerCap DCF</b>		As of	10/23/2023
<i>Discounted Cash Flow Valuation</i>		Year End	12/31/2023
Active Case:	1		

(\$ in millions)	Forecasted Years				
	2023E	2024E	2025E	2026E	2027E
Revenue	\$ 8,076.0	\$ 8,517.3	\$ 8,776.3	\$ 9,076.8	\$ 9,415.1
<i>% Growth</i>		5.5%	3.0%	3.4%	3.7%
(-) Operating Expenses	\$ (5,215.8)	\$ (6,303.1)	\$ (6,431.9)	\$ (6,560.1)	\$ (6,737.6)
(+) Depreciation & Amortization	\$ 2,457.0	\$ 2,635.3	\$ 2,767.1	\$ 2,905.4	\$ 3,050.7
<i>Depreciation and Amortization as a % of Revenue</i>	30.4%	30.4%	30.4%	30.4%	30.4%
<b>EBITDA</b>	<b>\$ 5,317.1</b>	<b>\$ 4,849.5</b>	<b>\$ 5,111.5</b>	<b>\$ 5,422.1</b>	<b>\$ 5,728.2</b>
% Margin	65.8%	56.9%	58.2%	59.7%	60.8%
(-) Depreciation & Amortization	\$ (2,457.0)	\$ (2,635.3)	\$ (2,767.1)	\$ (2,905.4)	\$ (3,050.7)
EBIT	\$ 2,860.2	\$ 2,214.2	\$ 2,344.4	\$ 2,516.6	\$ 2,677.5
% Margin	35.4%	26.0%	26.7%	27.7%	28.4%
(-) Taxes	\$ (403.3)	\$ (287.8)	\$ (304.8)	\$ (327.2)	\$ (348.1)
<i>Effective Tax Rate</i>	14.1%	13.0%	13.0%	13.0%	13.0%
<b>NOPAT</b>	<b>\$ 2,456.9</b>	<b>\$ 1,926.3</b>	<b>\$ 2,039.6</b>	<b>\$ 2,189.5</b>	<b>\$ 2,329.4</b>
(+) Depreciation & Amortization	\$ 2,457.0	\$ 2,635.3	\$ 2,767.1	\$ 2,905.4	\$ 3,050.7
(-) Capital Expenditures	(\$4,441.78)	(\$4,684.51)	(\$1,316.45)	(\$1,361.52)	(\$1,412.26)
<i>Capex as a % of Revenue</i>	0.10%	0.10%	0.10%	0.10%	0.10%
(-) Change in Net Working Capital	\$ (560.8)	\$ (284.3)	\$ (164.1)	\$ (191.4)	\$ (216.2)
<b>Inlevered FCF</b>	<b>\$ (88.7)</b>	<b>\$ (407.2)</b>	<b>\$ 3,326.2</b>	<b>\$ 3,542.0</b>	<b>\$ 3,751.6</b>
<i>% Growth</i>		359.1%	(916.9%)	6.5%	5.9%
WACC	6.42%	6.42%	6.42%	6.42%	6.42%
Discount Period	0.19	1.19	2.19	3.19	4.19
Discount Factor	0.99	0.93	0.87	0.82	0.77
<b>PV of Inlevered FCF</b>	<b>(\$87.7)</b>	<b>(\$378.2)</b>	<b>\$2,902.7</b>	<b>\$2,904.6</b>	<b>\$2,890.9</b>

WACC	6.4%
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<b>Exit Multiple Method</b>	
Discount Rate	6.42%
Tax Rate	14%

<b>Terminal Value:</b>	
2027E EBITDA	\$5,728.2
Exit Multiple	12.1x
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<b>Enterprise Value</b>	
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<b>Blended Implied Share Price</b>	
Multiple Method	\$ 91.7
Book Value Method	\$ 66.5
<b>Blended Share Price</b>	<b>\$ 79.1</b>

<b>Price to Book Value</b>	
Price To Book Multiple	0.84x

<b>Common Equity:</b>	
2027E Total Equity	\$27,022.81
(-) Non-Controlling Interest	\$77.5
<b>2027E Common Equity</b>	<b>\$26,945.3</b>

<b>Book Value per Share:</b>	
Common Equity	\$26,945.3
Shares Outstanding (Millions)	182.2
<b>2027E Book Value per Share</b>	<b>\$147.9</b>

<b>PV of Book Value</b>	
Book Value per Share	\$147.9
Discount Period	4.2
Discount Factor	0.5
Price to Book Multiple	0.84x
<b>PV of Book Value</b>	<b>\$66.5</b>

# Bull Case DCF

<b>AerCap DCF</b>		As of	10/23/2023
<i>Discounted Cash Flow Valuation</i>		Year End	12/31/2023
Active Case:	2		

(\$ in millions)	Forecasted Years				
	2023E	2024E	2025E	2026E	2027E
Revenue	\$ 8,226.6	\$ 8,724.6	\$ 9,088.1	\$ 9,480.9	\$ 9,903.5
% Growth		6.1%	4.2%	4.3%	4.5%
(-) Operating Expenses	\$ (5,243.6)	\$ (3,617.6)	\$ (6,515.9)	\$ (6,664.6)	\$ (6,876.2)
(+) Depreciation & Amortization	\$ 2,480.9	\$ 2,685.8	\$ 2,846.9	\$ 3,017.7	\$ 3,198.8
<i>Depreciation and Amortization as a % of Revenue</i>	30.2%	30.2%	30.2%	30.2%	30.2%
<b>EBITDA</b>	<b>\$ 5,463.9</b>	<b>\$ 7,792.8</b>	<b>\$ 5,419.2</b>	<b>\$ 5,834.0</b>	<b>\$ 6,226.1</b>
% Margin	66.4%	89.3%	59.6%	61.5%	62.9%
(-) Depreciation & Amortization	\$ (2,480.9)	\$ (2,685.8)	\$ (2,846.9)	\$ (3,017.7)	\$ (3,198.8)
EBIT	\$ 2,983.0	\$ 5,107.0	\$ 2,572.2	\$ 2,816.3	\$ 3,027.3
% Margin	36.3%	58.5%	28.3%	29.7%	30.6%
(-) Taxes	\$ (420.6)	\$ (663.9)	\$ (334.4)	\$ (366.1)	\$ (393.5)
<i>Effective Tax Rate</i>	14.1%	13.0%	13.0%	13.0%	13.0%
<b>NOPAT</b>	<b>\$ 2,562.4</b>	<b>\$ 4,443.1</b>	<b>\$ 2,237.8</b>	<b>\$ 2,450.2</b>	<b>\$ 2,633.7</b>
(+) Depreciation & Amortization	\$ 2,480.9	\$ 2,685.8	\$ 2,846.9	\$ 3,017.7	\$ 3,198.8
(-) Capital Expenditures	(\$5,347.32)	(\$5,670.99)	(\$1,817.63)	(\$1,896.18)	(\$1,980.70)
<i>Capex as a % of Revenue</i>	0.10%	0.10%	0.10%	0.10%	0.10%
(-) Change in Net Working Capital	\$ (660.9)	\$ (321.3)	\$ (233.1)	\$ (252.1)	\$ (271.5)
<b>Unlevered FCF</b>	<b>\$ (964.9)</b>	<b>\$ 1,136.6</b>	<b>\$ 3,034.1</b>	<b>\$ 3,319.6</b>	<b>\$ 3,580.4</b>
% Growth		(217.8%)	166.9%	9.4%	7.9%
WACC	6.42%	6.42%	6.42%	6.42%	6.42%
Discount Period	0.19	1.19	2.19	3.19	4.19
Discount Factor	0.99	0.93	0.87	0.82	0.77
<b>PV of Unlevered FCF</b>	<b>(\$953.7)</b>	<b>\$1,055.5</b>	<b>\$2,647.8</b>	<b>\$2,722.2</b>	<b>\$2,759.0</b>

WACC	6.4%
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<b>Exit Multiple Method</b>	
Discount Rate	6.42%
Tax Rate	14%

<b>Terminal Value:</b>	
2027E EBITDA	\$6,226.1
Exit Multiple	12.1x
Terminal Value	\$75,335.5
<b>PV of Terminal Value</b>	<b>\$58,052.0</b>

<b>Enterprise Value</b>	
PV of Period Cash Flow	\$8,230.9
PV of Terminal Value	\$58,052.0
Implied EV	\$66,282.9
(-) Debt	(46,533.0)
(+) Cash	1,597.1
Implied Equity Value	\$21,347.1
Shares Outstanding	141.9
<b>Implied Share Price</b>	<b>\$150.5</b>

<b>Blended Implied Share Price</b>	
Multiple Method	\$ 150.5
Book Value Method	\$ 102.7
<b>Blended Share Price</b>	<b>\$ 126.6</b>

<b>Price to Book Value</b>	
Price To Book Multiple	0.94x

<b>Common Equity:</b>	
2027E Total Equity	\$29,061.61
(-) Non-Controlling Interest	\$77.5
<b>2027E Common Equity</b>	<b>\$28,984.1</b>

<b>Book Value per Share:</b>	
Common Equity	\$28,984.1
Shares Outstanding (Millions)	141.9
<b>2027E Book Value per Share</b>	<b>\$204.3</b>

<b>PV of Book Value</b>	
Book Value per Share	\$204.3
Discount Period	4.2
Discount Factor	0.5
Price to Book Multiple	0.94x
<b>PV of Book Value</b>	<b>\$102.7</b>

# Bear Case DCF

<b>AerCap DCF</b>		As of	10/23/2023
<i>Discounted Cash Flow Valuation</i>		Year End	12/31/2023
Active Case:	3		

(\$ in millions)	Forecasted Years				
	2023E	2024E	2025E	2026E	2027E
Revenue	\$ 7,892.6	\$ 7,960.5	\$ 8,091.5	\$ 8,253.1	\$ 8,438.2
<i>% Growth</i>		0.9%	1.6%	2.0%	2.2%
(-) Operating Expenses	\$ (5,207.0)	\$ (6,308.5)	\$ (6,434.0)	\$ (6,561.3)	\$ (6,715.3)
(+) Depreciation & Amortization	\$ 2,433.1	\$ 2,585.4	\$ 2,688.8	\$ 2,796.3	\$ 2,908.2
<i>Depreciation and Amortization as a % of Revenue</i>	30.8%	30.8%	30.8%	30.8%	30.8%
<b>EBITDA</b>	<b>\$ 5,118.7</b>	<b>\$ 4,237.4</b>	<b>\$ 4,346.3</b>	<b>\$ 4,488.1</b>	<b>\$ 4,631.1</b>
% Margin	64.9%	53.2%	53.7%	54.4%	54.9%
(-) Depreciation & Amortization	\$ (2,433.1)	\$ (2,585.4)	\$ (2,688.8)	\$ (2,796.3)	\$ (2,908.2)
EBIT	\$ 2,685.6	\$ 1,652.1	\$ 1,657.5	\$ 1,691.8	\$ 1,723.0
% Margin	34.0%	20.8%	20.5%	20.5%	20.4%
(-) Taxes	\$ (378.7)	\$ (214.8)	\$ (215.5)	\$ (219.9)	\$ (224.0)
<i>Effective Tax Rate</i>	14.1%	13.0%	13.0%	13.0%	13.0%
<b>NOPAT</b>	<b>\$ 2,307.0</b>	<b>\$ 1,437.3</b>	<b>\$ 1,442.1</b>	<b>\$ 1,471.9</b>	<b>\$ 1,499.0</b>
(+) Depreciation & Amortization	\$ 2,433.1	\$ 2,585.4	\$ 2,688.8	\$ 2,796.3	\$ 2,908.2
(-) Capital Expenditures	(\$2,762.41)	(\$2,786.19)	(\$404.58)	(\$412.65)	(\$421.91)
<i>Capex as a % of Revenue</i>	0.10%	0.10%	0.10%	0.10%	0.10%
(-) Change in Net Working Capital	\$ (439.6)	\$ (36.9)	\$ (82.2)	\$ (102.5)	\$ (118.2)
<b>Unlevered FCF</b>	<b>\$ 1,538.0</b>	<b>\$ 1,199.6</b>	<b>\$ 3,644.0</b>	<b>\$ 3,753.0</b>	<b>\$ 3,867.1</b>
<i>% Growth</i>		(22.0%)	203.8%	3.0%	3.0%
WACC	6.42%	6.42%	6.42%	6.42%	6.42%
Discount Period	0.19	1.19	2.19	3.19	4.19
Discount Factor	0.99	0.93	0.87	0.82	0.77
<b>PV of Unlevered FCF</b>	<b>\$1,520.1</b>	<b>\$1,114.1</b>	<b>\$3,180.1</b>	<b>\$3,077.6</b>	<b>\$2,979.9</b>

WACC	6.4%
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<b>Exit Multiple Method</b>	
Discount Rate	6.42%
Tax Rate	14%

<b>Terminal Value:</b>	
2027E EBITDA	\$4,631.1
Exit Multiple	12.1x
Terminal Value	\$56,036.8
<b>PV of Terminal Value</b>	<b>\$43,180.9</b>

<b>Enterprise Value</b>	
PV of Period Cash Flow	\$11,871.8
PV of Terminal Value	\$43,180.9
Implied EV	\$55,052.6
(-) Debt	(46,533.0)
(+) Cash	1,597.1
Implied Equity Value	\$10,116.8
Shares Outstanding	207.4
<b>Implied Share Price</b>	<b>\$48.8</b>

<b>Blended Implied Share Price</b>	
Multiple Method	\$ 48.8
Book Value Method	\$ 50.6
<b>Blended Share Price</b>	<b>\$ 49.7</b>

<b>Price to Book Value</b>	
Price To Book Multiple	0.79x

<b>Common Equity:</b>	
2027E Total Equity	\$24,878.98
(-) Non-Controlling Interest	\$77.5
<b>2027E Common Equity</b>	<b>\$24,801.5</b>

<b>Book Value per Share:</b>	
Common Equity	\$24,801.5
Shares Outstanding (Millions)	207.4
<b>2027E Book Value per Share</b>	<b>\$119.6</b>

<b>PV of Book Value</b>	
Book Value per Share	\$119.6
Discount Period	4.2
Discount Factor	0.5
Price to Book Multiple	0.79x
<b>PV of Book Value</b>	<b>\$50.6</b>

# Income Statement

AerCap N.V.

Operating Build

Active Case: 1

## Income Statement

(\$ in millions)

						Projections				
	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E
<b>Revenues</b>										
Leasing revenue	4,537.1	4,682.3	4,321.0	4,412.0	6,530.5	7,011.1	7,460.6	7,833.6	8,225.3	8,636.5
Gain (loss) on sale of assets	201.3	188.8	89.6	89.4	228.9	575.3	570.0	456.0	364.8	291.9
Other revenue	61.6	66.2	83.0	722.6	254.1	489.5	486.7	486.7	486.7	486.7
<b>Total Revenues</b>	<b>4,800.0</b>	<b>4,937.3</b>	<b>4,493.6</b>	<b>5,224.0</b>	<b>7,013.5</b>	<b>8,076.0</b>	<b>8,517.3</b>	<b>8,776.3</b>	<b>9,076.8</b>	<b>9,415.1</b>
<b>Expenses</b>										
Depreciation & amortization	1,679.1	1,676.1	1,645.4	1,737.9	2,389.8	2,457.0	2,635.3	2,767.1	2,905.4	3,050.7
Net charges related to Ukraine Conflict	0	0	0	0	2,665.7	(645.0)	0	0	0	0
Asset impairment	44.2	70.1	1,087.0	128.4	96.6	61.2	78.0	79.5	81.1	82.8
Interest expense	1,174.1	1,295.0	1,248.2	1,230.5	1,591.9	1,962.2	2,156.0	2,098.6	2,031.9	2,005.3
(Gain) loss on debt extinguishment	0	0	118.5	9.7	(2.0)	0	0	0	0	0
Leasing expenses	446.5	288.0	323.5	319.0	823.6	908.9	939.6	967.8	996.9	1,026.8
Selling, general, and administrative expenses	305.2	267.5	242.2	317.9	399.5	471.4	494.1	518.8	544.8	572.0
Transaction and integration-related expenses	0	0	0	335.0	33.3	0	0	0	0	0
<b>Total Expenses</b>	<b>3,649.1</b>	<b>3,596.7</b>	<b>4,664.8</b>	<b>4,078.4</b>	<b>7,998.4</b>	<b>5,215.8</b>	<b>6,303.1</b>	<b>6,431.9</b>	<b>6,560.1</b>	<b>6,737.6</b>
<b>Operating Income</b>	<b>1,150.9</b>	<b>1,340.6</b>	<b>(171.2)</b>	<b>1,145.6</b>	<b>(984.9)</b>	<b>2,860.2</b>	<b>2,214.2</b>	<b>2,344.4</b>	<b>2,516.6</b>	<b>2,677.5</b>
(Loss) gain on investments at fair value	0	0	(143.5)	2.3	(17.7)	0	0	0	0	0
<b>(Loss) income before income taxes</b>	<b>1,150.9</b>	<b>1,340.6</b>	<b>(314.7)</b>	<b>1,147.9</b>	<b>(1,002.6)</b>	<b>2,860.2</b>	<b>2,214.2</b>	<b>2,344.4</b>	<b>2,516.6</b>	<b>2,677.5</b>
Income tax benefit (expense)	(144.1)	(167.7)	17.2	(162.5)	164.1	(403.3)	(287.8)	(304.8)	(327.2)	(348.1)
Equity in net earnings of investments	10.6	(6.5)	2.5	24.1	117.2	0	0	0	0	0
<b>Net Income (Loss)</b>	<b>1,017.4</b>	<b>1,166.4</b>	<b>(295.0)</b>	<b>1,009.5</b>	<b>(721.3)</b>	<b>3,263.5</b>	<b>2,502.0</b>	<b>2,649.1</b>	<b>2,843.8</b>	<b>3,025.5</b>
<b>Supplementary Info</b>										
Basic Earnings Per Share – Total	7.0	8.5	(2.3)	6.8	(3.0)	14.94	15.70	16.47	17.22	17.96
Diluted Earnings Per Share – Total	6.8	8.4	(2.3)	6.7	(3.0)	14.94	15.70	16.47	17.22	17.96
Weighted average shares outstanding-- basic	145.16	134.57	127.74	146.42	240.49	219.05	208.34	198.69	190.01	182.20
Weighted average shares outstanding-- diluted	148.71	135.90	127.74	149.01	240.49	219.05	208.34	198.69	190.01	182.20

# Balance Sheet

AerCap N.V.  
Operating Build  
Active Case:

1

## Balance Sheet

(\$ in millions)

					Projections				
	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E
<b>Assets</b>									
Cash and cash equivalents	1,121.4	1,248.8	1,728.8	1,597.1	1,418.9	1,382.8	4,595.3	7,788.4	12,267.8
Restricted cash	179.0	246.5	186.0	159.6	159.6	159.6	159.6	159.6	159.6
Trade receivables	47.9	170.7	181.5	132.2	177.5	188.9	198.3	208.3	218.7
Flight equipment held for operating leases, net	35,870.8	35,156.5	57,825.1	55,220.8	57,144.4	59,115.6	57,585.4	55,960.4	54,239.1
Investment in finance and sales-type leases, net	1,011.5	878.5	1,929.2	1,356.1	1,029.5	672.0	452.0	280.5	150.4
Flight equipment held for sale	336.6		304.4	292.8	292.8	292.8	292.8	292.8	292.8
Prepayments on flight equipment	2,954.5	2,111.7	4,586.8	3,806.6	3,841.9	3,856.3	3,862.2	3,864.6	3,865.6
Maintenance rights and lease premium, net	809.6	649.9	4,444.5	3,364.5	3,063.8	2,744.0	2,408.1	2,055.4	1,685.1
Other intangibles, net	307.4	224.6	208.9	185.2	185.2	185.2	185.2	185.2	185.2
Deferred income tax assets	95.1	131.5	121.6	210.3	210.3	210.3	210.3	210.3	210.3
Associated companies			705.1	811.2	811.2	811.2	811.2	811.2	811.2
Other assets	1,015.5	1,229.4	2,348.0	2,590.4	2,590.4	2,590.4	2,590.4	2,590.4	2,590.4
<b>Total Assets</b>	<b>43,749.2</b>	<b>42,048.0</b>	<b>74,569.8</b>	<b>69,726.9</b>	<b>70,925.7</b>	<b>72,209.2</b>	<b>73,350.9</b>	<b>74,407.2</b>	<b>76,676.3</b>
<b>Liabilities</b>									
Accounts payable and other accrued liabilities	1,032.6	1,109.3	1,958.1	1,495.0	1,956.1	2,206.5	2,441.0	2,685.1	2,939.6
Accrued maintenance liability	2,190.2	1,750.4	2,900.7	2,503.2	2,641.9	2,789.3	2,940.7	3,096.0	3,255.1
Lessee deposit liability	747.8	600.3	773.8	806.7	676.0	537.0	391.1	237.8	76.9
Debt	29,486.1	28,742.1	50,204.7	46,533.0	45,916.8	45,082.4	43,915.9	42,407.5	41,873.6
Deferred income tax liabilities	910.3	913.4	2,085.2	2,194.1	2,184.2	2,177.2	2,169.7	2,161.7	2,153.2
<b>Total Liabilities</b>	<b>34,367.0</b>	<b>33,115.6</b>	<b>57,922.4</b>	<b>53,531.9</b>	<b>53,375.0</b>	<b>52,792.4</b>	<b>51,858.4</b>	<b>50,588.1</b>	<b>50,298.5</b>
<b>Shareholders' Equity</b>									
Common stock - par value	1.8	1.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Additional paid-in capital	2,209.5	2,078.1	8,522.7	8,586.0	8,586.0	8,586.0	8,586.0	8,586.0	8,586.0
Treasury shares	(537.3)	(456.0)	(285.9)	(254.7)	(1,509.5)	(2,136.8)	(2,701.5)	(3,209.6)	(3,667.0)
Accumulated other comprehensive loss	(93.6)	(155.1)	(79.3)	108.2	108.2	108.2	108.2	108.2	108.2
Accumulated retained earnings	7,734.6	7,399.7	8,410.3	7,674.9	10,930.3	13,423.8	16,064.2	18,898.9	21,915.0
Non-Controlling Interest	67.3	68.0	76.6	77.5	77.5	77.5	77.5	77.5	77.5
<b>Total Shareholders Equity</b>	<b>9,382.2</b>	<b>8,932.5</b>	<b>16,570.7</b>	<b>16,117.5</b>	<b>18,195.7</b>	<b>20,061.8</b>	<b>22,137.5</b>	<b>24,464.0</b>	<b>27,022.8</b>
<b>Total Liabilities &amp; Shareholders Equity</b>	<b>42,048.0</b>	<b>43,749.2</b>	<b>74,569.8</b>	<b>69,726.9</b>	<b>71,570.7</b>	<b>72,854.2</b>	<b>73,995.9</b>	<b>75,052.2</b>	<b>77,321.3</b>
<b>Admin:</b>									
Book Value Per Share	\$71.30	\$68.50	\$67.84	\$65.85	\$82.71	\$95.92	\$111.03	\$128.34	\$147.89
Multiple	0.86x	0.67x	0.96x	0.89x					

# Statement of Cash Flows

AerCap N.V.  
Operating Build  
Active Case:

1

## Statement of Cash Flows

(\$ in millions)

	Historical					Projections				
	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E
<b>Operating Activities</b>										
Net income (loss)	1,017.5	1,166.8	(294.9)	1,009.4	(721.2)	3,263.5	2,502.0	2,649.1	2,843.8	3,025.5
Depreciation and amortization	1,679.1	1,676.1	1,645.4	1,737.9	2,389.8	2,457.0	2,635.3	2,767.1	2,905.4	3,050.7
Net charges related to Ukraine Conflict	0	0	0	0	2,922.4	(645.0)	0	0	0	0
Asset impairment	44.2	70.1	1,087.0	128.4	96.6	61.2	78.0	79.5	81.1	82.8
Amortization of debt	76.5	79.6	65.0	114.0	338.0	0	0	0	0	0
Amortization of fair value adjustments on debt	142.6	(79.1)	(47.3)	(17.0)	(4.8)	0	0	0	0	0
Maintenance rights write-off	287.1	244.7	133.0	138.8	389.9	300.6	319.9	335.9	352.7	370.3
Maintenance liability release to income	228.1	(207.8)	(344.2)	(273.1)	(203.5)	(216.7)	(230.7)	(245.7)	(261.6)	(278.6)
Net gain on sale of assets	201.3	(188.8)	(89.6)	(89.4)	(228.9)	(575.3)	(570.0)	(456.0)	(364.8)	(291.9)
Deferred tax benefit	147.6	162.5	(20.9)	(5.9)	(9.6)	(9.9)	(7.0)	(7.5)	(8.0)	(8.5)
Share-based compensation	95.2	69.4	69.2	96.1	102.8	126.2	133.1	137.2	141.9	147.1
Collections of finance leases	0	98.4	68.1	124.3	630.4	326.6	357.4	220.1	171.4	130.2
Loss (gain) on investments at fair value	0	0	143.5	(2.3)	17.7	0	0	0	0	0
(Gain) loss on debt extinguishment	0	0	118.5	9.7	(2.0)	0	0	0	0	0
Transaction and integration-related expenses	0	0	0	186.5	0	0	0	0	0	0
Other	60.5	96.1	252.4	61.2	(157.1)	0	0	0	0	0
Changes in operating assets and liabilities:										
Trade receivables	19.8	(8.8)	(128.2)	232.1	39.2	(45.3)	(11.4)	(9.4)	(9.9)	(10.4)
Other assets	9.8	(73,646.0)	(400.3)	112.8	113.4	0	0	0	0	0
Accounts payable, accrued expenses and other liabilities	24,858	0.0	(126.2)	130.3	(542.0)	334.9	117.3	97.4	102.2	107.3
<b>Cash Flow from Operating Activities</b>	<b>2,840.4</b>	<b>3,105.7</b>	<b>2,130.4</b>	<b>3,693.8</b>	<b>5,171.0</b>	<b>5,377.8</b>	<b>5,323.8</b>	<b>5,567.6</b>	<b>5,954.2</b>	<b>6,324.5</b>
<b>Investing Activities</b>										
Purchase of flight equipment	(4,036.2)	(3,359.1)	(778.5)	(1,703.4)	(3,480.1)	(4,441.8)	(4,684.5)	(1,316.4)	(1,361.5)	(1,412.3)
Proceeds from sale or disposal of assets	1,822.6	1,773.8	471.4	796.6	1,635.8	575.3	570.0	456.0	364.8	291.9
Prepayments on flight equipment	(1,912.2)	(1,369.4)	(405.2)	(86.4)	(391.5)	(35.3)	(14.4)	(5.9)	(2.4)	(1.0)
Acquisition of GECAS, net of cash acquired	94.7	0	0	(22,493.2)	0	0	0	0	0	0
Other	(21.5)	(0.0)	0	27.4	75.3	0	0	0	0	0
<b>Cash Flow from Investing Activities</b>	<b>(4,052.6)</b>	<b>(2,954.7)</b>	<b>(712.3)</b>	<b>(23,458.9)</b>	<b>(2,160.5)</b>	<b>(3,901.7)</b>	<b>(4,128.9)</b>	<b>(866.3)</b>	<b>(999.1)</b>	<b>(1,121.4)</b>
<b>Financing Activities</b>										
Issuance of debt	5,589.8	6,539.3	10,946.3	26,496.7	468.0	5,546.1	7,509.4	4,665.8	6,033.6	2,135.6
Repayment of debt	(4,360.5)	(6,504.8)	(11,560.0)	(5,973.5)	(4,230.1)	(6,162.3)	(8,343.8)	(5,832.3)	(7,542.0)	(2,669.5)
Debt issuance and extinguishment costs paid, net of debt premium received	(57.8)	(36.6)	(253.8)	(422.3)	0.4	0	0	0	0	0
Maintenance payments received	743.3	736.4	345.7	448.5	779.8	803.4	854.9	897.6	942.5	989.6
Maintenance payments returned	(459.3)	(352.0)	(412.5)	(209.1)	(245.3)	(448.0)	(476.7)	(500.6)	(525.6)	(551.9)
Security deposits received	208.3	232.2	137.1	210.8	332.8	315.6	335.9	352.6	370.3	388.8
Security deposits returned	(220.5)	(233.2)	(297.5)	(290.8)	(245.1)	(445.5)	(474.1)	(497.8)	(522.7)	(548.8)
Dividend paid to non-controlling interest holders and others	(8.4)	(6.3)	(2.9)	(0.3)	(4.0)	(8.1)	(8.5)	(8.8)	(9.1)	(9.4)
Repurchase of shares and tax withholdings on share-based compensation	(834.4)	(639.9)	(127.8)	(76.2)	(17.4)	(1,254.8)	(627.4)	(564.6)	(508.2)	(457.4)
<b>Cash Flow from Financing Activities</b>	<b>600.4</b>	<b>(265.0)</b>	<b>(1,225.3)</b>	<b>20,183.8</b>	<b>(3,160.8)</b>	<b>(1,653.6)</b>	<b>(1,230.3)</b>	<b>(1,488.0)</b>	<b>(1,761.1)</b>	<b>(722.9)</b>
Other Adjustments										
Effect of exchange rate changes	2.7	(0.6)	2.2	0.8	(7.6)	0	0	0	0	0
<b>Cash Flow Net Changes in Cash</b>	<b>(609.1)</b>	<b>(114.7)</b>	<b>194.9</b>	<b>419.5</b>	<b>(158.0)</b>	<b>(177.5)</b>	<b>(35.4)</b>	<b>3,213.4</b>	<b>3,193.9</b>	<b>4,480.2</b>

# Debt Schedule

*\$ in Millions, Unless Otherwise Noted*

<b>Debt Schedule</b>						
	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027
<b>Outstanding Debt Being Paid Down</b>						
Issuance of Debt		5,546.07	7,509.42	4,665.84	6,033.60	2,135.60
Repayment of Debt		(6,162.30)	(8,343.80)	(5,832.30)	(7,542.00)	(2,669.50)
<b>Total Change in Long Term Debt</b>		<b>(616.23)</b>	<b>(834.38)</b>	<b>(1,166.46)</b>	<b>(1,508.40)</b>	<b>(533.90)</b>
<b>Outstanding Debt Not Paid Down</b>						
Unsecured debt	11,300.00	11,300.00	11,300.00	11,300.00	11,300.00	11,300.00
Secured debt	2,672.80	2,672.80	2,672.80	2,672.80	2,672.80	2,672.80
Subordinated debt	2,277.20	2,277.20	2,277.20	2,277.20	2,277.20	2,277.20
Other Debt (reconcile w/ BS)	(266.90)	(266.90)	(266.90)	(266.90)	(266.90)	(266.90)
<b>Ending Balance</b>	<b>15,983.10</b>	<b>15,983.10</b>	<b>15,983.10</b>	<b>15,983.10</b>	<b>15,983.10</b>	<b>15,983.10</b>
<b>Total Ending Balance</b>	<b>46,533.00</b>	<b>45,916.77</b>	<b>45,082.39</b>	<b>43,915.93</b>	<b>42,407.53</b>	<b>41,873.63</b>
<b>Cash Progression</b>						
<b>Beginning Cash</b>						
Cash from Operating Activities		5,170.96	6,022.80	5,323.80	5,567.60	5,954.17
Cash from Investing Activities		(2,160.50)	(3,901.72)	(4,128.87)	(866.29)	(999.09)
Cash from Financing Activities		(3,160.82)	(1,654.29)	(998.59)	(1,279.48)	(1,573.63)
Dividends		(8.08)	(8.52)	(8.78)	(9.08)	(9.42)
Debt Drawdown		5,546.07	7,509.42	4,665.84	6,033.60	2,135.60
Principal Paydown		(6,162.30)	(8,343.80)	(5,832.30)	(7,542.00)	(2,669.50)
Common Stock Issuances		-	-	-	-	-
Share Repurchases		1,254.75	394.87	355.38	319.84	287.86
Less: Minimum Cash Balance		-	-	-	-	-
<b>Total Cash Available (Required)</b>		<b>480.09</b>	<b>18.77</b>	<b>(623.51)</b>	<b>2,224.20</b>	<b>3,126.00</b>
<b>Balances</b>						
Unsecured debt	34,710.50	34,283.90	33,558.90	32,828.90	31,500.00	31,180.00
Secured debt	9,812.20	9,622.57	9,513.19	9,076.73	8,897.23	8,683.33
Subordinated debt	2,277.20	2,277.20	2,277.20	2,277.20	2,277.20	2,277.20
<b>Cost of Debt</b>						
Unsecured debt	3.19%	3.69%	4.19%	4.19%	4.19%	4.19%
Secured debt	5.15%	5.65%	6.15%	6.15%	6.15%	6.15%
Subordinated debt	6.24%	6.74%	7.24%	7.24%	7.24%	7.24%
<b>Interest</b>						
Unsecured debt	1,107.26	1,265.08	1,406.12	1,375.53	1,319.85	1,306.44
Secured debt	505.33	543.68	585.06	558.22	547.18	534.02
Subordinated debt	142.10	153.48	164.87	164.87	164.87	164.87
<b>Total Interest Expense</b>	<b>1,754.69</b>	<b>1,962.23</b>	<b>2,156.05</b>	<b>2,098.62</b>	<b>2,031.90</b>	<b>2,005.34</b>

# Equity Schedule

*\$ in Millions, Unless Otherwise Noted*

<b>Equity Schedule</b>						
	2022A	2023E	2024E	2025E	2026E	2027E
BB of Retained Earnings		\$ 7,674.9	\$ 10,930.3	\$ 13,423.8	\$ 16,064.2	\$ 18,898.9
(+) Net Income		\$ 3,263.5	\$ 2,502.0	\$ 2,649.1	\$ 2,843.8	\$ 3,025.5
(-) Dividends	\$ 4.0	\$ (8.1)	\$ (8.5)	\$ (8.8)	\$ (9.1)	\$ (9.4)
<b>EB of Retained Earnings</b>	<b>\$ 7,674.9</b>	<b>\$ 10,930.3</b>	<b>\$ 13,423.8</b>	<b>\$ 16,064.2</b>	<b>\$ 18,898.9</b>	<b>\$ 21,915.0</b>
BB Treasury Stock		\$ 254.7	\$ 1,509.5	\$ 2,136.8	\$ 2,701.5	\$ 3,209.6
(+) Shares repurchases	\$ 17.4	\$ 1,254.8	\$ 627.4	\$ 564.6	\$ 508.2	\$ 457.4
<b>EB Treasury Stock</b>	<b>\$ 254.7</b>	<b>\$ 1,509.5</b>	<b>\$ 2,136.8</b>	<b>\$ 2,701.5</b>	<b>\$ 3,209.6</b>	<b>\$ 3,667.0</b>



# NWC Calculation

AerCap NWC		Date of Analysis		10/23/2023						
(\$ in millions)						Forecasted Years				
	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	2027E	
<b>ASSETS</b>										
Trade receivables	47.9	170.7	181.5	132.2	177.5	188.9	198.3	208.3	218.7	
<b>Total Current Assets</b>	<b>47.9</b>	<b>170.7</b>	<b>181.5</b>	<b>132.2</b>	<b>177.5</b>	<b>188.9</b>	<b>198.3</b>	<b>208.3</b>	<b>218.7</b>	
<b>LIABILITIES</b>										
Accounts payable and other accrued liabilities	1,032.6	1,109.3	1,958.1	1,495.0	1,615.2	1,703.5	1,755.3	1,815.4	1,883.0	
Accrued maintenance liability	2,190.2	1,750.4	2,900.7	2,503.2	2,826.6	2,981.1	3,071.7	3,176.9	3,295.3	
Lessee deposit liability	747.8	600.3	773.8	806.7	969.1	1,022.1	1,053.2	1,089.2	1,129.8	
<b>Total Current Liabilities</b>	<b>3,970.6</b>	<b>3,460.0</b>	<b>5,632.5</b>	<b>4,804.8</b>	<b>5,410.9</b>	<b>5,706.6</b>	<b>5,880.1</b>	<b>6,081.4</b>	<b>6,308.1</b>	
<b>Net Working Capital</b>	<b>(3,922.7)</b>	<b>(3,289.3)</b>	<b>(5,451.0)</b>	<b>(4,672.6)</b>	<b>(5,233.4)</b>	<b>(5,517.7)</b>	<b>(5,681.8)</b>	<b>(5,873.2)</b>	<b>(6,089.4)</b>	
Change		633.4	(2,161.7)	778.4	(560.8)	(284.3)	(164.1)	(191.4)	(216.2)	
<b>Drivers</b>										
Revenue	4,937.3	4,493.6	5,224.0	7,013.5	8,076.0	8,517.3	8,776.3	9,076.8	9,415.1	
Trade receivables % of revenue	1%	4%	3%	2%	2%	2%	2%	2%	2%	
Accounts payable % of revenue	21%	25%	37%	21%	20%	20%	20%	20%	20%	
Accrued maintenance liability % of revenue	44%	39%	56%	36%	35%	35%	35%	35%	35%	
Lessee deposit liability % of revenue	15%	13%	15%	12%	12%	12%	12%	12%	12%	

# WACC Calculation

**AerCap WACC** **Date of Analysis** 10/23/2023

*(\$ in millions)*

Inputs	
Risk-Free Rate	5.00%
Market Risk Premium	5.00%
Beta 5Y	1.96
Corporate Tax Rate	14%
Pre-Tax Cost of Debt	4%
Country/Region Premium	15%
Common Shares (millions)	240.49
Share Price	\$ 58.54
Market Value of Debt	\$ 46,387

Debt Assumptions	
Pre-Tax Cost of Debt	4.0%
Tax Rate	14.1%
<b>After-Tax Cost of Debt</b>	<b>3.4%</b>

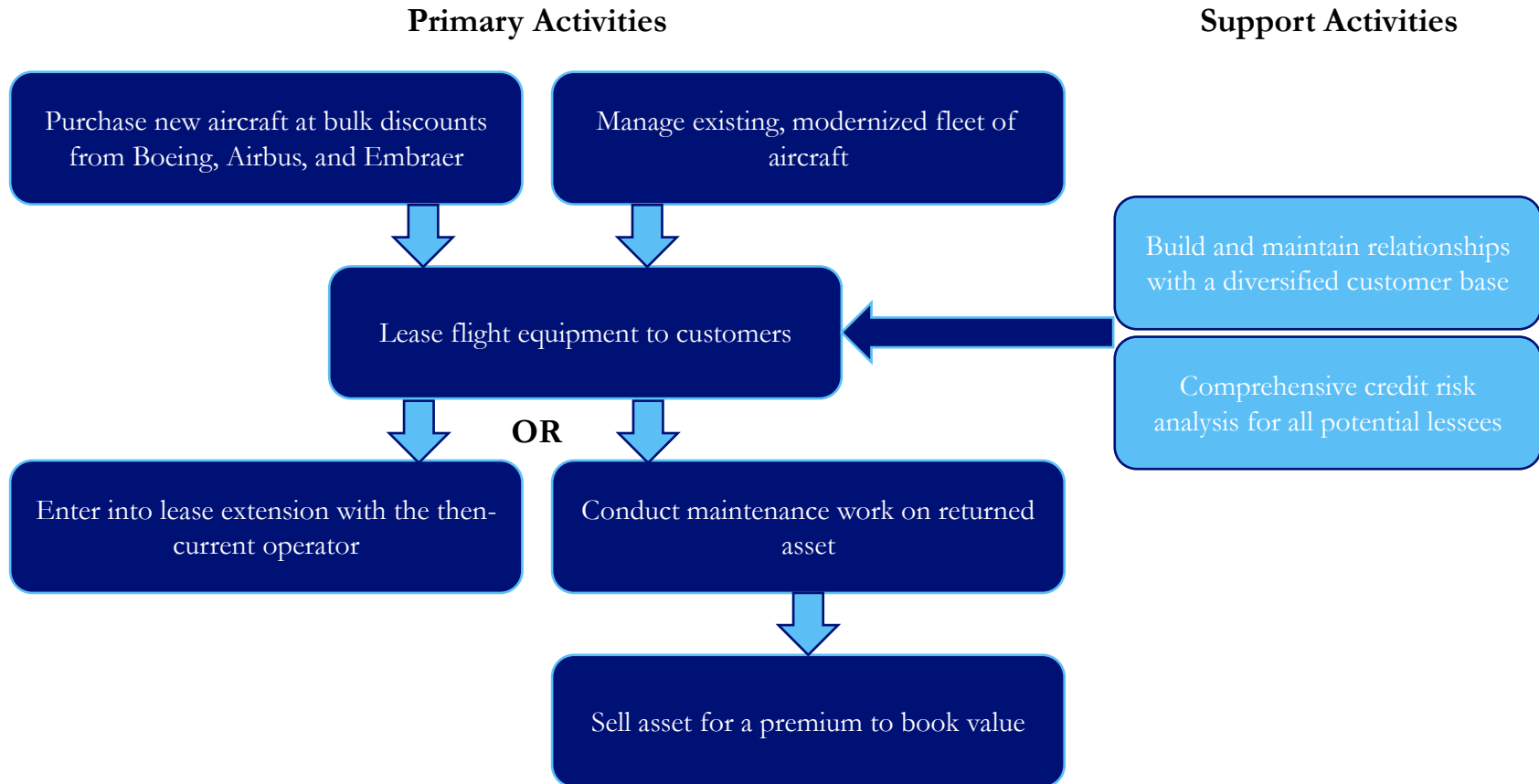
Cost of Equity Calculation	
Risk-Free Rate	5.0%
Equity Risk Premium	5.0%
Country/Region Premium	14.8%
Beta	2.0
<b>Cost of Equity</b>	<b>16.2%</b>

## WACC Calculation

Market Value	Amount	% of Total	Cost of Capital
Market Value of Debt	\$ 46,387	77%	3.4%
Market Value of Equity	\$ 14,078	23%	16.2%
<b>Total</b>	<b>\$ 60,465</b>	<b>100%</b>	<b>6.4%</b>

<b>Weighted Average Cost of Capital</b>	<b>6.4%</b>
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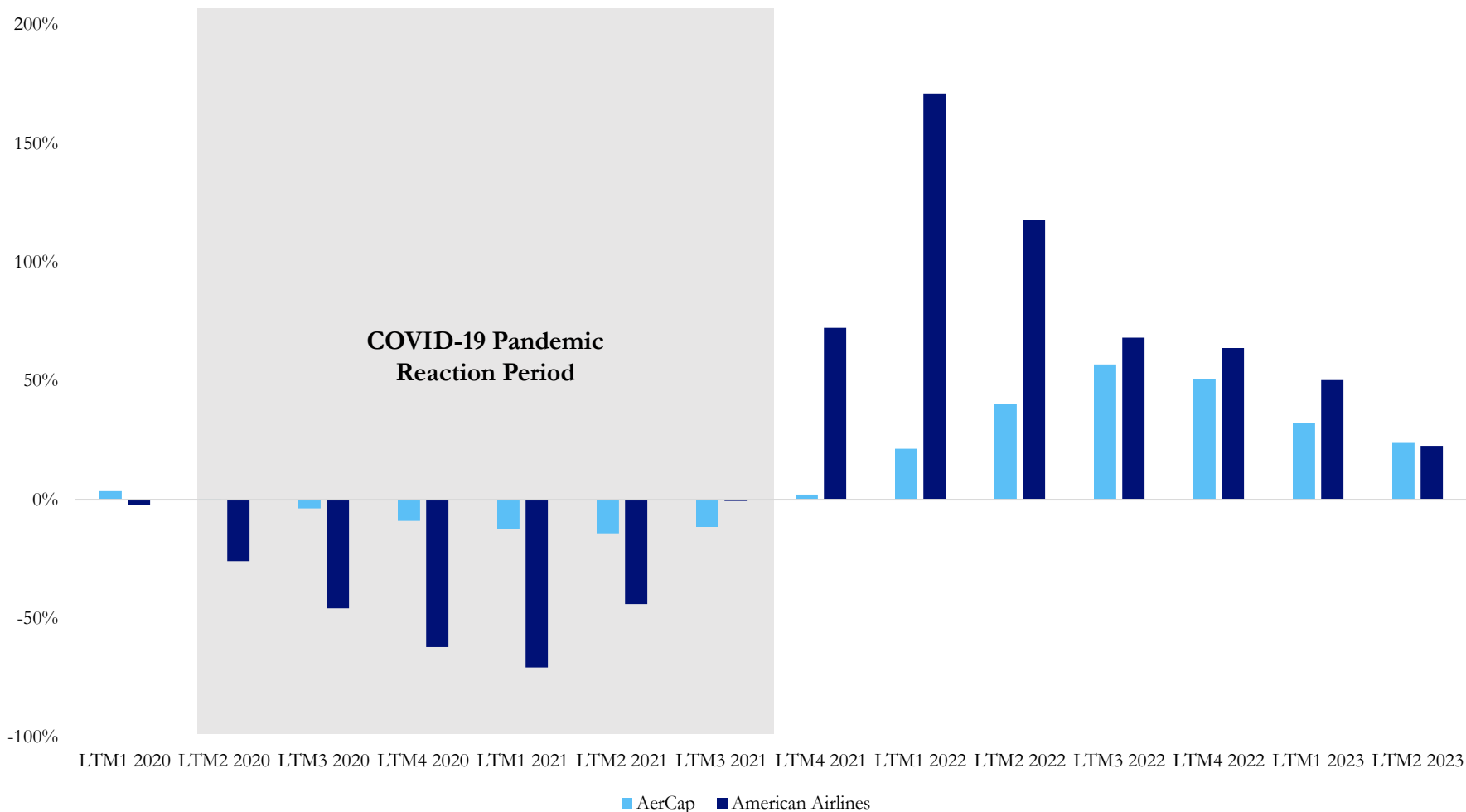
AerCap primarily adds value through leasing its modernized fleet to customers.



# Distinction from Airline Industry

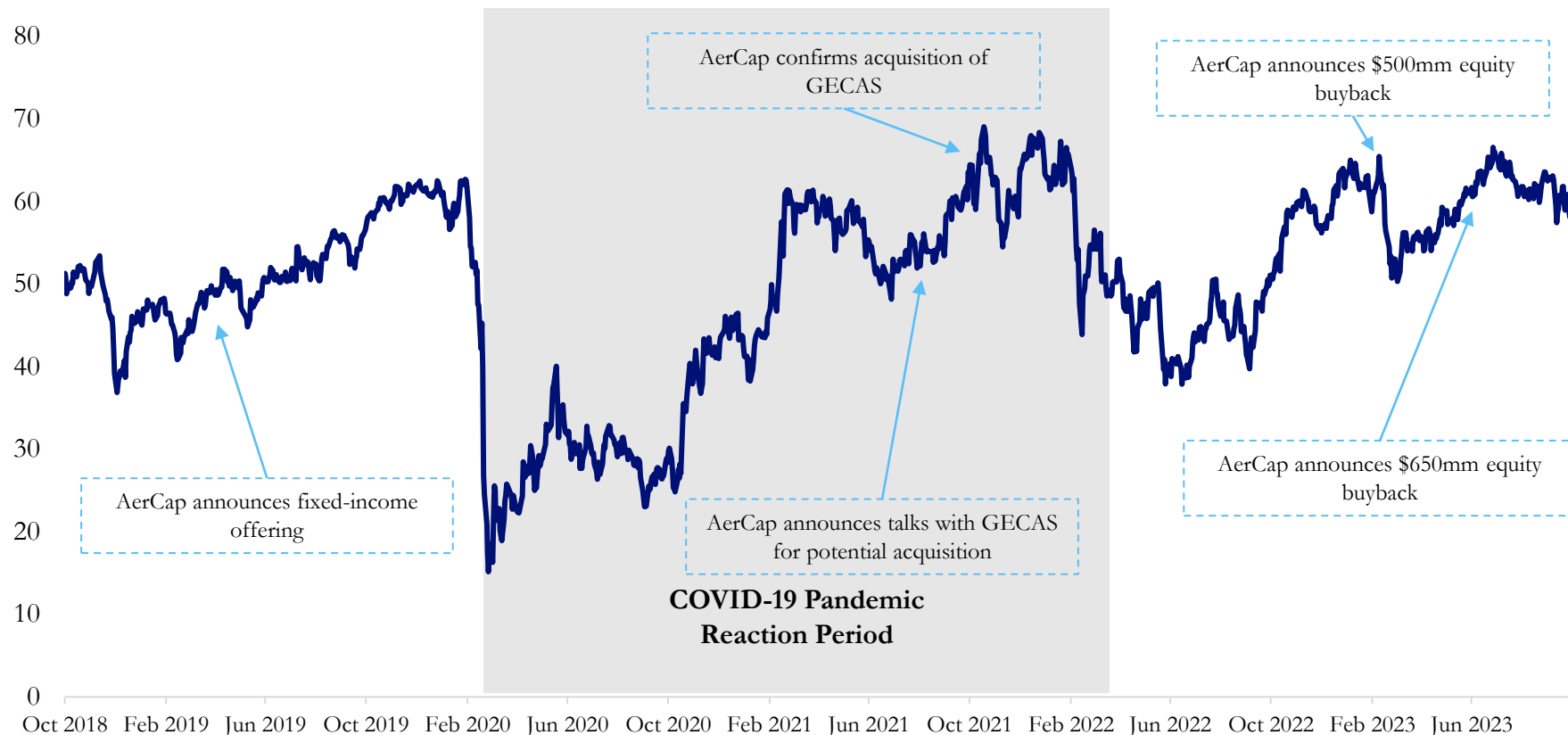
AerCap's revenue is much more resilient during economic downturns than the revenue of downstream airlines such as American Airlines

### Case Study: AerCap vs. American Airlines LTM Revenue Growth



# 5-Year Annotated Stock Chart

AerCap's share price was punished during the COVID-19 pandemic but has been boosted by the GECAS acquisition and aggressive share buybacks



## Stock Information

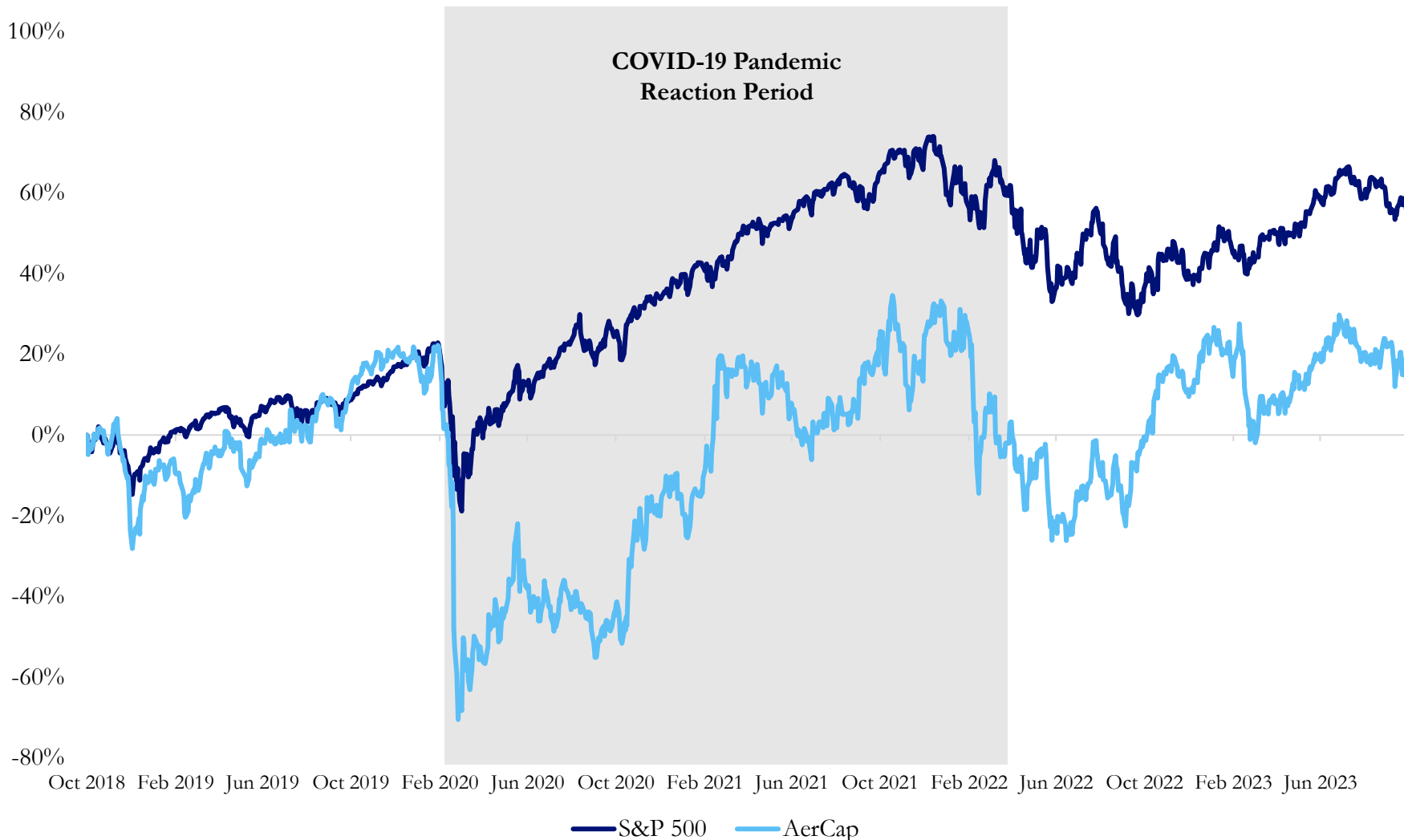
Market Capitalization (\$mm)	14,432
Beta	1.96
52-Week Range (\$)	50.11—66.56
LTM Diluted EPS (\$)	7.78

## Key Shareholders

General Electric Company	13.41%
Wellington Management Group	8.26%
Allspring Global Investments	3.77%
BlackRock, Inc.	3.57%

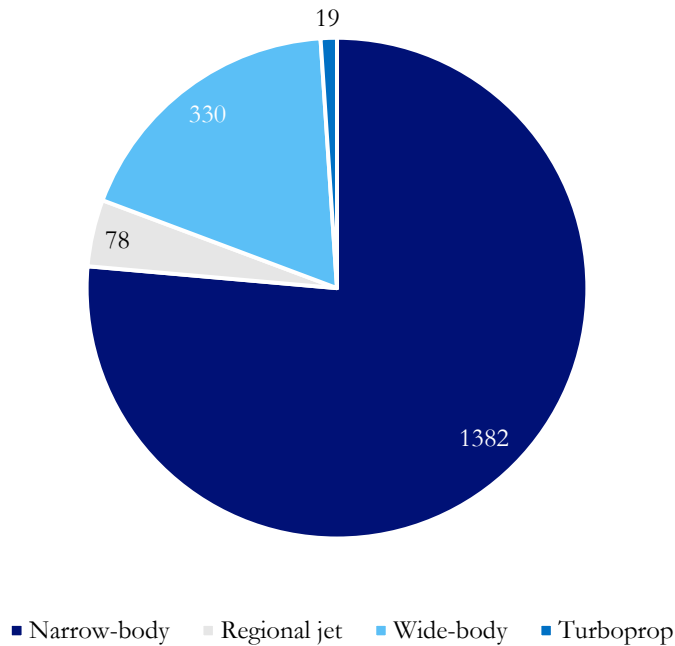
# Underperforming S&P 500

After tracking the returns of the S&P 500 closely pre-COVID, AerCap's equity has since steeply undervalued

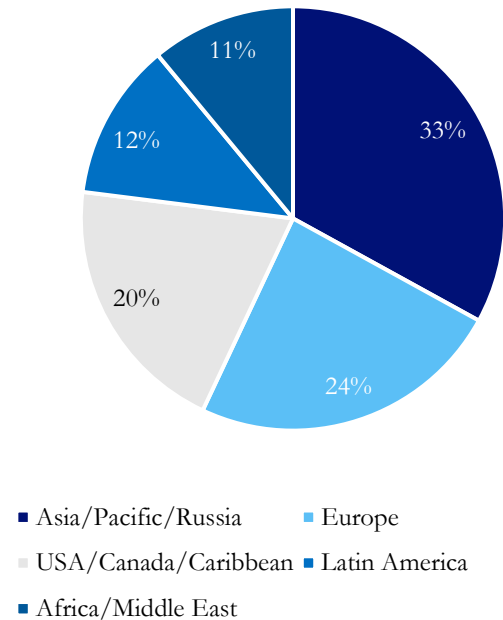


AerCap's fleet is primarily composed of narrow-body jets and is leased to a diversified set of customers around the globe

AerCap Fleet by Aircraft Type



AerCap Leased Fleet by Region



AerCap's 2021 acquisition of its then largest competitor, GE Capital Aviation Services (GECAS), gave the firm industry-leading economies of scale

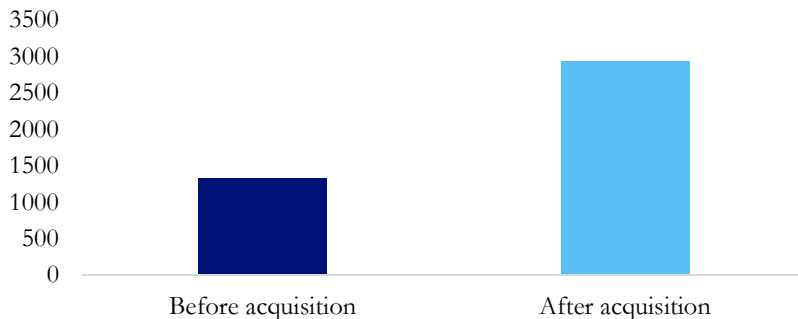
## Groundbreaking Acquisition

- On November 1, 2021, AerCap completed its acquisition of GE Capital Aviation Services from General Electric (NYSE: GE)
- US-based GE Capital Aviation Services was AerCap's largest competitor, with 1,600 aircraft worth almost \$36b
- The acquisition was valued at \$31b
- As the largest acquisition in the history of the aviation leasing industry, the deal positioned AerCap with industry-leading economies of scale
- AerCap's dominant scale, at a time when suppliers are feeling supply chain pressure, gives the lessor high bargaining power

## Effect on AerCap's Fleet

AerCap's acquisition of GECAS doubled the size and value of its fleet of aircraft

AerCap's Number of Owned Aircraft



## General Electric Interest in AerCap

- General Electric received 111.5 million newly issued AerCap shares, approximately \$23b of cash, and \$1b of AerCap notes
- At the time of the acquisition, GE owned approximately 46% of AerCap's outstanding shares
- Former GECAS CEO Jennifer VanBelle joined AerCap's Board of Directors
- In March 2023, GE sold 18 million shares of AerCap worth about \$1.12b, causing shares to fall 4%
- In September 2023, GE sold 40.7 million shares of AerCap worth about \$2.44b, causing shares to fall 3%
- GE currently owns 13.41% of AerCap's shares outstanding

## Management Bullish on Synergies

*"In GECAS, AerCap has acquired the right business, for the right price, at the right time, as air travel continues to recover from the pandemic and demand for aircraft leasing continues to accelerate."*

**Aengus Kelly, AerCap Press Release**

*"The combination of GECAS and AerCap will deliver significant value for both companies and their stakeholders."*

**Larry Culp, Chairman & CEO of GE, GE Press Release**

*"Strong performance and level of transaction activity clearly demonstrate the success of the GECAS acquisition, the integration of the two companies and the recovery in aviation."*

**Aengus Kelly, FY'22 Q4 Earnings Call**