



# Goldman Sachs Aircraft Leasing Conference

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**Old NAC**

- Founded in 1990 by Danish entrepreneur, first 25 years a turboprop specialist (ATR/Q400)
- From 2015 to 2020 doubled fleet with E1 regional jet portfolio acquisitions and moved to new HQ building in Ireland
- At Jan 2020, world's largest regional aircraft lessor with ~ 560 aircraft owned /on order (~\$7B base fleet value)
- Funded rapid growth by debt; equity proceeds from GIC/EQT went largely to selling shareholders

**Covid & Restructure**

- NAC hit hard by pandemic + firm specific issues - overleverage, lessee credit problems, high AOG/ roll-off, excess type concentration, leadership/processes in flux
- During Sep 2021, new CEO named; during Dec 2021, NAC filed for Ch 11
- On Jun 1 2022, exited Ch 11 with ~370 aircraft owned/on order (~\$3.6B base fleet value)

***An established franchise in turnaround with a scalable platform***

Mission Revamped by New CEO

1. Remain a global leader in regional aircraft leasing
2. Expand into larger narrowbody aircraft
3. Build a world class, full life cycle asset management platform

Turnaround Actions Taken Last 11 Months



Right Size the Balance Sheet

- Debt cut \$6.4B to \$2.2B on Jun 2022 Ch 11 exit
- 50% LTV on avg 3 base value (62% avg 3 CMV)
- Net aircraft book value written down to 90% avg 3 CMV
- ~ \$530mm growth/liquidity capital from new investors/former creditors



Drive Organizational Change

- Staff cut by 40%+, shrunk HQ, exited 2 corporate jets
- 70% senior leadership ex-GECAS +15 other hires nearly all ex-GECAS
- Institutionalising processes, new CRO
- New Board include ex-Aercap CEO, ex -Emirates CFO, ex-A&L Goodbody Managing Partner



Stabilize Existing Portfolio

- AOG's cut from ~115 to ~10, roll-off manageable at ~30+ pa
- Cash collections well above plan, overdues sharply cut
- Pruning Q400/E1, reduced ATR orders from 44 to 17 aircraft, kept intact 220 order for 20 units
- **Full life-cycle emphasis** – trading, spare engines + cargo

*As turnaround largely complete, now pivoting to growth with new \$400mm warehouse facility*



**Capex Plan**

- Up to ~\$3B/~\$750mm pa/100 aircraft during 2023-2026 (75 purchase/leasebacks, 25 existing ATR/220 slots)
- Mix of 70% NEO/MAX/220/ATR, 30% NG/CEO, prune Q400/E1 + add ATR/220
- 738NG/321CEO emphasis given cargo conversion/737 classic + 757 fleet replacement potential

**Core Fleet**

- Large investible base - narrowbody/regional fleet value/on order \$950B, 19X \$50B regional only
- Essential airport connectivity - 95% of 3,800 airports covered, 45% by regional aircraft only
- Secular trends - more short haul travel, less CO2 output, cargo/e-commerce + fleet replacement needs

**Leverage Platform**

- New team can build on existing customer base/corporate infrastructure/business processes
- Organisational productivity – narrowbody unit 2.5X value vs regional, 25 vs 10 airline accounts per rep
- Larger team enables primary airline origination/remarketing network + secondary lessor trading access

**Value Added Approach**

- For NEO/MAX/220, Tier 2/3 credit focus with higher returns or Tier 1 with large lessor concentrations
- Develop cargo for 738NG/321CEO beyond existing ATR72/E1 conversions – key for NG/CEO investing
- Blend in ATR regional financings, E1/NG/CEO tradeouts for fleet rollover solutions – higher margins

***Platform has ready potential to scale 2-3X***



- *Aim to stay a global leader in regional aircraft leasing + expand into larger narrowbodies both pax & cargo*
- *Building a world class, full life cycle asset management platform with top tier talent and a new Board*
- *Restructuring largely completed with ~ \$530mm growth capital/liquidity from new investors*
- *Plan to scale 2-3X using banking/capital markets on a secured / unsecured basis*