

# POWER FOR THE AFTERMARKET

INNOVATING CFM56 POWER

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FTAI Aviation

Supplemental Information Second Quarter 2023



# Disclaimers

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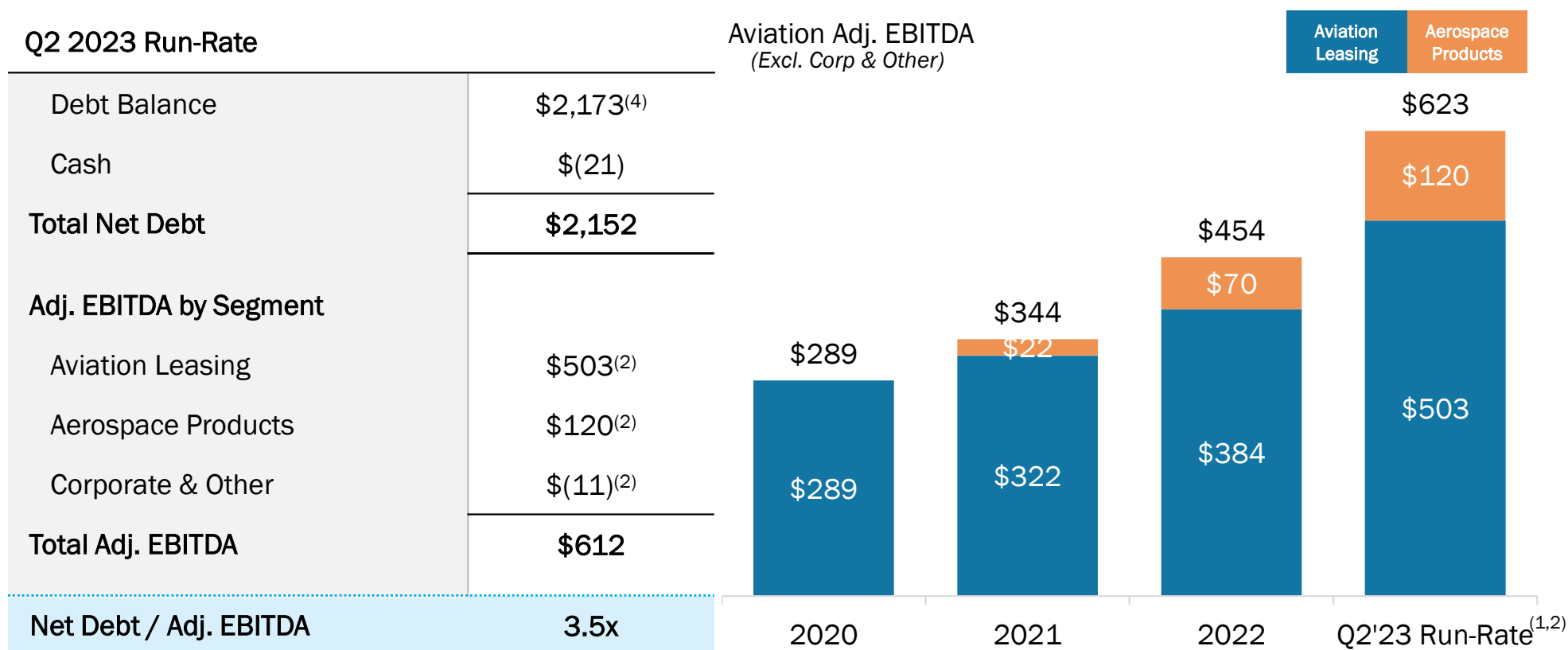
**NON-GAAP FINANCIAL INFORMATION.** This Presentation includes information based on financial measures that are not recognized under generally accepted accounting principles (GAAP), such as Adjusted EBITDA. You should use Non-GAAP information in addition to, and not as an alternative to, financial information prepared in accordance with GAAP. See Reconciliation and Glossary in the Appendix to this Presentation for reconciliations to the most comparable GAAP measures and an explanation of each of our Non-GAAP measures. Our Non-GAAP measures may not be identical or comparable to measures with the same name presented by other companies. Reconciliations of forward-looking Non-GAAP financial measures to their most directly comparable GAAP financial measures are not included in this Presentation because the most directly comparable GAAP financial measures are not available on a forward-looking basis without unreasonable effort.

# Capital Structure

- Run-Rate Net Debt / Adj. EBITDA multiple declined from 4.0x in prior quarter to **3.5x** in Q2 2023<sup>(1,2)</sup>
- \$155 million of Corporate Revolver facility available as of June 30, 2023
- Net Debt / Adj. EBITDA by Q4 2023 projected to stay within range of **3x – 4x**<sup>(3)</sup>

## Capital Structure Overview

(\$s in millions)



1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

2) Adjusted EBITDA Run-Rate is defined as Q2'23 annualized.

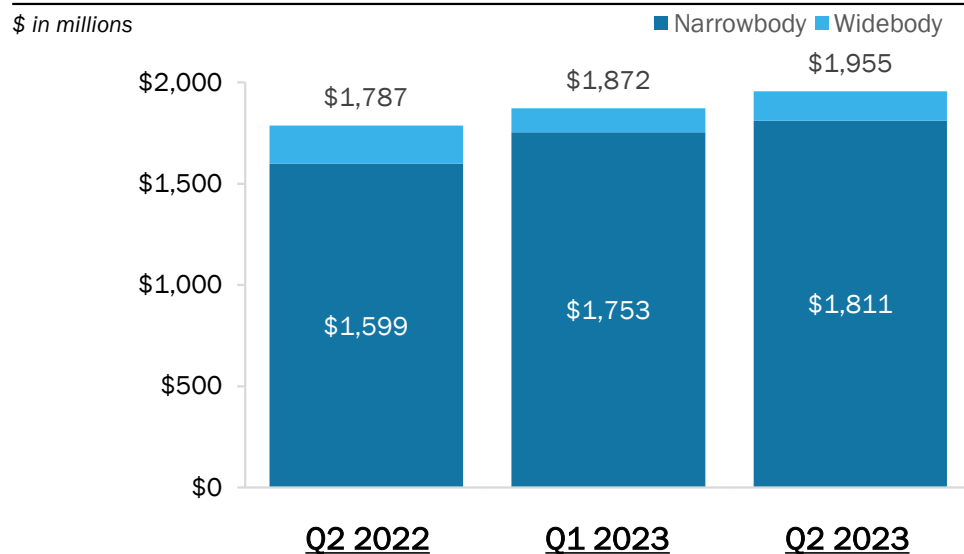
3) Forward looking statement. See "Disclaimers" at the beginning of the Presentation.

4) Debt Balance is net of approximately \$21.9mm of net deferred financing costs and bond issuance premium & discount; gross debt outstanding was \$2,195.0mm at June 30, 2023.

# Portfolio Concentration on CFM56 Platform

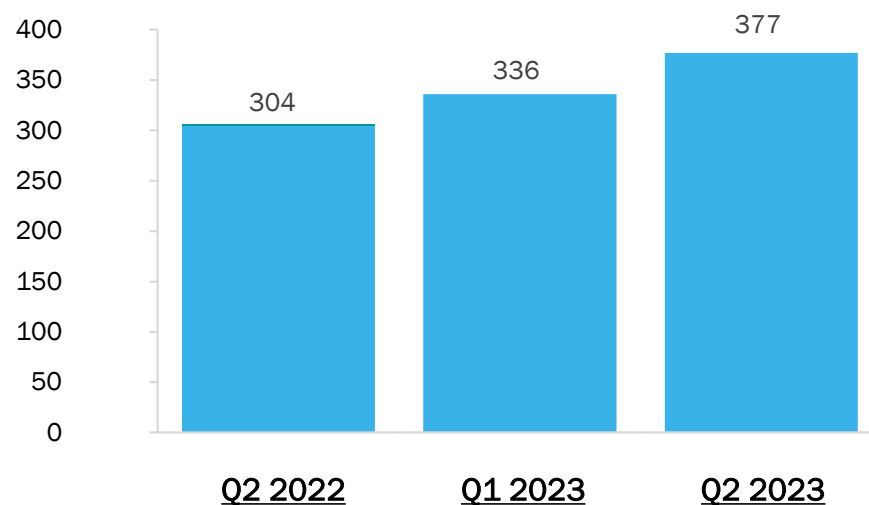
- Portfolio of 97 aircraft and 247 standalone engines as of June 30, 2023
- 377 CFM56 engines in portfolio including standalone engines, engines on-wing and engines at The Module Factory™:
  - 161 standalone engines
  - 119x engines on Airbus A320 and 32x engines on Boeing 737 (151 CFM56 Engines)
  - 195 modules at The Module Factory™ (~65 Aerospace CFM56 Engine Equivalents)<sup>(2)</sup>

## FTAI Aviation Portfolio



Narrowbody	\$1,599	\$1,753	\$1,811
Widebody	\$188	\$119	\$144
<b>Total BV<sup>(1)</sup></b>	<b>\$1,787</b>	<b>\$1,872</b>	<b>\$1,955</b>

## CFM56 Engine Count



Standalone	129	152	161
On-wing	147	133	151
Aerospace <sup>(2)</sup>	28	51	65
<b>Total Engines</b>	<b>304</b>	<b>336</b>	<b>377</b>

Narrowbody assets comprise 93% of Aviation portfolio as of June 30, 2023

# Consolidated Financial Results

## 1 Q2'23 Financial Results

- Net Income attributable to Shareholders of \$46.4 million
- Quarterly Net Income growth of 105.3% versus Q1'23
- Adjusted EBITDA of \$153.1 million<sup>(1)</sup>

## 2 Q2'23 Balance Sheet

- Total Assets of \$2.5 billion
- Total Debt of \$2.2 billion<sup>(2)</sup>
- Total Cash of \$21.1 million

## Consolidated Key Financial Metrics

(\$s in millions)

Quarter Over Quarter Results	Q2'22	Q1'23	Q2'23
Aviation Leasing	\$142.2	\$107.6	\$125.9
Aerospace Products	\$17.1	\$27.4	\$30.1
Corporate & Other	\$(8.6)	\$(7.3)	\$(2.9)
<b>Adjusted EBITDA<sup>(4)</sup></b>	<b>\$150.7</b>	<b>\$127.7</b>	<b>\$153.1</b>
Continuing Operations	\$38.9	\$22.6	\$46.4
Discontinued Operations	\$(27.5)	-	-
<b>Net Income Attributable to Shareholders</b>	<b>\$11.4</b>	<b>\$22.6</b>	<b>\$46.4</b>

Balance Sheet & Liquidity	June 30, 2023
Cash	\$21.1
Net Leasing Equipment	\$1,891.3
Other Assets	\$613.2
<b>Total Assets</b>	<b>\$2,525.6</b>
Total Debt <sup>(2)</sup>	\$2,173.1
Total Equity	\$91.3
<b>Total Debt + Total Equity</b>	<b>\$2,264.4</b>

# FTAI Segments and Financial Results

## 1 Aviation Leasing

- Experienced in delivering fleet management solutions
- Provide affordable & flexible power to airline customers
- Extract highest value of highly tradable assets

## 2 Aerospace Products

- Innovative maintenance solutions of the CFM56 engine
- Maximize time on-wing and create the lowest cost-per-cycle
- Provide low-cost refurbished USM alternative

## Q2'23 Key Segment Financial Metrics

(\$s in millions)

	Aviation Leasing <sup>(2)</sup>	Aerospace Products	Corporate & Other	FTAI Consolidated	Q2'23 Run-Rate <sup>(3)</sup>
Revenue	\$192.0	\$68.1	\$14.2	\$274.3	\$1,097.2
Net Income (Loss) Attributable to Shareholders	\$77.3	\$28.6	\$(59.5)	\$46.4	\$185.6
Adjusted EBITDA <sup>(1)</sup>	\$125.9	\$30.1	\$(2.9)	\$153.1	\$612.4

1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

2) Includes net Gains On Sales of \$31.9mm in Q2'23.

3) Run-Rate defined as each Q2'23 financial metric multiplied by four.

# Aviation Leasing

## Highlights & Key Metrics

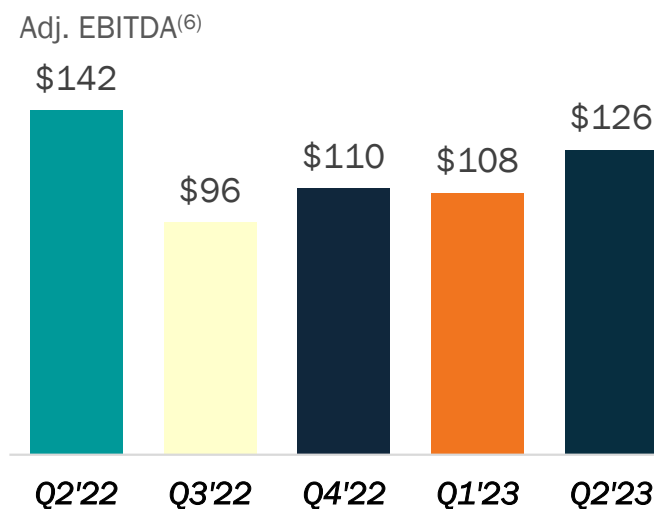
- Acquired 23 Engines & 15 Aircraft during Q2 2023
- \$101.5mm Asset Sales for 31% NBV gain of \$31.9mm (17 Engines & 17 Aircraft / Airframes)
- W.A. Utilization of 77.1% versus 75.0% in Q1 2023
- Robust pipeline of in-place LOI opportunities<sup>(1)</sup>

As of June 30, 2023	Engines	Aircraft	Total
# Assets <sup>(2)</sup>	247	97	344
Net Leasing Equipment	\$771.7	\$951.5	\$1,723.2
Remaining Lease Term <sup>(3)</sup>	10	43	(n/a)
W.A. Utilization <sup>(4)</sup>	61.6%	90.7%	77.1%
Portfolio Composition	44.8%	55.2%	100.0%

## Aviation Leasing Performance

(\$s in millions)

Statement of Operations	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
Total Revenue	\$82.4	\$164.8	\$209.9	\$199.0	\$192.0
Total Expenses	\$(45.4)	\$(112.9)	\$(149.2)	\$(140.1)	\$(114.0)
Other <sup>(5)</sup>	\$54.4	\$(0.8)	\$(3.1)	\$(1.1)	\$(0.7)
<b>Net Income Attributable to Shareholders</b>	<b>\$91.4</b>	<b>\$51.1</b>	<b>\$57.6</b>	<b>\$57.8</b>	<b>\$77.3</b>
<b>Adjusted EBITDA<sup>(6)</sup></b>	<b>\$142.2</b>	<b>\$96.0</b>	<b>\$110.3</b>	<b>\$107.6</b>	<b>\$125.9</b>



1) In-place LOIs represent understandings and arrangements in place. There can be no assurance that we will be successful in acquiring any such assets or, if acquired, that they will generate returns meeting our expectations, or at all. Some of our committed investments and pipeline investments are subject to definitive documentation, agency consent and board approval. Committed investments and pipeline investments are also subject to varying degrees of diligence. There can be no assurance that we will complete any such investments or transactions.

2) Asset count includes 17 engines and 12 aircraft in Russia and Ukraine that have been written-off.

3) Remaining Lease Term is based on the average remaining months for our aircraft and engine portfolios, weighted by the net asset value of the respective assets, which is gross asset value including lease intangibles, as applicable, net of accumulated depreciation, accumulated amortization and maintenance deposits, as applicable.

4) W.A. Utilization is based on the percent of days on-lease in the quarter weighted by the monthly average equity value of our aviation leasing equipment, excluding airframes.

5) Includes Total other income and Provision for income taxes.

6) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

# Aerospace Products

## Highlights & Key Metrics

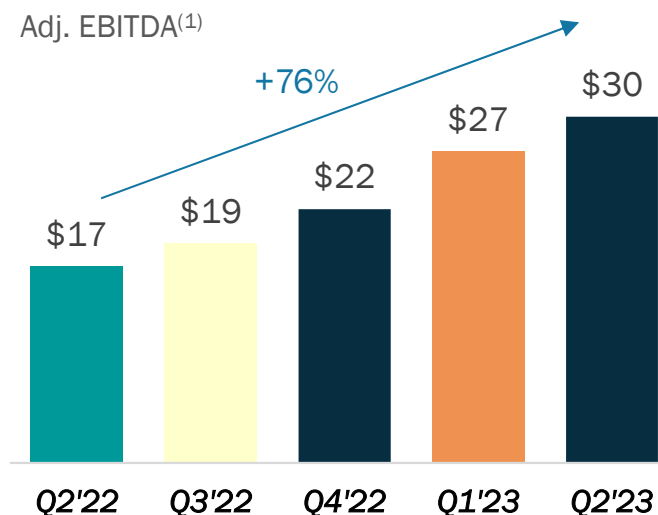
- \$68.1mm Revenue generating \$30.1mm Adj. EBITDA in Q2'23
- 37 modules sold in Q2'23 to 9 unique customers (3 new / 6 repeat)
- CFM56 engine parts inventory of \$232.0mm as of 06/30
- Strong backlog from airlines, lessors & MROs

Aerospace Products Margin <i>(\$s in millions)</i>	Q4'22	Q1'23	Q2'23
Revenue	\$59.4	\$85.1	\$68.1
Adj. EBITDA <sup>(1)</sup>	\$21.7	\$27.4	\$30.1
Adj. EBITDA Margin % <sup>(2)</sup>	37%	32%	44%

## Aerospace Products Performance

*(\$s in millions)*

Statement of Operations	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
Total Revenue	\$26.5	\$53.4	\$59.3	\$85.1	\$68.1
Total Expenses	\$(18.2)	\$(34.7)	\$(37.8)	\$(57.9)	\$(38.6)
Other <sup>(3)</sup>	\$6.8	\$(2.9)	\$1.9	\$(2.2)	\$(0.9)
Net Income Attributable to Shareholders	\$15.1	\$15.8	\$23.4	\$25.0	\$28.6
Adjusted EBITDA <sup>(1)</sup>	\$17.1	\$18.6	\$21.7	\$27.4	\$30.1



1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

2) Calculated as Adjusted EBITDA divided by total revenue.

3) Includes Total other income and Provision for income taxes.



# Corporate & Other

## Highlights & Key Metrics

Corporate & Other is primarily comprised of:

- Debt, unallocated corporate G&A expenses, and management fees
- Offshore energy related vessels and equipment that support offshore oil & gas activities and production

<b>Corporate Debt</b> <i>(\$s in millions)</i>	Q1'23	Q2'23
Corporate Revolver	\$75.0	\$145.0
Corporate Bonds	\$2,050.0	\$2,050.0
Other <sup>(1)</sup>	\$(23.1)	\$(21.9)
<b>Total Corporate Debt</b>	<b>\$2,101.9</b>	<b>\$2,173.1</b>
<b>Interest Expense</b>	<b>\$39.3</b>	<b>\$38.5</b>

## Corporate & Other Performance

*(\$s in millions)*

<b>Statement of Operations</b>	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23
Total Revenue	\$3.1	\$12.1	\$5.0	\$8.6	\$14.2
Total Expenses	\$(65.8)	\$(61.5)	\$(59.6)	\$(61.9)	\$(65.2)
Other <sup>(2)</sup>	\$(4.9)	\$(28.4)	\$(6.4)	\$(6.9)	\$(8.4)
<b>Net Loss Attributable to Shareholders</b>	<b>\$(67.6)</b>	<b>\$(77.8)</b>	<b>\$(61.0)</b>	<b>\$(60.2)</b>	<b>\$(59.4)</b>
<b>Adjusted EBITDA<sup>(3)</sup></b>	<b>\$(8.6)</b>	<b>\$(5.7)</b>	<b>\$(8.5)</b>	<b>\$(7.3)</b>	<b>\$(2.8)</b>

### Q2'23 Highlights

- Higher number of Offshore vessel on-hire days generated revenue of \$14.2mm in Q2 2023

1) Deferred financing costs and bond issuance premium & discount.

2) Includes Total other income, preferred dividends and Provision for income taxes.

3) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

# 1H 2023 Free Cashflow

- Generated **\$344.4** million positive free cashflow position in 1H 2023 for asset acquisition & investment activity
- Acquired 23 Standalone Engines & 15 narrowbody Aircraft during Q2 2023
- \$155 million cash available from corporate revolver facility as of June 30, 2023

## Free Cashflow

(\$s in millions)	Q1 2023	Q2 2023	1H 2023
<b>Net Operating Cashflows</b>	<b>\$38.7</b>	<b>\$28.5</b>	<b>\$67.2</b>
Sales Proceeds	\$153.7	\$119.5	\$273.2
Other <sup>(1)</sup>	\$2.7	\$1.3	\$4.0
<b>Total Available</b>	<b>\$195.1</b>	<b>\$149.3</b>	<b>\$344.4</b>
Capex	\$(157.2)	\$(200.9)	\$(358.1)
Preferred Dividends	\$(6.8)	\$(8.3)	\$(15.1)
Common Dividends	\$(29.9)	\$(30.0)	\$(59.9)
<b>Net Total</b>	<b>\$1.2</b>	<b>\$(89.9)</b>	<b>\$(88.7)</b>

## Capex Overview

(\$s in millions)	Q1 2023	Q2 2023	1H 2023
Acquisition Capex	\$127.8	\$186.2	\$314.0
Maintenance Capex	\$8.4	\$13.9	\$22.3
QuickTurn JV Investment <sup>(2)</sup>	\$19.5	-	\$19.5
Other Capex <sup>(3)</sup>	\$1.5	\$0.8	\$2.3
<b>Total Capex</b>	<b>\$157.2</b>	<b>\$200.9</b>	<b>\$358.1</b>

1) Includes net cashflows from promissory notes and deposits related to the purchase & sale of aviation assets, lease security deposits and maintenance deposits.

2) FTAI receives 45% pro-rata distribution of profit until breakeven return of Unical initial investment, expected by ~2026. FTAI will receive 50% pro-rata distribution of profit once contractual goal attained.

3) Related to maintenance of Offshore Vessels.

# FTAI ESG Initiatives

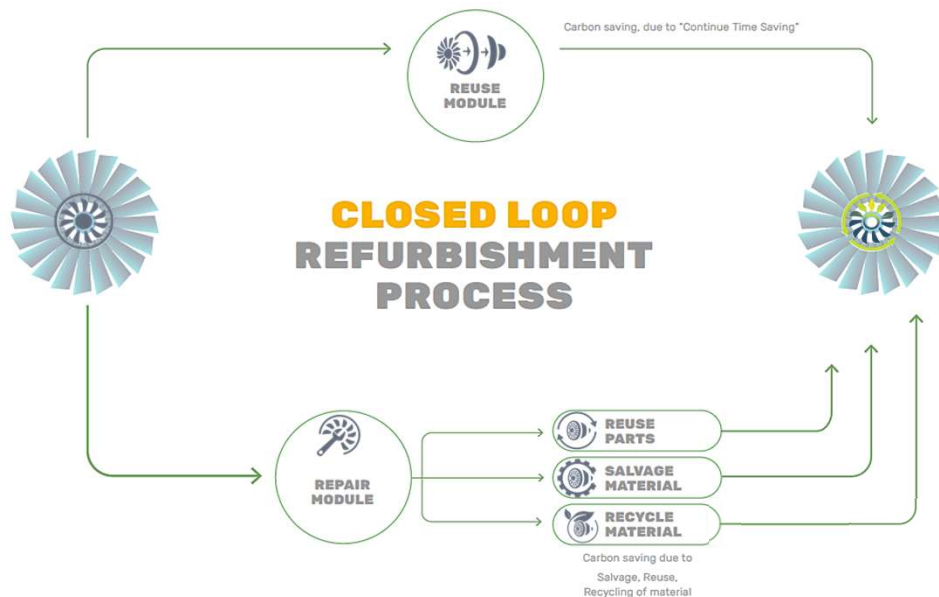
## Environmental Dilemma: Jet Engine Maintenance

- On an annual basis CFM56 engine maintenance alone costs ~\$10 billion and burdens the environment by emitting 75,000 tons of CO2 and consuming 3,500 tons of material<sup>(1)</sup>

## Our Commitment and Program: FTAI ESG

- We are committed to minimizing our carbon footprint through sustainable jet engine maintenance. Below are our programs:
  - Closed Loop** engine refurbishment process at The Module Factory™
  - FTAI and AAR Corp. jointly contribute on avg. 1% of all USM sales from the partnership to purchase verified carbon offsets - meet standards set by CORSIA<sup>(2)</sup>

### Our Efficient Approach to Maintenance



### ESG Updates

- Signed carbon offset programs with airlines, MROs and lessors
- Active Program: USM & Modules program targets to contribute 1% of sales to purchase and granting of carbon offsets<sup>(3)</sup>
- Repaired over 100 modules resulting in the avoidance of scrapping and replacing material

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## **Appendix:**

- **Statement of Operations by Segment**
- **Comparative Statements of Operations**
- **Condensed Balance Sheets**
- **Reconciliation of Non-GAAP Measures**
- **Glossary**

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## **Statement of Operations by Segment**

# Statement of Operations by Segment (unaudited)

For the Three Months Ended June 30, 2023

(\$s in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
<b>Revenues</b>	\$ 192,031	\$ 68,075	\$ 14,239	\$ 274,345
<b>Expenses</b>				
Cost of sales	69,558	34,974	—	104,532
Operating expenses	7,578	3,236	13,983	24,797
General and administrative	—	—	3,188	3,188
Acquisition and transaction expenses	1,169	272	1,231	2,672
Management fees and incentive allocation to affiliate	—	—	5,563	5,563
Depreciation and amortization	35,713	97	2,704	38,514
Interest expense	—	—	38,499	38,499
<b>Total expenses</b>	\$ 114,018	\$ 38,579	\$ 65,168	\$ 217,765
<b>Other income (expense)</b>				
Equity in losses of unconsolidated entities	(35)	(345)	—	(380)
Other income	408	—	—	408
<b>Total other income (expense)</b>	\$ 373	\$ (345)	\$ —	\$ 28
Income (loss) from continuing operations before income taxes	78,386	29,151	(50,929)	56,608
Provision for income taxes	1,087	584	184	1,855
<b>Net income (loss) from continuing operations</b>	\$ 77,299	\$ 28,567	\$ (51,113)	\$ 54,753
Less: Net loss from continuing operations attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—
Less: Dividends on preferred shares	—	—	8,335	8,335
<b>Net income (loss) attributable to shareholders from continuing operations</b>	\$ 77,299	\$ 28,567	\$ (59,448)	\$ 46,418
<b>Adjusted EBITDA<sup>(1)</sup></b>	\$ 125,856	\$ 30,057	\$ (2,836)	\$ 153,077

1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

# Statement of Operations by Segment (unaudited)

For the Three Months Ended June 30, 2022

(\$s in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
<b>Revenues</b>	\$ 82,434	\$ 26,497	\$ 3,133	\$ 112,064
<b>Expenses</b>				
Cost of sales	—	15,141	—	15,141
Operating expenses	7,130	2,980	8,890	19,000
General and administrative	—	—	3,906	3,906
Acquisition and transaction expenses	168	—	3,051	3,219
Depreciation and amortization	37,191	67	2,045	39,303
Asset impairment	886	—	—	886
Interest expense	—	—	47,889	47,889
<b>Total expenses</b>	\$ 45,375	\$ 18,188	\$ 65,781	\$ 129,344
<b>Other income (expense)</b>				
Equity in earnings (losses) of unconsolidated entities	246	(211)	—	35
Gain on sale of assets, net	54,784	8,861	—	63,645
Other income	38	—	1,080	1,118
<b>Total other income</b>	\$ 55,068	\$ 8,650	\$ 1,080	\$ 64,798
Income (loss) from continuing operations before income taxes	92,127	16,959	(61,568)	47,518
Provision for (Benefit from) income taxes	715	1,887	(773)	1,829
<b>Net income (loss) from continuing operations</b>	\$ 91,412	\$ 15,072	\$ (60,795)	\$ 45,689
Less: Net income (loss) from continuing operations attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—
Less: Dividends on preferred shares	—	—	6,791	6,791
<b>Net income (loss) attributable to shareholders from continuing operations</b>	\$ 91,412	\$ 15,072	\$ (67,586)	\$ 38,898
<b>Adjusted EBITDA<sup>(1)</sup></b>	\$ 142,238	\$ 17,082	\$ (8,583)	\$ 150,737

1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

# Statement of Operations by Segment (unaudited)

For the Six Months Ended June 30, 2023

(\$s in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
<b>Revenues</b>	\$ 391,071	\$ 153,188	\$ 22,804	\$ 567,063
<b>Expenses</b>				
Cost of sales	161,792	88,410	—	250,202
Operating expenses	14,666	6,891	25,774	47,331
General and administrative	—	—	7,255	7,255
Acquisition and transaction expenses	2,631	1,027	2,276	5,934
Management fees and incentive allocation to affiliate	—	—	8,560	8,560
Depreciation and amortization	73,853	183	5,404	79,440
Asset impairment	1,220	—	—	1,220
Interest expense	—	—	77,791	77,791
<b>Total expenses</b>	\$ 254,162	\$ 96,511	\$ 127,060	\$ 477,733
<b>Other income (expense)</b>				
Equity in losses of unconsolidated entities	(134)	(1,581)	—	(1,715)
Other income	416	—	—	416
<b>Total other income (expense)</b>	\$ 282	\$ (1,581)	\$ —	\$ (1,299)
Income (loss) before income taxes	137,191	55,096	(104,256)	88,031
Provision for income taxes	2,082	1,500	299	3,881
<b>Net income (loss)</b>	\$ 135,109	\$ 53,596	\$ (104,555)	\$ 84,150
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—
Less: Dividends on preferred shares	—	—	15,126	15,126
<b>Net income (loss) attributable to shareholders from continuing operations</b>	\$ 135,109	\$ 53,596	\$ (119,681)	\$ 69,024
<b>Adjusted EBITDA<sup>(1)</sup></b>	\$ 233,412	\$ 57,434	\$ (10,113)	\$ 280,733

1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.



# Statement of Operations by Segment (unaudited)

For the Six Months Ended June 30, 2022

(\$s in thousands)

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
<b>Revenues</b>	\$ 153,146	\$ 40,810	\$ 9,799	\$ 203,755
<b>Expenses</b>				
Cost of sales	—	24,191	—	24,191
Operating expenses	61,602	4,603	14,595	80,800
General and administrative	—	—	8,467	8,467
Acquisition and transaction expenses	377	—	5,115	5,492
Depreciation and amortization	76,419	101	4,088	80,608
Asset impairment	123,676	—	—	123,676
Interest expense	—	—	92,030	92,030
<b>Total expenses</b>	\$ 262,074	\$ 28,895	\$ 124,295	\$ 415,264
<b>Other income (expense)</b>				
Equity in income (losses) of unconsolidated entities	798	(565)	—	233
Gain on sale of assets, net	61,371	18,562	—	79,933
Other income	203	—	1,043	1,246
<b>Total other income</b>	\$ 62,372	\$ 17,997	\$ 1,043	\$ 81,412
(Loss) income before income taxes	(46,556)	29,912	(113,453)	(130,097)
Provision for (benefit from) income taxes	1,701	1,958	(491)	3,168
<b>Net (loss) income</b>	\$ (48,257)	\$ 27,954	\$ (112,962)	\$ (133,265)
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—
Less: Dividends on preferred shares	—	—	13,582	13,582
<b>Net (loss) income attributable to shareholders from continuing operations</b>	\$ (48,257)	\$ 27,954	\$ (126,544)	\$ (146,847)
<b>Adjusted EBITDA<sup>(1)</sup></b>	\$ 177,794	\$ 30,125	\$ (12,220)	\$ 195,699

1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

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## **Comparative Statements of Operations**

# Consolidated - Comparative Statements of Operations (unaudited)

(\$s in thousands)	Three Months Ended				
	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023
<b>Revenues</b>					
Lease Income	\$ 39,640	\$ 50,198	\$ 50,152	\$ 55,978	\$ 59,541
Maintenance revenue	39,932	35,507	36,675	35,141	42,065
Asset sales revenue	—	85,488	123,012	108,691	101,486
Aerospace products revenue	26,497	53,401	59,339	85,113	68,075
Other revenue	5,995	5,771	5,113	7,795	3,178
<b>Total revenues</b>	<b>\$ 112,064</b>	<b>\$ 230,365</b>	<b>\$ 274,291</b>	<b>\$ 292,718</b>	<b>\$ 274,345</b>
<b>Expenses</b>					
Cost of sales	15,141	95,948	128,246	145,670	104,532
Operating expenses	19,000	27,393	24,067	22,534	24,797
General and administrative	3,906	3,354	2,343	4,067	3,188
Acquisition and transaction expenses	3,219	2,848	4,867	3,262	2,672
Management fees and incentive allocation to affiliate	—	4	3,558	2,997	5,563
Depreciation and amortization	39,303	34,853	37,456	40,926	38,514
Asset impairment	886	4,495	9,048	1,220	—
Interest expense	47,889	40,171	36,997	39,292	38,499
<b>Total expenses</b>	<b>\$ 129,344</b>	<b>\$ 209,066</b>	<b>\$ 246,582</b>	<b>\$ 259,968</b>	<b>\$ 217,765</b>
<b>Other income (expense)</b>					
Equity in earnings (losses) of unconsolidated entities	35	(358)	(244)	(1,335)	(380)
Gain (loss) on sale of assets, net	63,645	—	(2,722)	—	—
(Loss) gain on extinguishment of debt	—	(19,861)	2	—	—
Other income (expense)	1,118	(1,038)	(1)	8	408
<b>Total other income (expense)</b>	<b>\$ 64,798</b>	<b>\$ (21,257)</b>	<b>\$ (2,965)</b>	<b>\$ (1,327)</b>	<b>\$ 28</b>
<b>Net income from continuing operations before income taxes</b>	<b>47,518</b>	<b>42</b>	<b>24,744</b>	<b>31,423</b>	<b>56,608</b>
Provision for (benefit from) income taxes	1,829	4,189	(2,057)	2,026	1,855
<b>Net income (loss) from continuing operations</b>	<b>45,689</b>	<b>(4,147)</b>	<b>26,801</b>	<b>29,397</b>	<b>54,753</b>
Less: Dividends on preferred shares	6,791	6,791	6,791	6,791	8,335
<b>Net income (loss) attributable to shareholders from continuing operations</b>	<b>\$ 38,898</b>	<b>\$ (10,938)</b>	<b>\$ 20,010</b>	<b>\$ 22,606</b>	<b>\$ 46,418</b>
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 150,737</b>	<b>\$ 108,863</b>	<b>\$ 123,539</b>	<b>\$ 127,656</b>	<b>\$ 153,077</b>

1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

# Aviation Leasing - Comparative Statements of Operations (unaudited)

(\$ in thousands)	Three Months Ended				
	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023
<b>Revenues</b>					
Lease income	\$ 37,298	\$ 40,392	\$ 47,420	\$ 48,830	\$ 48,167
Maintenance revenue	39,932	35,507	36,675	35,141	42,065
Asset sales revenue	—	85,488	123,012	108,691	101,486
Other revenue	5,204	3,461	2,812	6,378	313
<b>Total revenues</b>	<b>\$ 82,434</b>	<b>\$ 164,848</b>	<b>\$ 209,919</b>	<b>\$ 199,040</b>	<b>\$ 192,031</b>
<b>Expenses</b>					
Cost of sales	—	64,855	94,635	92,234	69,558
Operating expenses	7,130	10,533	9,097	7,088	7,578
Acquisition and transaction expenses	168	247	1,299	1,462	1,169
Depreciation and amortization	37,191	32,728	35,111	38,140	35,713
Asset impairment	886	4,495	9,048	1,220	—
<b>Total expenses</b>	<b>\$ 45,375</b>	<b>\$ 112,858</b>	<b>\$ 149,190</b>	<b>\$ 140,144</b>	<b>\$ 114,018</b>
<b>Other income (expense)</b>					
Equity in earnings (losses) of unconsolidated entities	246	(45)	(13)	(99)	(35)
Gain (loss) on sale of assets, net	54,784	—	(2,722)	—	—
Other income	38	42	1	8	408
<b>Total other income (expense)</b>	<b>\$ 55,068</b>	<b>\$ (3)</b>	<b>\$ (2,734)</b>	<b>\$ (91)</b>	<b>\$ 373</b>
<b>Income before income taxes</b>	<b>92,127</b>	<b>51,987</b>	<b>57,995</b>	<b>58,805</b>	<b>78,386</b>
Provision for income taxes	715	926	386	995	1,087
<b>Net income</b>	<b>\$ 91,412</b>	<b>\$ 51,061</b>	<b>\$ 57,609</b>	<b>\$ 57,810</b>	<b>\$ 77,299</b>
Less: Net income attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—	—
<b>Net income attributable to shareholders</b>	<b>\$ 91,412</b>	<b>\$ 51,061</b>	<b>\$ 57,609</b>	<b>\$ 57,810</b>	<b>\$ 77,299</b>
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 142,238</b>	<b>\$ 95,994</b>	<b>\$ 110,337</b>	<b>\$ 107,556</b>	<b>\$ 125,856</b>

1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

# Aerospace Products - Comparative Statements of Operations (unaudited)

(\$ in thousands)	Three Months Ended				
	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023
<b>Revenues</b>					
Aerospace products revenue	\$ 26,497	\$ 53,401	\$ 59,339	\$ 85,113	\$ 68,075
<b>Total revenues</b>	<b>\$ 26,497</b>	<b>\$ 53,401</b>	<b>\$ 59,339</b>	<b>\$ 85,113</b>	<b>\$ 68,075</b>
<b>Expenses</b>					
Cost of sales	15,141	31,093	33,611	53,436	34,974
Operating expenses	2,980	3,491	3,873	3,655	3,236
Acquisition and transaction expenses	—	15	228	755	272
Depreciation and amortization	67	77	80	86	97
<b>Total expenses</b>	<b>\$ 18,188</b>	<b>\$ 34,676</b>	<b>\$ 37,792</b>	<b>\$ 57,932</b>	<b>\$ 38,579</b>
<b>Other income (expense)</b>					
Equity in losses of unconsolidated entities	(211)	(313)	(231)	(1,236)	(345)
Gain on sale of assets, net	8,861	—	—	—	—
<b>Total other income (expense)</b>	<b>\$ 8,650</b>	<b>\$ (313)</b>	<b>\$ (231)</b>	<b>\$ (1,236)</b>	<b>\$ (345)</b>
<b>Income before income taxes</b>	<b>16,959</b>	<b>18,412</b>	<b>21,316</b>	<b>25,945</b>	<b>29,151</b>
Provision for (benefit from) income taxes	1,887	2,586	(2,094)	916	584
<b>Net income</b>	<b>\$ 15,072</b>	<b>\$ 15,826</b>	<b>\$ 23,410</b>	<b>\$ 25,029</b>	<b>\$ 28,567</b>
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—	—
<b>Net income attributable to shareholders</b>	<b>\$ 15,072</b>	<b>\$ 15,826</b>	<b>\$ 23,410</b>	<b>\$ 25,029</b>	<b>\$ 28,567</b>
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 17,082</b>	<b>\$ 18,560</b>	<b>\$ 21,680</b>	<b>\$ 27,377</b>	<b>\$ 30,057</b>

<sup>1)</sup>This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

# Corporate and Other - Comparative Statements of Operations (unaudited)

(\$s in thousands)	Three Months Ended				
	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023
<b>Revenues</b>					
Lease income	\$ 2,342	\$ 9,806	\$ 2,732	\$ 7,148	\$ 11,374
Other revenue	791	2,310	2,301	1,417	2,865
<b>Total revenues</b>	<b>\$ 3,133</b>	<b>\$ 12,116</b>	<b>\$ 5,033</b>	<b>\$ 8,565</b>	<b>\$ 14,239</b>
<b>Expenses</b>					
Operating expenses	8,890	13,369	11,097	11,791	13,983
General and administrative	3,906	3,354	2,343	4,067	3,188
Acquisition and transaction expenses	3,051	2,586	3,340	1,045	1,231
Management fees and incentive allocation to affiliate	—	4	3,558	2,997	5,563
Depreciation and amortization	2,045	2,048	2,265	2,700	2,704
Interest expense	47,889	40,171	36,997	39,292	38,499
<b>Total expenses</b>	<b>\$ 65,781</b>	<b>\$ 61,532</b>	<b>\$ 59,600</b>	<b>\$ 61,892</b>	<b>\$ 65,168</b>
<b>Other income (expense)</b>					
(Loss) gain on extinguishment of debt	—	(19,861)	2	—	—
Other income (expense)	1,080	(1,080)	(2)	—	—
<b>Total other income (expense)</b>	<b>\$ 1,080</b>	<b>\$ (20,941)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Loss before income taxes</b>					
	(61,568)	(70,357)	(54,567)	(53,327)	(50,929)
(Benefit from) provision for income taxes	(773)	677	(349)	115	184
<b>Net loss</b>	<b>\$ (60,795)</b>	<b>\$ (71,034)</b>	<b>\$ (54,218)</b>	<b>\$ (53,442)</b>	<b>\$ (51,113)</b>
Less: Net loss attributable to non-controlling interests in consolidated subsidiaries	—	—	—	—	—
Less: Dividends on preferred shares	6,791	6,791	6,791	6,791	8,335
<b>Net loss attributable to shareholders</b>	<b>\$ (67,586)</b>	<b>\$ (77,825)</b>	<b>\$ (61,009)</b>	<b>\$ (60,233)</b>	<b>\$ (59,448)</b>
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ (8,583)</b>	<b>\$ (5,691)</b>	<b>\$ (8,478)</b>	<b>\$ (7,277)</b>	<b>\$ (2,836)</b>

1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

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## **Condensed Balance Sheets by Segment**

# Condensed Balance Sheets

(\$s in thousands)

Gross Property, Plant and Equipment (PP&E)

Accumulated Depreciation on PP&E

**Net PP&E**

Gross Leasing Equipment

Accumulated Depreciation on Leasing Equipment

**Net Leasing Equipment**

Intangible Assets, net

All Other Assets

**Total Assets**

Debt, net

All Other Liabilities

**Total Liabilities**

Shareholders' equity

Non-controlling interest in equity of consolidated subsidiaries

**Total Equity**

**Total Liabilities and Equity**

	(unaudited) June 30, 2023	December 31, 2022
	\$ 13,420	\$ 10,974
	(1,297)	(960)
	<b>\$ 12,123</b>	<b>\$ 10,014</b>
	2,396,594	2,413,230
	(505,331)	(499,677)
	<b>\$ 1,891,263</b>	<b>\$ 1,913,553</b>
	44,683	41,955
	577,563	464,055
	<b>\$ 2,525,632</b>	<b>\$ 2,429,577</b>
	2,173,108	2,175,727
	261,206	234,448
	<b>\$ 2,434,314</b>	<b>\$ 2,410,175</b>
	90,784	18,878
	534	524
	<b>\$ 91,318</b>	<b>\$ 19,402</b>
	<b>\$ 2,525,632</b>	<b>\$ 2,429,577</b>



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## Reconciliation of Non-GAAP Measures

# Adjusted EBITDA Reconciliation by Segment (unaudited)<sup>1</sup>

## For the Three Months Ended June 30, 2023

(\$s in thousands)

### Net income (loss) attributable to shareholders from continuing operations

Add: Provision for income taxes	Add: Equity-based compensation expense	Add: Acquisition and transaction expenses	Add: Losses on the modification or extinguishment of debt and capital lease obligations	Add: Changes in fair value of non-hedge derivative instruments	Add: Asset impairment charges	Add: Incentive allocations	Add: Depreciation & amortization expense <sup>(2)</sup>	Add: Interest expense and dividends on preferred shares	Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities <sup>(3)</sup>	Less: Equity in losses of unconsolidated entities	Less: Non-controlling share of Adjusted EBITDA
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### Adjusted EBITDA

Aviation Leasing	Aerospace Products	Corporate and Other	Total
\$ 77,299	\$ 28,567	\$ (59,448)	\$ 46,418
1,087	584	184	1,855
105	70	335	510
1,169	272	1,231	2,672
—	—	—	—
—	—	—	—
—	—	5,324	5,324
46,133	97	2,704	48,934
—	—	46,834	46,834
28	122	—	150
35	345	—	380
—	—	—	—
<b>\$ 125,856</b>	<b>\$ 30,057</b>	<b>\$ (2,836)</b>	<b>\$ 153,077</b>

## For the Three Months Ended June 30, 2022

(\$s in thousands)

### Net income (loss) attributable to shareholders from continuing operations

Add: Provision for (benefit from) income taxes	Add: Equity-based compensation expense	Add: Acquisition and transaction expenses	Add: Losses on the modification or extinguishment of debt and capital lease obligations	Add: Changes in fair value of non-hedge derivative instruments	Add: Asset impairment charges	Add: Incentive allocations	Add: Depreciation & amortization expense <sup>(2)</sup>	Add: Interest expense and dividends on preferred shares	Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities <sup>(3)</sup>	Less: Equity in (earnings) losses of unconsolidated entities	Less: Non-controlling share of Adjusted EBITDA
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### Adjusted EBITDA

Aviation Leasing	Aerospace Products	Corporate and Other	Total
\$ 91,412	\$ 15,072	\$ (67,586)	\$ 38,898
715	1,887	(773)	1,829
—	—	—	—
168	—	3,051	3,219
—	—	—	—
—	—	—	—
886	—	—	886
—	—	—	—
48,996	67	2,045	51,108
—	—	54,680	54,680
307	(155)	—	152
(246)	211	—	(35)
—	—	—	—
<b>\$ 142,238</b>	<b>\$ 17,082</b>	<b>\$ (8,583)</b>	<b>\$ 150,737</b>

# Adjusted EBITDA Reconciliation by Segment (unaudited)

## For the Six Months Ended June 30, 2023

(\$s in thousands)

### Net income (loss) attributable to shareholders from continuing operations

Add: Provision for income taxes	
Add: Equity-based compensation expense	
Add: Acquisition and transaction expenses	
Add: Losses on the modification or extinguishment of debt and capital lease obligations	
Add: Changes in fair value of non-hedge derivative instruments	
Add: Asset impairment charges	
Add: Incentive allocations	
Add: Depreciation & amortization expense <sup>(2)</sup>	
Add: Interest expense and dividends on preferred shares	
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities <sup>(3)</sup>	
Less: Equity in losses of unconsolidated entities	
Less: Non-controlling share of Adjusted EBITDA	

### Adjusted EBITDA

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
\$	135,109	\$ 53,596	\$ (119,681)	\$ 69,024
	2,082	1,500	299	3,881
	127	85	406	618
	2,631	1,027	2,276	5,934
	—	—	—	—
	—	—	—	—
	1,220	—	—	1,220
	—	—	8,266	8,266
	92,117	183	5,404	97,704
	—	—	92,917	92,917
	(8)	(538)	—	(546)
	134	1,581	—	1,715
	—	—	—	—
\$	233,412	\$ 57,434	\$ (10,113)	\$ 280,733

## For the Six Months Ended June 30, 2022

(\$s in thousands)

### Net (loss) income attributable to shareholders from continuing operations

Add: Provision for (benefit from) income taxes	
Add: Equity-based compensation expense	
Add: Acquisition and transaction expenses	
Add: Losses on the modification or extinguishment of debt and capital lease obligations	
Add: Changes in fair value of non-hedge derivative instruments	
Add: Asset impairment charges	
Add: Incentive allocations	
Add: Depreciation & amortization expense <sup>(2)</sup>	
Add: Interest expense and dividends on preferred shares	
Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities <sup>(3)</sup>	
Less: Equity in (earnings) losses of unconsolidated entities	
Less: Non-controlling share of Adjusted EBITDA	

### Adjusted EBITDA

	Aviation Leasing	Aerospace Products	Corporate and Other	Total
\$	(48,257)	\$ 27,954	\$ (126,544)	\$ (146,847)
	1,701	1,958	(491)	3,168
	—	—	—	—
	377	—	5,115	5,492
	—	—	—	—
	—	—	—	—
	123,676	—	—	123,676
	—	—	—	—
	100,236	101	4,088	104,425
	—	—	105,612	105,612
	859	(453)	—	406
	(798)	565	—	(233)
	—	—	—	—
\$	177,794	\$ 30,125	\$ (12,220)	\$ 195,699

# Notes to Non-GAAP reconciliations - Adjusted EBITDA

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(\$s in thousands)

<sup>(1)</sup> Refer to the FTAI Aviation Ltd. Q3'22 Earnings Supplement for Adjusted EBITDA Reconciliation by Segment for the three months ended September 30, 2022, the FTAI Aviation Ltd. Q4'22 Earnings Supplement for Adjusted EBITDA Reconciliation by Segment for the three months ended December 31, 2022 and the FTAI Aviation Ltd. Q1'23 Earnings Supplement for Adjusted EBITDA Reconciliation by Segment for the three months ended March 31, 2023.

<sup>(2)</sup> Total

Includes the following items for the three months ended June 30, 2023 and 2022: (i) depreciation and amortization expense of \$38,514 and \$39,303, (ii) lease intangible amortization of \$3,616 and \$3,310 and (iii) amortization for lease incentives of \$6,804 and \$8,495, respectively.

Includes the following items for the six months ended June 30, 2023 and 2022: (i) depreciation and amortization expense of \$79,440 and \$80,608, (ii) lease intangible amortization of \$7,599 and \$6,968 and (iii) amortization for lease incentives of \$10,665 and \$16,849, respectively.

## Aviation Leasing

Includes the following items for the three months ended June 30, 2023 and 2022: (i) depreciation expense of \$35,713 and \$37,191, (ii) lease intangible amortization of \$3,616 and \$3,310 and (iii) amortization for lease incentives of \$6,804 and \$8,495, respectively.

Includes the following items for the six months ended June 30, 2023 and 2022: (i) depreciation expense of \$73,853 and \$76,419, (ii) lease intangible amortization of \$7,599 and \$6,968 and (iii) amortization for lease incentives of \$10,665 and \$16,849, respectively.

# Notes to Non-GAAP reconciliations - Adjusted EBITDA

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(\$s in thousands)

<sup>(3)</sup> Total

Includes the following items for the three months ended June 30, 2023 and 2022: (i) net (loss) income of \$(380) and \$35, (ii) depreciation and amortization expense of \$435 and \$117 and (iii) acquisition and transaction expense of \$95 and \$0, respectively.

Includes the following items for the six months ended June 30, 2023 and 2022: (i) net (loss) income of \$(1,715) and \$233, (ii) depreciation and amortization expense of \$835 and \$173 and (iii) acquisition and transaction expense of \$334 and \$0, respectively.

Aviation Leasing

Includes the following items for the three months ended June 30, 2023 and 2022: (i) net (loss) income of \$(35) and \$246 and (ii) depreciation and amortization of \$63 and \$61, respectively.

Includes the following items for the six months ended June 30, 2023 and 2022: (i) net (loss) income of \$(134) and \$798 and (ii) depreciation and amortization of \$126 and \$61, respectively.

Aerospace Products

Includes the following items for the three months ended June 30, 2023 and 2022: (i) net loss of \$(345) and \$(211), (ii) depreciation and amortization expense of \$372 and \$56 and (iii) acquisition and transaction expense of \$95 and \$0, respectively,

Includes the following items for the six months ended June 30, 2023 and 2022: (i) net loss of \$(1,581) and \$(565), (ii) depreciation and amortization expense of \$709 and \$112 and (iii) acquisition and transaction expense of \$334 and \$0, respectively.

# Glossary

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## **Adjusted EBITDA**

The Chief Operating Decision Maker (“CODM”) utilizes Adjusted EBITDA as the key performance measure. Adjusted EBITDA is not a financial measure in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). This performance measure provides the CODM with the information necessary to assess operational performance and make resource and allocation decisions. We believe Adjusted EBITDA is a useful metric for investors and analysts for similar purposes of assessing our operational performance.

Adjusted EBITDA is defined as net income (loss) attributable to shareholders from continuing operations, adjusted (a) to exclude the impact of provision for (benefit from) income taxes, equity-based compensation expense, acquisition and transaction expenses, losses on the modification or extinguishment of debt and capital lease obligations, changes in fair value of non-hedge derivative instruments, asset impairment charges, incentive allocations, depreciation and amortization expense, dividends on preferred shares and interest expense, (b) to include the impact of our pro-rata share of Adjusted EBITDA from unconsolidated entities and (c) to exclude the impact of equity in earnings (losses) of unconsolidated entities and the non-controlling share of Adjusted EBITDA.