



Aviation Week

Engine Leasing, Trading & Finance Europe

10-11 June 2026

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President & CEO

Agenda

- ➔ Introduction
- ➔ Discussion Items
 - ➔ Geopolitical Instability & Energy
 - ➔ Maintenance Costs
 - ➔ Engine Values
- ➔ Summary



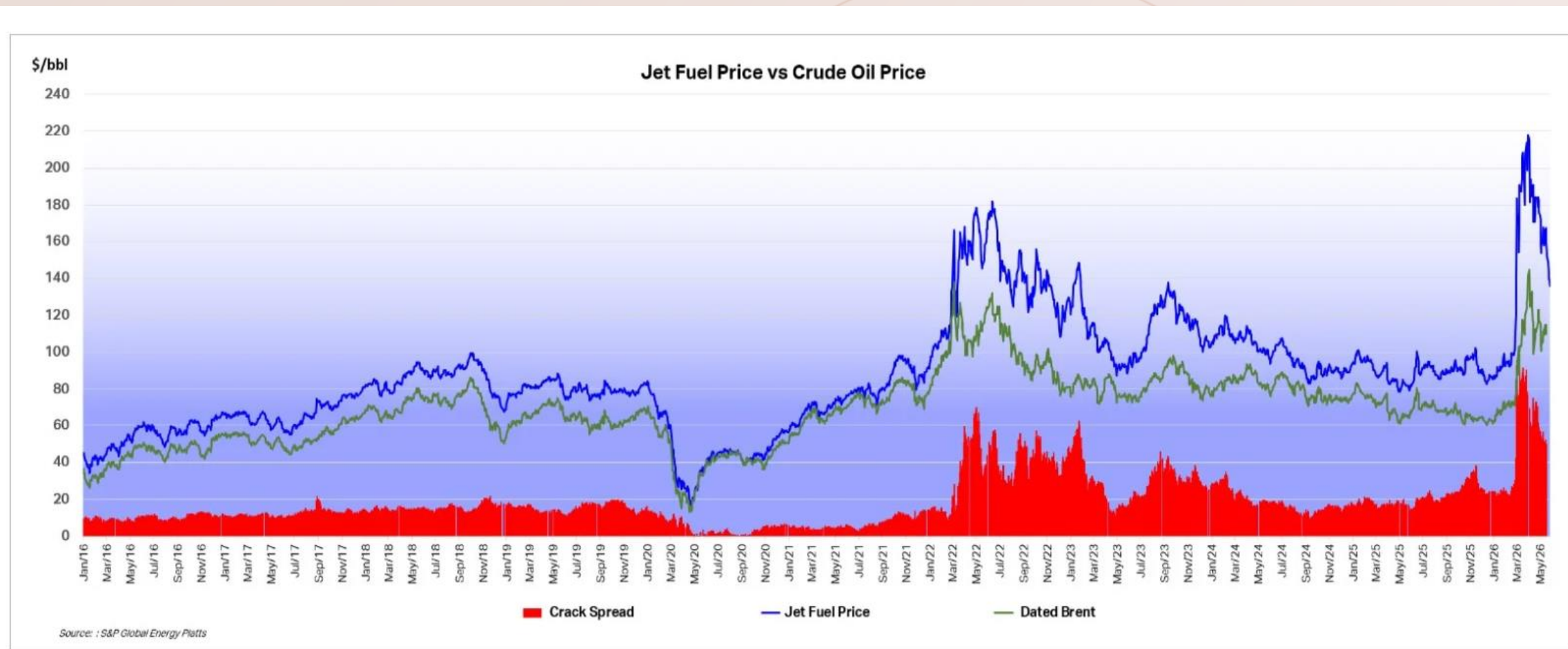
What is ahead today & tomorrow

- **Trends** - Supply and Pricing and Impact of Future Market Dynamics
- **Forecasts** - Asset Valuations, Lease Rates, Long Term Outlook
- **Strategies** – Portfolio Management, Growth, Financing
- We're going to hear from Airlines, Appraisers, Lessors, OEM's, MRO's
- You're going to have the opportunity to discuss \ debate \ argue over breaks, lunches, receptions, etc.

Geopolitical Instability & Energy



Fuel Price Volatility



Fuel Price Volatility

Jet Fuel Price Index, Week Ending May 29, 2026

The global average jet fuel price fell 11.4% last week to \$141.64/bbl, compared to \$159.85/bbl the previous week.

May 29, 2026	Share in World Index	cts/gal	\$/bbl	\$/mt	Index Value 2000 = 100	vs. 1 week ago	vs. 1 month ago	vs. 1 yr ago
Jet Fuel Price	100%	337.23	141.64	1118.49	387.2	-11.4%	-24.8%	57.3%
Asia & Oceania	22%	321.80	135.15	1067.73	386.2	-14.0%	-32.6%	55.7%
Europe & CIS	28%	347.83	146.09	1152.65	393.6	-12.2%	-24.9%	60.4%
Middle East	5%	317.70	133.43	1054.09	398.4	-13.5%	-30.5%	59.1%
North America	39%	338.70	142.25	1123.79	378.2	-9.2%	-19.3%	55.3%
Latin & Central America	4%	350.91	147.38	1164.31	408.3	-9.4%	-21.1%	58.9%
Africa*	2%	351.45	147.61	1165.16	143.9	-12.0%	-26.1%	61.3%
Oil Price (Dated Brent)			98.43			-11.9%	-18.4%	42.4%
Crack Spread			43.21			-10.3%	-35.0%	105.4%

Note: \$/bbl: U.S. dollars per barrel

cts/gal: U.S. cents per gallon

\$/mt: U.S. dollars per metric ton

* The Africa index was launched Jan. 2, 2025, carved out from the Middle East and Africa index. Because of its newness, its values are indexed to its 2024 annual average value, unlike the other regional indices, which are indexed to their respective annual values in 2000.

Source: IATA; S&P Global Platts

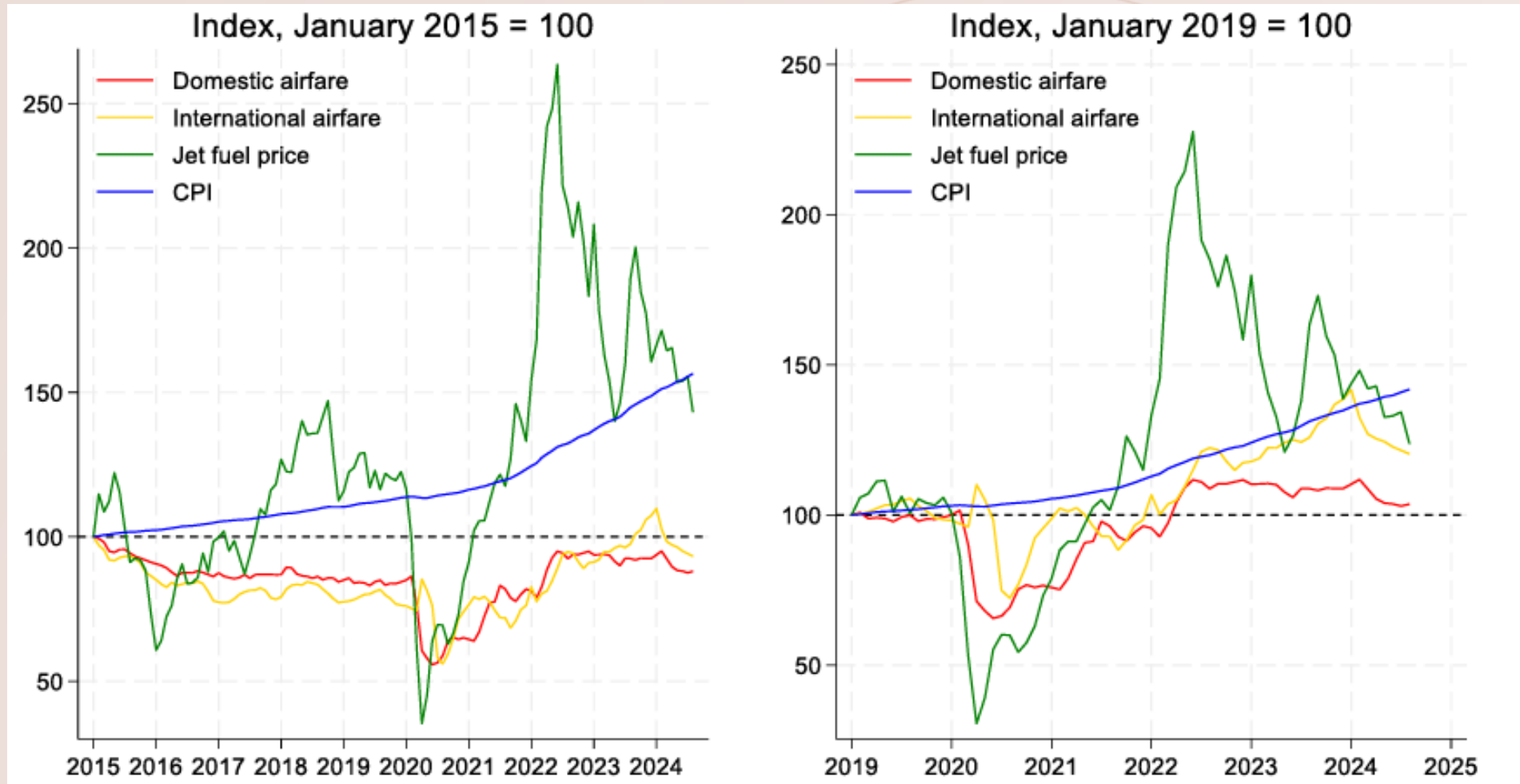
Fuel Impact on Airline Profitability

	2024	2025E	2026F	Impact (no change in flight numbers)		
Flights (m)	37	39	40	40	40	40
Revenue (\$bn)	969	1,008	1,053	1,053	1,132*	1,171**
Expenses (\$bn)	905	941	981	1,139	1,139	1,139
EBIT (\$bn)	64	67	72	(86)	(7)	32
Interest & Tax (\$bn)	36	28	31	32	32	32
Net Profit (\$bn)	28	40	41	(118)	(39)	0
Crude Oil (\$bn)	214	197	178	246		
Crack (\$bn)	47	56	74	164		
Jet Fuel (\$bn)	261	253	252	410		
Crude Oil (\$/bbl)	81	70	62	86		
Crack (\$/bbl)	18	20	26	57		
Jet Fuel (\$/bbl)	99	90	88	143		

* Assumes 50% of fuel price increase is recovered from pax.

** Assumes 75% of fuel price increase is recovered from pax

Global Domestic & International Airfares, fuel prices & CPI

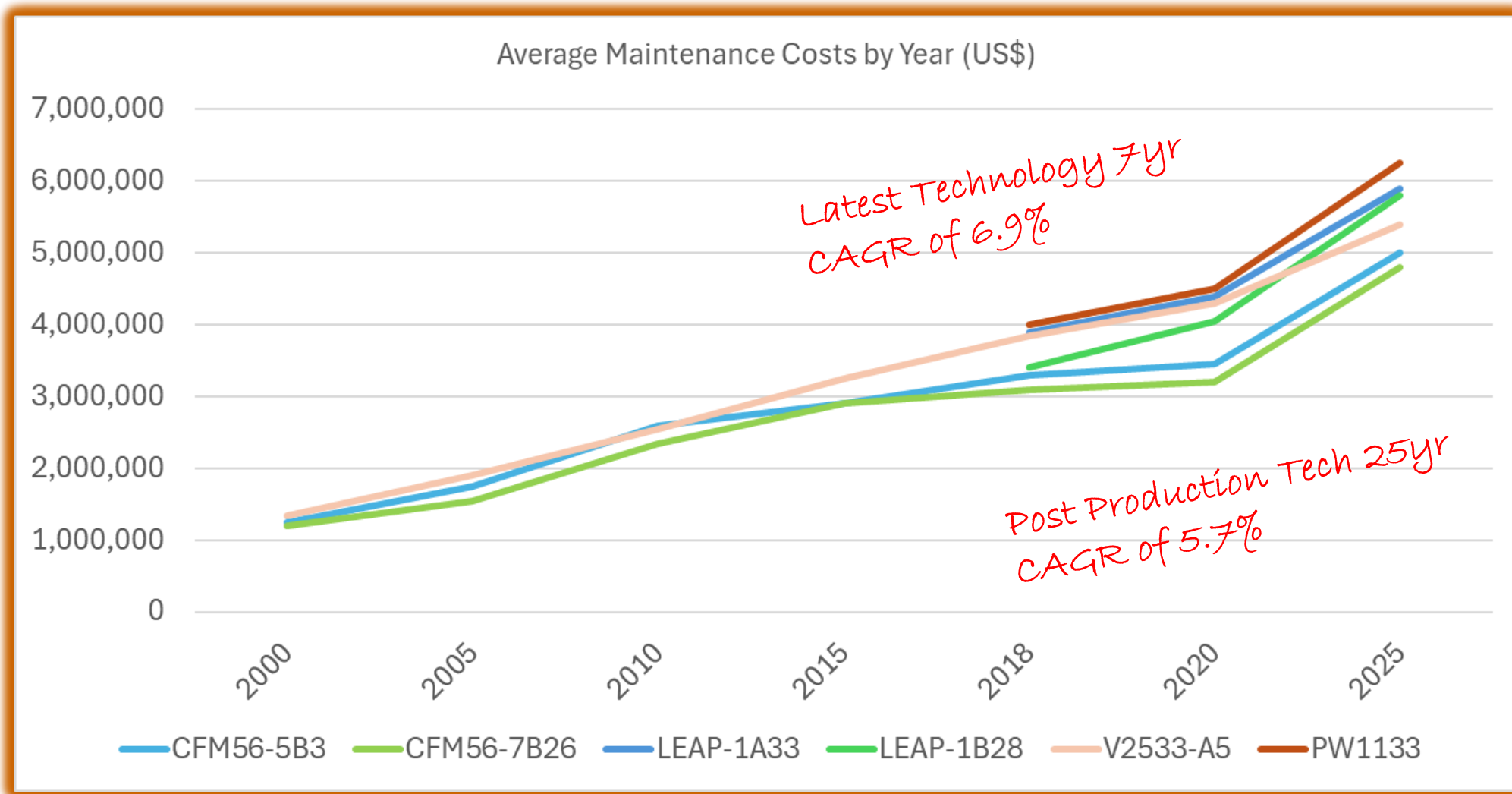


Source: IATA Airfare, Jet Fuel Price and Inflation Report November 2024 compiled from IATA Sustainability & Economics, using data from DDS, Platts, and World Bank.

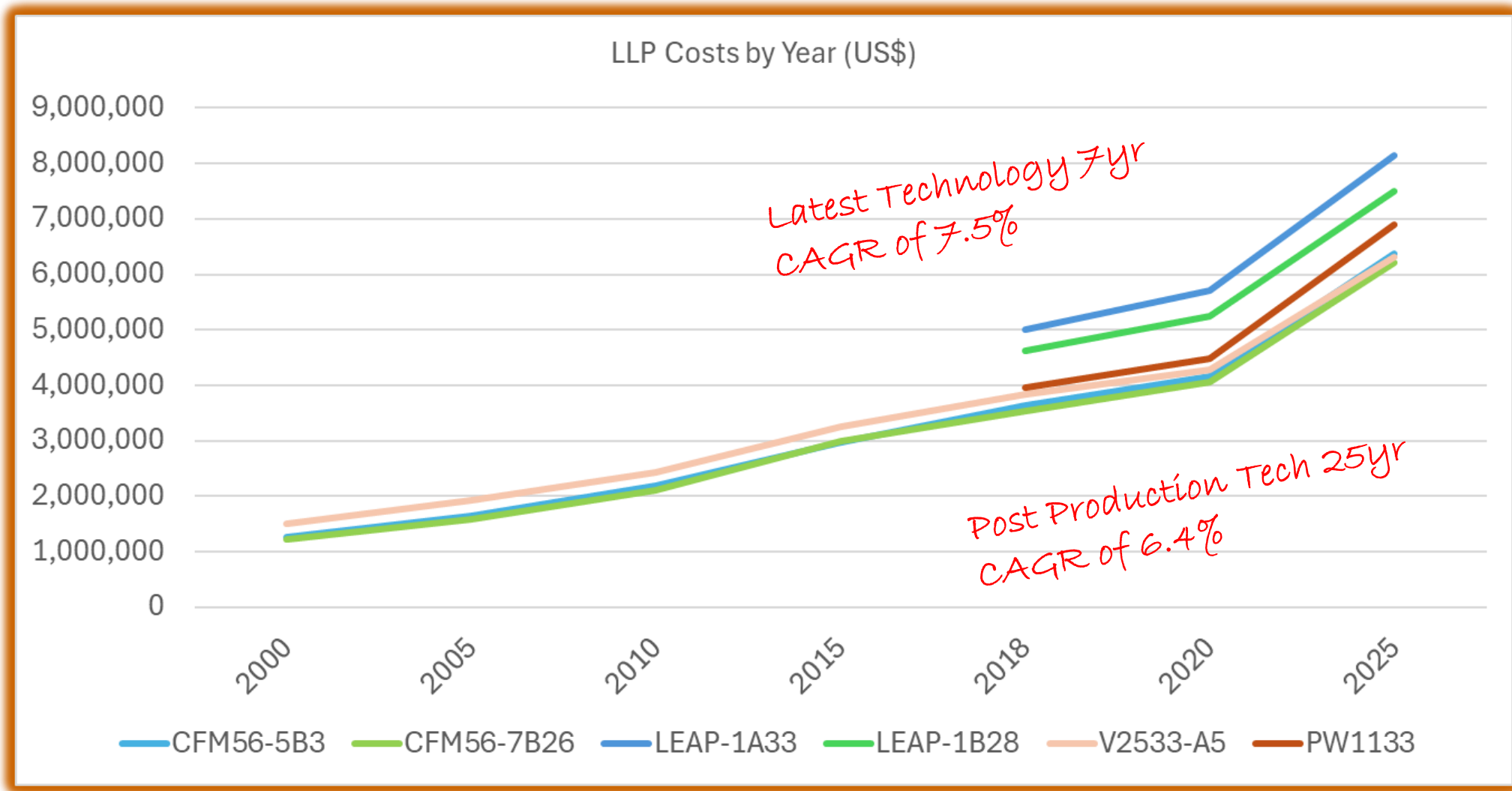


Maintenance Costs

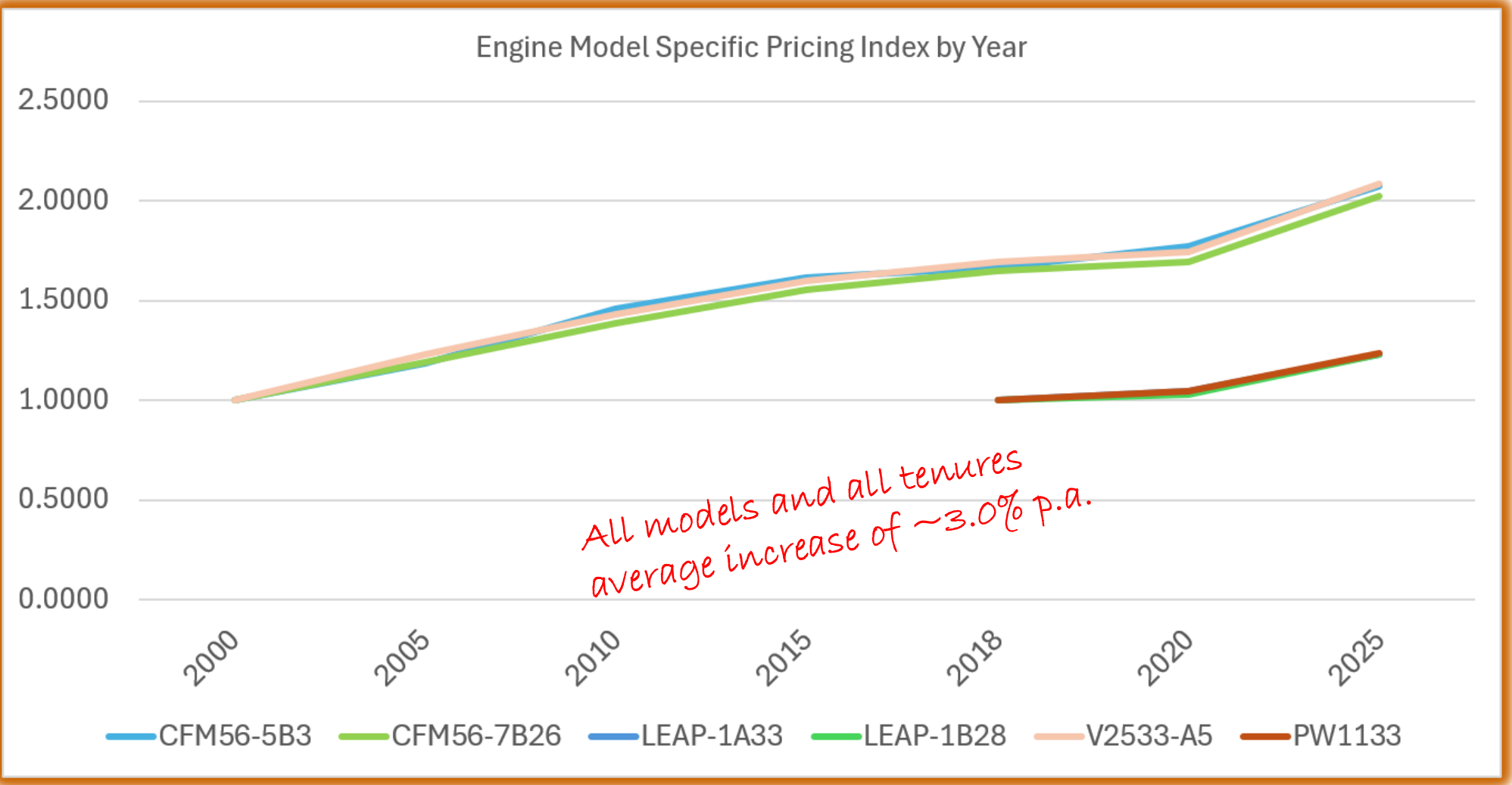
Historical Engine Maintenance Costs



Historical Engine LLP Costs



Historical Engine Inflation Indices

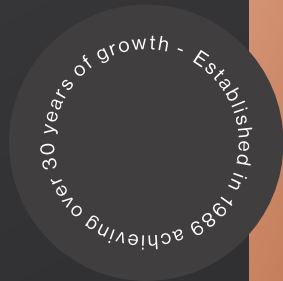


Managing Engine Maintenance Costs

- ✈ At the moment, the majority (possibly all) fuel burn benefits of new NB aircraft is being applied to higher engine maintenance costs.
- ✈ The only party that sets the price for spare parts is the OEM – no regulation.
- ✈ Spare parts prices increase at rate >2X that of pricing indices.
- ✈ Rate of repairs development is too slow and alternates have been pushed out.
- ✈ No alternative once engine choice is made..... 20+ year lock in.
- ✈ Workscopes increasingly more bespoke - How will Lessor & Lessee evaluate value of performance workscopes

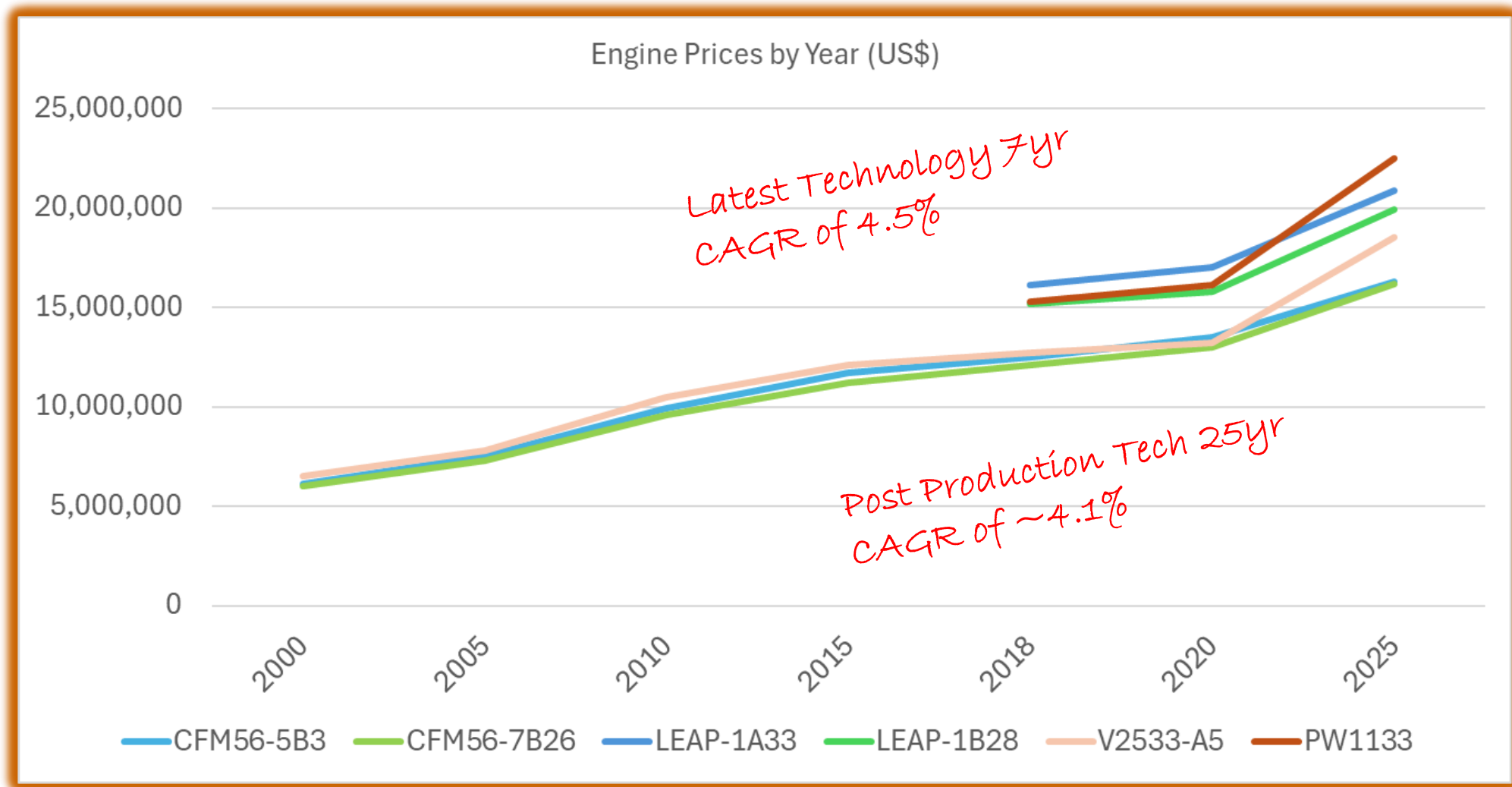
Future MRO Supply Chain Talking Points

- ➔ We need more repair capability and capacity
- ➔ We need less OEM control
 - licencing shops to strip-build-test is not an open market
- ➔ We also need to recognize and respect OEM investment
- ➔ Is it a broken model ?
 - Potential alternative - free market to develop and the OEM gets a royalty.
- ➔ How repairable are latest technology parts ?
 - Highly complex designs, new materials and modern production processes.
- ➔ Where is the motivation ?
 - Parts price increases v unit cost of production v repair development costs

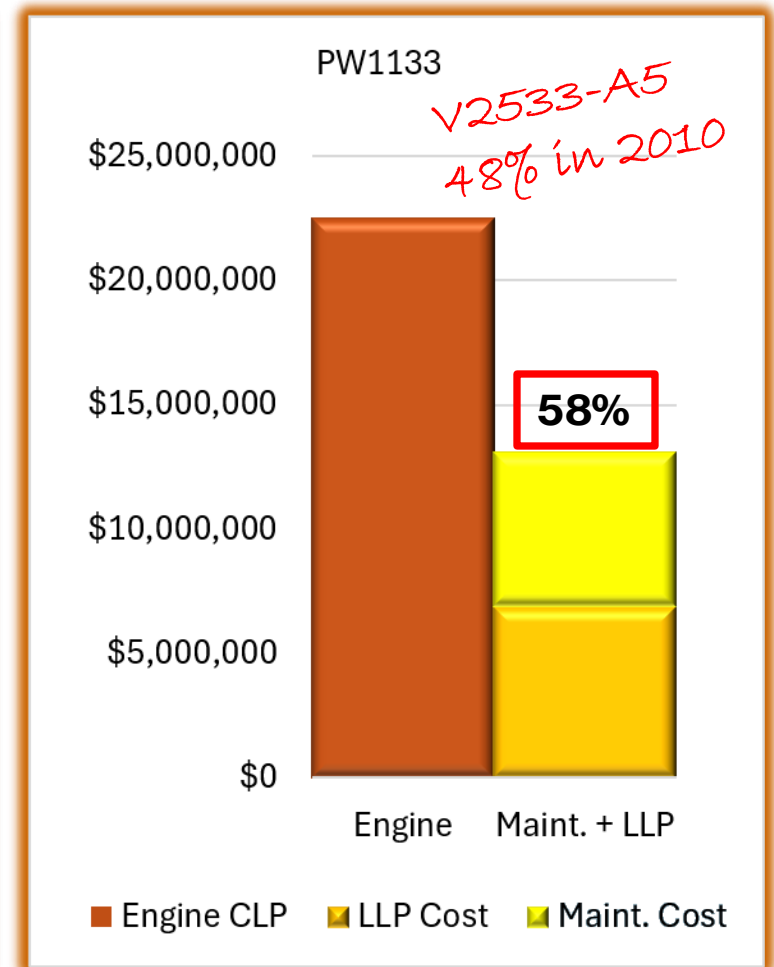
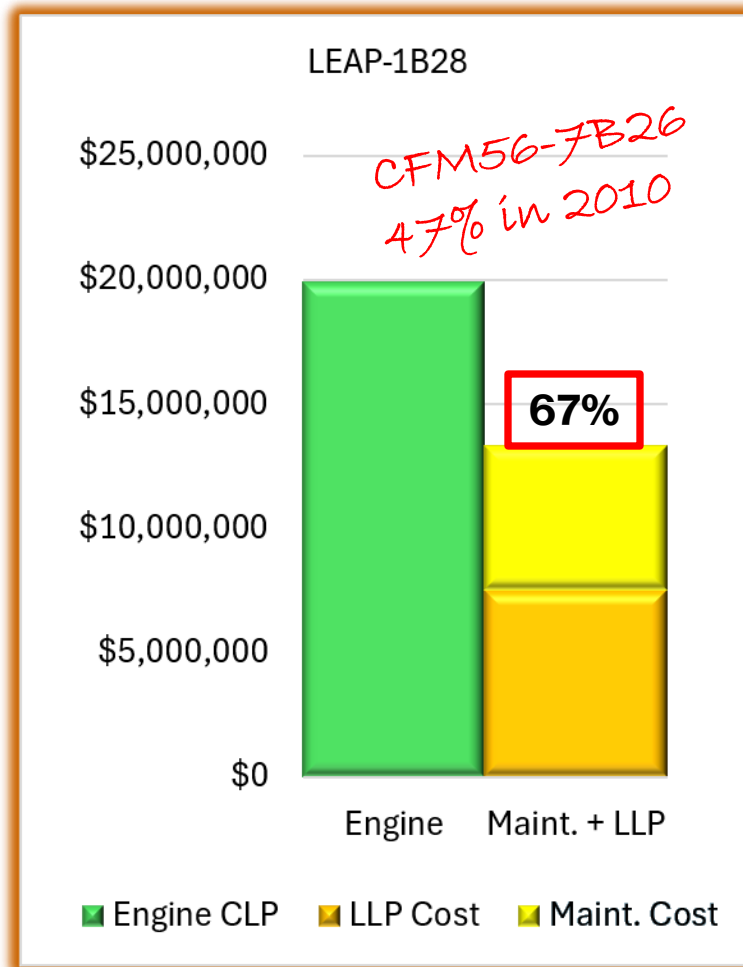
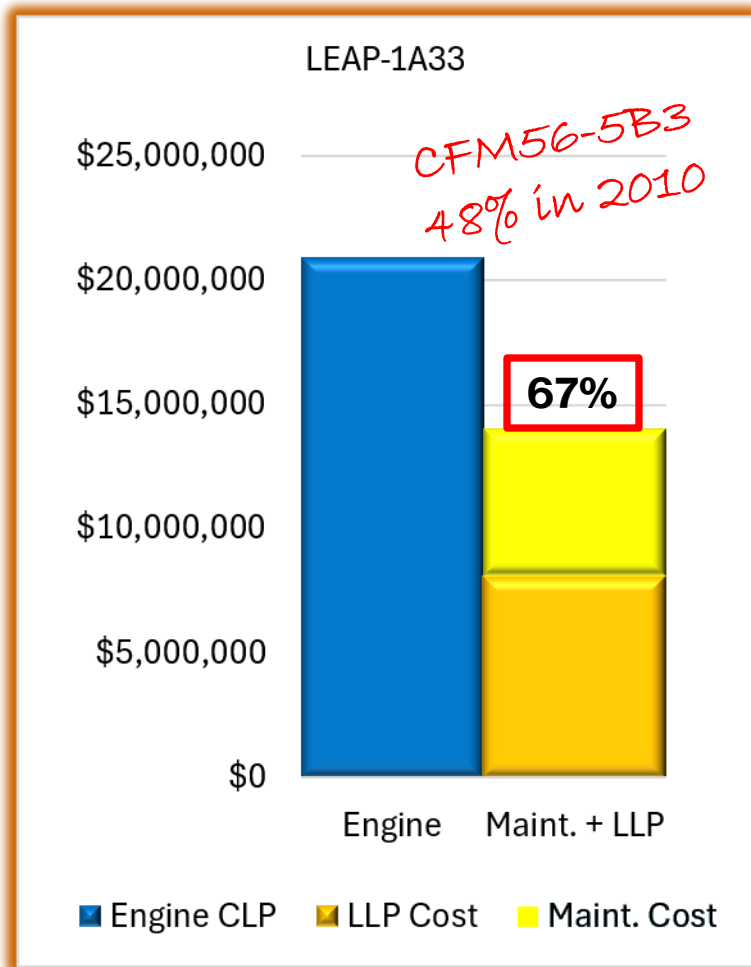


Engine Values

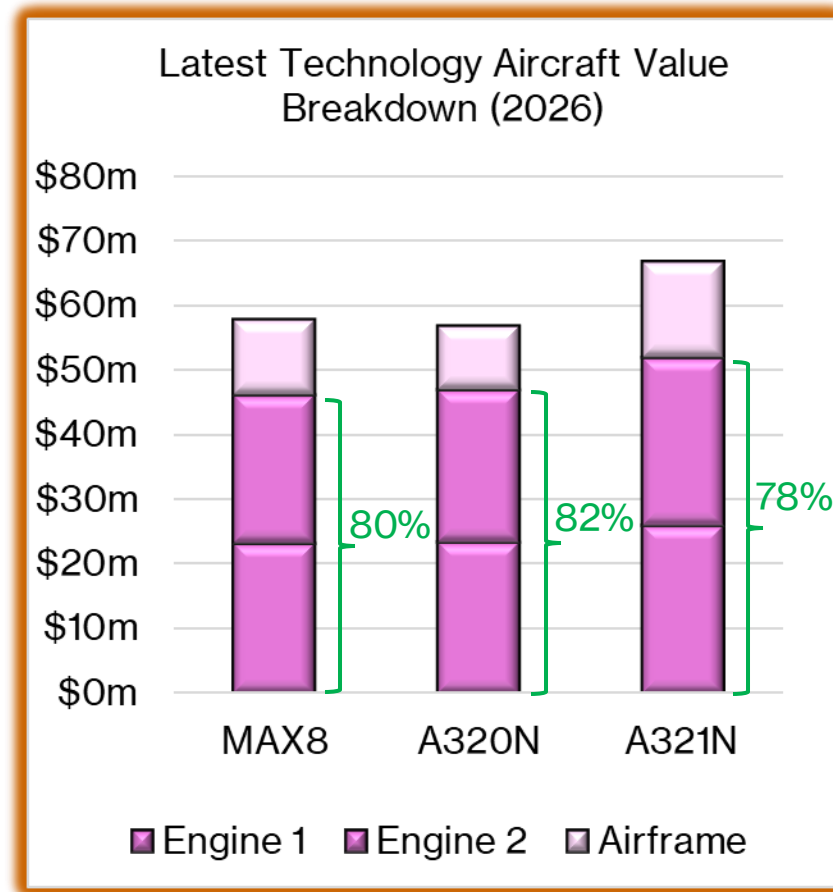
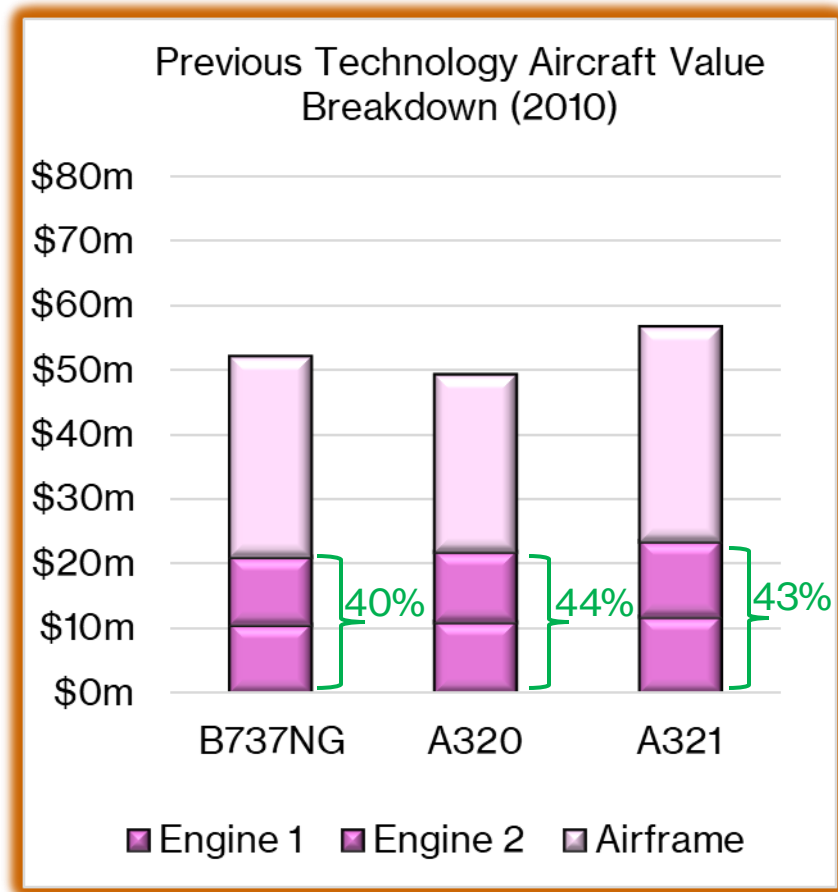
Engine Historical List Prices



Est. Maintenance & LLP \$ as a % of Engine Value



Total Engine Value as a % of Total Aircraft Value



Implications

- ✈ Opportunity to partout very young or even new aircraft
 - elfc data indicates the following minimum partouts to date:-
 - 65 x PW1100 powered A320 series (includes 24 of Spirit so far)
 - 32 x LEAP-1A powered A320 series
 - 5 x LEAP-1B powered B737MAX
- ✈ Estimated engine spares ratios (excluding the above partouts)
 - PW1100 ~25% for an installed fleet of 4,000 engines
 - LEAP-1A ~16% for an installed fleet of 4,800 engines
 - LEAP-1B ~13% for an installed fleet of 4,250 engines
- ✈ Opportunity to partout first run engines – particularly at low thrust
 - More dependant on parts repair development

Established in 1989 achieving over 30 years of growth -

Wrapping Up

In Summary – For Further Discussion

- ✈ Engines, not aircraft, are the real battleground for returns.
- ✈ Inflation (engines, parts, maintenance) good for asset owners, but.....
- ✈ Credit exposure for maintenance and LLP is more significant (60-70% of value)
- ✈ Calculating maintenance life usage is becoming very complex.
- ✈ Threat of younger aircraft partouts is here to stay.
- ✈ Manufacturers need to manage their spare engine production over the coming years.
- ✈ What about the environment ? – Temporal Discounting (Near Term Bias) effect applies
- ✈ The next cycle belongs to agile lessors, not just large ones.

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