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Max aircraft to return to EETC market: Streeter

Mark Streeter, managing director of airline/aircraft credit research for JP Morgan, is confident that the Boeing 737 Max will be financeable in the EETC market this year.

"Avolon came out with their forecast on 20 January, saying the Max will fly in the second quarter of this year and will return to its status as a liquid financeable aircraft. It was certainly one of the most bullish views I have heard on that, but I tend to agree," he told delegates at *Airfinance Journal* Dublin 2020.

"I think the Max is too important. It will obviously be tainted for quite some time and is never going to lose that stigma, but I do think investors will accept the Max in EETC structures once the grounding is lifted globally," he says, adding: "It is just going to take some time. Once you get global regulatory acceptance the perception will change somewhat."

Mark Streeter, managing director of airline/aircraft credit research, **JP Morgan**

"When you look at the EETC issuer and who has exposure to the Max aircraft, it is essentially Air Canada, American Airlines and United Airlines. All of them have alternative ways of financing those deliveries. They don't have to put them in EETCs, and bankers are begging to lend money to the three of them right now."

However, Streeter believes the Max will not have the standard product run it would have had otherwise.

"I do think that Boeing will inevitably feel the need to replace it sooner than they were thinking. So if it was 2035 before, it is 2030 now. But this does not change the long-term view of the economic prospects." For him, sales are a bigger issue for Boeing.

"It is a common view that they oversold the Max into the leasing channel to big and small lessors. And of course the big lessors blame the small lessors for this, but there are some very low lease-rate-factor deals that are being cut right now."

Part of the investor anxiety is that the appraised values of the Max is reflected in the economic value of those aircraft.

"So far we have not really seen appraisers materially act on what is going on with the Max. It is something that could be forthcoming as we start to see more differentiation to reflect the lease rates difference between the Max and the Airbus and then the evaluation between the Max and the Airbus."

Lessors face **737 Max clauses challenge**

Lessors face the threat of airlines challenging the contractual obligations of their Boeing 737 Max contracts as a result of the prolonged global grounding of the type.

Speaking at *Airfinance Journal* Dublin 2020, Stephen Hayde, senior vice president, commercial at Seraph Aviation Management, says airlines are challenging the high and hell water clause that obligates them to pay their agreed lease rentals.

"The airlines are challenging the hell and high water clauses in the leases contracts, they are asking the investors, the lessors, to take on the risk of the aircraft not having the ability to operate. That is going to be a major change for the industry, that is why this Max issue is really haunting us," he said.

"As investors we can't have that hell and high water clause challenged".

Enda Clarke, head of technical aviation at CCB Leasing Corporation, says the ongoing grounding of the type means that airlines could seek to exit their lease contracts as a result of 12-month non-delivery clauses.

"I am sure within those some of the lessors LOIs [letters of intent] and leases that they have a walk away clause after 12 months of non-delivery".

If an airline is able to walk away as a result of non-delivery the lessor faces the challenge of finding a new lessee and potentially remarketing and reconfiguring the aircraft, Clarke says.

> *As investors we can't have that hell and high water clause challenged.*
>
> **Stephen Hayde**, senior vice president, commercial, Seraph Aviation Management

"That's very challenging for them right now because they don't even know from Boeing when these aircraft big question for those lessors to deliver those aircraft," he says.

Michael Downey, vice president, technical, ICBC Leasing says the lessor has a number of Max aircraft that are not yet delivered to their customers as a result of the grounding.

He said ICBC Leasing has held discussions with those airlines and most did not plan to walk away at the 12-month non-delivery date, but there were still question marks as the recertification of the type is still unclear. Simon Finn, director, aviation research, MUFG, said he saw little threat of airlines cancelling Max contracts.

"If you cancel what are your alternatives, if you're planning to be in this business for the long-term," he says.

Rating upgrades likely for big lessors: Streeter

Two large lessors should win rating upgrades this year, JP Morgan's managing director for airline/aircraft credit research has predicted.

"Aercap have been BBB- for years, but they are on the cusp. They already have a Standard & Poor's BBB rating and Moody's and Fitch Rating will upgrade them to BBB. That is my call," Mark Streeter tells the *Airfinance Journal* Dublin 2020 conference.

"Avolon will have a shot at BBB rating. There currently are BBB- rated but I think they will go for BBB. My point to [Avolon CEO] Domnhal Slattery was, 'Great you want to be investment grade, but you can't stop there: your story needs to show further progression.'" Streeter thinks that leasing companies need some cushioning at the mid-BBB rating in case "something goes wrong" and they are knocked down to BBB-.

"You give investors the sense that there is a safety cushion between the current credit rating and high yield levels."

He adds: "Aircraft leasing companies are financial companies that spread investors. Their cost of debt is critically important, which is why they want it as low as possible against the backdrop of employing moderate leverage. "Long-term rating at mid-BBB or higher: the cost of debt is going to be more stable, lower and allow you to compete over time. This is why the whole sector has not only to get to investor grade, but also needs to be BBB rated."

Cathay selects Singapore for offshore bond

Cathay Pacific Airways has tapped the offshore bond market in Singapore rather than the United States.

The Hong Kong SAR-based airline raised S$175 million ($130 million) at a 3.375% coupon earlier this week. OCBC was the overall arranger of the issuance, which had a three-year term.

Last October Cathay hired four banks as it targeted its first US dollar-denominated bond.

Its US dollar debt deal was planned for the final quarter, but the term sheet stated the transaction would be reliant on market conditions.

Last year Cathay issued HK$1.3 billion of bonds from the Hong Kong SAR.

Standard Chartered Bank was the debt arranger and overall arranger of a March HK$500 million issuance, which priced at 3.075%. The unsecured notes are due in March 2022.

HSBC was the debt arranger and overall arranger of an October HK$800 million unsecured bond with a three-year tenor. The coupon for that is 3.38%.

Cathay Pacific has six outstanding unsecured bonds totalling HK$2.4 billion. These include a HK$500 million bond reaching maturity on 15 November.

The carrier has four issuances, worth HK$1.81 billion, maturing in 2022.

Narrowbodies are the **best bet**

L/R: **Helane Becker**, managing director, **Cowen**, **Huang Bo**, chief commercial officer, **CMB Financial Leasing**, **Olga Razzhivina**, **Oriel**, **Mike Yeomans**, head of valuations, **IBA**, **Rob Watts**, vice-president, advisory, **ACC Aviation**, **John Luth**, chairman, **Accenture Aviation** & chairman president & chief executive officer, **Seabury Capital Group**

In a wide-ranging discussion on the outlook for aircraft values and returns on investment, a panel of appraisers, analysts and financiers at *Airfinance Journal* Dublin 2020 were clear: the single-aisle market will remain the most attractive segment of the commercial market for investors. This remains the view despite reservations about the current 737 Max situation.

Huang Bo, chief commercial officer, CMB Financial Leasing, cited the need to respect the market, which clearly points to single-aisle models being the most important element of the commercial aircraft sector – accounting for 75% of in – service aircraft compared with 25% for widebodies and just 5% for regionals.

Olga Razzhivina, senior ISTAT appraiser, Oriel, added that the size of the single-aisle fleet makes for a much more liquid market with more potential for placing mid-life aircraft at the end of leases. She contrasts this to the pattern for widebodies where leases are typically much longer with limited scope at the end of the lease for placing aircraft in the secondary market. Razzhivina adds that, perhaps surprisingly, the pattern for regional aircraft was similar and that aircraft values would typically be less than 50% of their original price after the first lease.

A further concern for regional aircraft is the concentration of fleets. Mike Yeomans, head of valuations, IBA, noted that roughly half of regional jets are located in the USA and cited the example of the Embraer 175, for which North America accounts for 90% of the fleet. Given the difficulties of transferring aircraft between regulatory authorities, this can be a concern for investors. Yeomans adds that fleet concentration is also an issue for several widebody types, a point with which Rob Watts, vice-president advisory, ACC Aviation agreed. Watts suggests that relatively small operator bases and fleet fragmentation mean that placing widebody models in the secondary market is even more tricky than finding new homes for regional aircraft.

Pilot shortages are a problem facing the industry and could become a threat to market values. Helane Becker, managing director, Cowen, pointed to an acute problem in the USA, where the three major carriers will need to recruit and train around 1,000 pilots per year over the next decade. Becker believes this could prove a particularly difficult problem for regional operators, with the potential to limit growth.

The need for training of pilots and the availability of simulator capacity also figured in the panel's views on the 737 Max situation and the time it would take to return the Boeing model to service. Nonetheless, the panellists were united in their view that single-aisle aircraft are the best bet for investors.

Deutsche Bank joins syndicate of lenders in **Skyworks' equity vehicle**

Skyworks has upsized the debt facility supporting its Sierra Echo Aircraft Leasing Ltd. (Sierra Echo) vehicle to $700 million.

Bank of America, BNP Paribas, and Royal Bank of Canada all increased their facility commitments and German lender Deutsche Bank joined the Sierra Echo vehicle as a debt participant of the existing facility.

"Deutsche Bank was added due to a need to expand our relationships with financial institutions as we continue to grow the Sierra Echo balance sheet," says Steve Gaal, managing partner at Skyworks Holdings.

"Deutsche is viewed as a valuable partner as we explore refinancing options for the warehouse." The equity vehicle launched in the second half of 2018 with $300 million worth of commitments from the syndicate of banks. The facility was led by Bank of America, which acted as structuring agent and joint lead arranger. BNP Paribas and Royal Bank of Canada were the joint lead arrangers.

Airfinance Journal understands that the warehouse facility had previously upsized by $100 million.

The vehicle's first acquisitions included eight Airbus and Boeing aircraft from different sellers but last year Sierra Echo added aircraft.

In the final quarter of 2019, Skyworks added a Boeing 787-8 on lease to Aeromexico and two A321 aircraft on lease to Aegean Airlines to the fund.

"We have 11 aircraft closed and an additional five aircraft under executed purchase agreements and letters of intent.

The aircraft types include the 737-800, A320-200, 737-900ER, A319-100, 787-8 and A330-300 models," says Gaal. Further, he said that additional portfolio growth is expected with the pace of expansion largely subject to market conditions.

Skyworks Leasing (Ireland) acts as origination agent, servicer and asset manager of Sierra Echo Aircraft Leasing.

During the final quarter of 2019, Skyworks' Leasing and Asset Management Group arranged the sale of five Airbus A320s currently on lease to United Airlines, as well as the sale of a Boeing 737-700 previously operated by Southwest Airlines, to United Airlines.

Skyworks arranged the sale of four A319s, on lease to American Airlines, on behalf of Philip Morris Capital. The firm also sold two 737-400s to Safair and sold one Bombardier CRJ900 on lease to Mesa Airlines.

What Maple bond means for ALC

Air Lease (ALC) debuted on the Maple bond market last month, raising C$400 million ($301 million) in the first-ever aircraft lessor transaction to access the Canadian fixed-income market.

The lessor's treasurer, Daniel Verwholt, tells *Airfinance Journal* that Canadian dollars represent an opportunity for ALC to diversify its funding footprint and fixed income investor base, all while achieving a competitive cost of financing.

The transaction was announced at C$300 million, which the lessor was able to upsize to C$400 million due to strong investor demand. "This is a significant deal size in the Canadian market and positions ALC well to develop this market as a continued access point for capital," he says.

Air Lease's balance sheet is almost entirely unencumbered, with 97% of its debt unsecured at the end of the third quarter.

The Maple issuance will bear interest of 2.625% per annum and have a five-year tenor to 5 December 2024. The bonds were sold at a price of 99.083%.

The offering, which was sold of the company's medium term notes programme, was led by Merrill Lynch Canada, RBC Dominion Securities, BMO Nesbitt Burns and TD Securities. All acted as joint bookrunning managers.

The senior unsecured medium-term notes were issued through a single tranche pricing at 135 basis points (bps) above the Government of Canada bond of similar duration, with a re-offer yield of 2.823%.

> *ALC prides itself as being a pioneer across every aspect of the business including its financing initiatives. This deal brings another funding source to ALC with a deep, educated investor base.*
>
> **Daniel Verwholt**, treasurer, Air Lease

The lessor intends to fully swap the bond issuance to US dollars as it will use the net proceeds for general corporate purposes, including the purchase of commercial aircraft and the repayment of existing debt.

Verwholt says the five-year maturity represents the deepest current pocket of demand in the Canadian market and fits well into ALC's debt maturity profile.

Five-year tenors form the sweet spot of the market but ALC says it will adapt to opportunities in the future should another tenor provide stronger market access or economics.

The transaction also allowed the lessor to expand its investor base. "As our first non-US dollar public bond offering, this deal represents a further testament to ALC's growth and maturation in the capital markets. ALC prides itself as being a pioneer across every aspect of the business including its financing initiatives. This deal brings another funding source to ALC with a deep, educated investor base that ALC looks forward to expanding in the future," Verwholt says.

Air Lease's bond was the lowest Maple coupon since Apple's inaugural Maple transaction in August 2017.

Apple raised more money than it had initially targeted, selling C$2.5 billion of seven-year bonds in the biggest single debt offering by a foreign issuer in Canadian dollars.

The firm sold the senior unsecured bonds with a 2.513% coupon, priced at 81.4bps over the government benchmark. Apple had targeted a minimum size of C$1.5 billion at a spread of about 83bps.

The Air Lease bond also marks the first time an aircraft lessor has issued a bond in Canada.

Historically, the Maple market has been dominated by only three sectors, namely financials, utilities and telecommunications.

Foreign companies have used Maple bond issues to raise Canadian dollars for setting up operations in Canada. In 2017, Walt Disney, Pepsico, and United Parcel Service also borrowed from the Canadian market using Maple bonds.

What tends to draw investors and issuers to Maple bonds is Canada's sturdy financial system and its well-organised foreign exchange derivatives market.

The other contributing factor is the increasing size and sophistication of fixed-income institutional investors in Canada. The enhanced ability of Canadian institutional investors to analyse credit risk, the increasing range of products, and the ability to hedge some credit risk through the use of derivatives have all helped to increase investor interest in this type of security.

Canadians use these bonds to diversify their fixed-income holdings and earn incremental yield while avoiding foreign exchange risk.

Asked whether the lessor could issue non-US denominated bonds in other markets, Verwholt says ALC currently has robust liquidity, but will continue to monitor the global capital markets for compelling financing opportunities.

"Diversification of funding is a key competitive advantage and differentiating factor and ALC will continue to be a leader in developing new markets in the aircraft leasing sector," he adds.


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Appraisers assess **777X prospects**

Boeing rolled out the 777-9 prototype in March 2019, but announced last summer that a GE9X engine issue would delay the maiden flight until early 2020. First customer delivery is scheduled for 2021, but an important customer, Lufthansa recently amended its order for the type. So what are the prospects for the 777X?

Airfinance Journal's Fleet Tracker showed 309 777-8/9s orders at the end of last year. Doug Kelly, senior vice-president – asset valuation, Avitas recalls that Lufthansa still has 20 firm orders for the 777-9 out of a total of 272 orders.

"We probably will not see the first delivery until mid-2021, which is when the A380 will end production. The 777-9 will be an attractive alternative to those who may require a big aircraft over 400 seats such as the A380 and can no longer order one. The 777-9 with 414 seats is smaller than the A380 with 525 seats but has better seat-mile economics and currently has no competitor in its class. Therefore, relative to other large widebodies, the prospects look good for the 777-9. However, the operator base will likely be less than 30 airlines, so remarketing a used aircraft without a lease attached will still be difficult."

Since the 777-8, at 365 seats, is the same size as the 777-300ER, selling this model will be more challenging until the majority of 777s reach retirement, Kelly believes. "The sweet spot for retirements won't occur until past 2025. The 777-8 also faces a competitor in the A350-1000, which will limit the potential for the type."

For Stuart Hatcher, chief operating officer - managing director aviation, IBA, the widebody market in general has been "pretty terrible".

"There are concerns of 777-300ER lease-ends, a softening of widebody values and rates across the board – even for newer types like the 787, A350 and A330neo, mediocre fuel price performance, a record high for aircraft being released from airline failures and scores of problems with other widebodies such as the A330 and the A380," he says.

"Aircraft manufacturers continue to offer lower pricing to get product shifting, which itself will undermine any lessor activity in the area so only a few in the market are able to handle the widebody space at all," he adds.

Hatcher observes that since fuel prices dropped in the latter part of 2014, widebody orders have fallen substantially. "Operators were quite happy to retain the current fleet, make decisions down the road and avoid expensive reconfigurations and lessor returns, and better understand their changing demand dynamics. The push has been away from the largest variants towards medium-sized twin aircraft to better handle load factors through the year, leaving the largest aircraft on major trunk routes where higher capacities are needed."

Hatcher cites a decline in Middle Eastern economies, where many orders had been generated. "This is not just due to lower oil revenues but also because large European and Asian majors, which had been attacked by the three largest carriers in the region, were fighting back and offering more non-stop capacity at cheaper rates, in addition to any fall in demand due to geopolitical tension in the region."

> *"Aircraft manufacturers continue to offer lower pricing to get product shifting, which itself will undermine any lessor activity in the area so only a few in the market are able to handle the widebody space at all."*
>
> **Stuart Hatcher**, chief operating officer - managing director aviation, IBA

Both Emirates Airline and Lufthansa have amended their orderbooks to reduce 777X backlogs, which were always a little tenuous given the limited number of operators with orders in the first place.

"Looking at the eight operators that have placed orders, all except Lufthansa already operate the 777-300ER and most have ordered enough to replace what they currently have, although Cathay Pacific Airways still have some way to go," says Hatcher.

"But all are thinking carefully about how they blend the aircraft with the many options in the market to replace their ageing widebody fleets so actual numbers may fluctuate. All customers have a substantial long-range presence and the 777X is the largest available aircraft to buy now the A380 will be ending production so I believe there is demand for the type but there are a lot of 777-300ERs with still potentially long lives to serve their purpose."

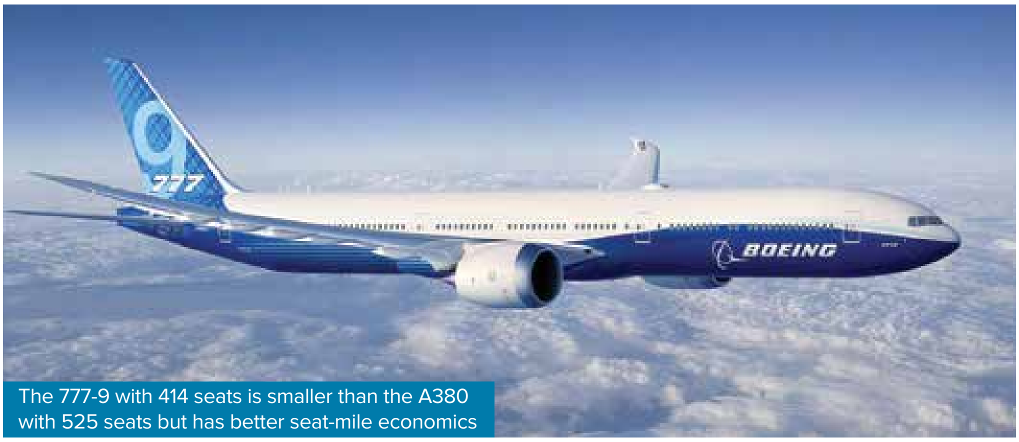
For Hatcher, fuel prices need to leap to shift sentiment on orders for new aircraft and drive other 777 operators to place orders. "I believe the demand for the largest types will continue to shrink in favour of more medium-sized aircraft, just from a point of flexibility and risk management, but the top-tier carriers still like them for the ability to best showcase their product."

Oriel's Olga Razzhivina agrees: "The large twin-aisles like the 777X will find their niche shrinking as the twin-aisle attention shifts towards more capable smaller models like the 787-9 and A350-900. With fewer than 10 announced customers and nearly half of all orders with Emirates Airline, it is likely to see very quick value decline post-first lease," she says.

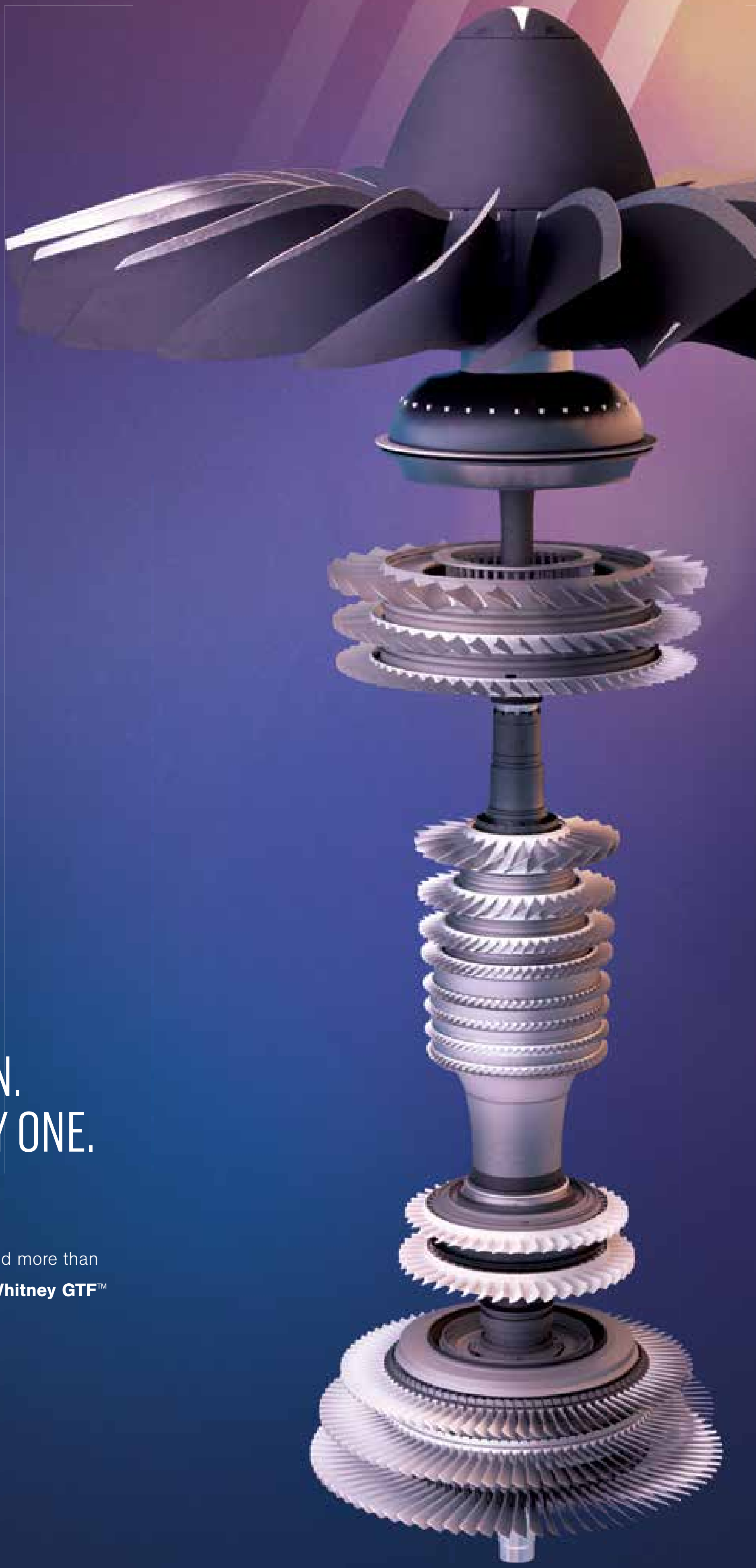
There are more than 1,300 777s in service that will need replacing over the next production cycle and a good number may shift to smaller twins like the A330neo, 787 and A350-900, while some will shift to the larger markets like the A350-1000 and any potential stretch of that line.

Collateral Verifications' vice-president, commercial aviation and valuation services, Gueric Dechavanne, believes the 777X should still do well in the long term as the need to replace ageing 777s will remain.

"Some of the current delays in the programme may push operators to put their decision on hold until they feel confident the aircraft will be delivered on time and perform as it should but this should only be a temporary trend," he says.



The 777-9 with 414 seats is smaller than the A380 with 525 seats but has better seat-mile economics



Customizing Reports to Boost Your Leasing Platform's Brand Story

Part of effective lessee management and retention is knowing how to communicate effectively

Any piece of lessee-facing communication aircraft lessors create and share is part of their brand story – and, most crucially, makes their brands stand out among competitors. Every opportunity to interact with lessees must be on point. Lessors should strive to meet their wants and needs, providing them with information that's important to them while also valuing their time.

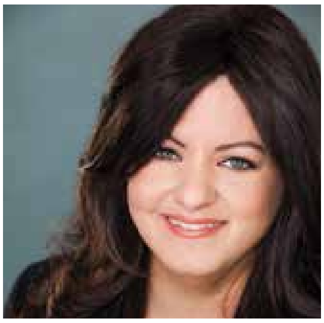
Whether it's a marketing specification, a lease summary report, a sales sheet, internal reports, or dashboards, meant for external viewing or internal reference, it's still a representation of a lessor's brand and the professionalism of its operations and management's leadership.

Which is why it's important to create brand consistency in all the content, including in system-generated reports that play a vital role in day-to-day communications.

"Plenty of marketers focus on making on-brand content marketing, but reports deserve the same treatment. The look, the feel, the voice—it all affects how your content is consumed and how your brand is perceived," notes Zeevo Group's principal Joey Johnsen. "Before you send your next lease summary report or sales sheet to a lessee, give it a pass to make sure it's truly on brand."

Invoicing and lease management systems, such as Leasepoint and Boeing's AerData's CMS application, host a wealth of information customarily leveraged to generate lessee-facing documents and reports – from lease summary reports to marketing specifications. However, the default out-of-the-box ("OOTB") reporting for these systems is often lacklustre and fails to offer ways to effectively customize and brand reports to meet business requirements.

While altering each report with a company-specific brand



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Joey Johnsen, Group Principal, Zeevo

scheme may seem like a tedious job – and for which the Communications department has no bandwidth – Johnsen says that "enlisting the support of external experts to assist you in establishing templates for these documents is an effective way to reinforce your brand and strengthen your relationship with lessees."

Johnsen contends that "reports are a tool for conveying results clearly, and they support transparency by putting you and your lessee on the same page." When done right, reports keep adding value to lessees' processes and in turn make them committed to meeting shared goals.

"Unfortunately, many lessors fail to take advantage of their reports' potential,' warns John McCartney, who heads the development of system-generated reports for Zeevo's lessor clients. "This leads to the chronic problem of ineffective reports—discombobulated documents filled to the brim with soporific tables, indistinguishable KPIs, and hard-to-discern statistics."

"The goal when sharing reports with lessees is to concisely, consistently, and clearly convey information," underscores McCartney. Keeping your audience in mind will help determine which datasets the lessee considers most important, and what angle to take in presenting those data.

As exemplified by a /sales summary shown in Figure 1, with a few small tweaks to OOTB reports, lessors can provide lessees with report layouts that effectively:

- Display an easy-to-navigate dashboard of KPIs most critical to their business;
- Prioritise information and make decision-making easier;
- Present a consistent, professional image of your brand;
- Remind your lessee of your successful working relationship; and
- Build emotional attachments and loyalty to your platform.

McCartney quips that "even though reports aren't exactly known for being the most riveting of reads, with a bit of visual design and thoughtful presentation of data, even the most numbers-heavy report can be increasingly valuable to lessees."

Moreover, reports may be passed around to members of a lessee's upper management. Visual enhancements go a long way towards making a lessee-facing report appear professional, boosting a lessor's reputation in the lessee management's eyes.

Among standard system-generated reports and documents that lessors should consider for customisation include:

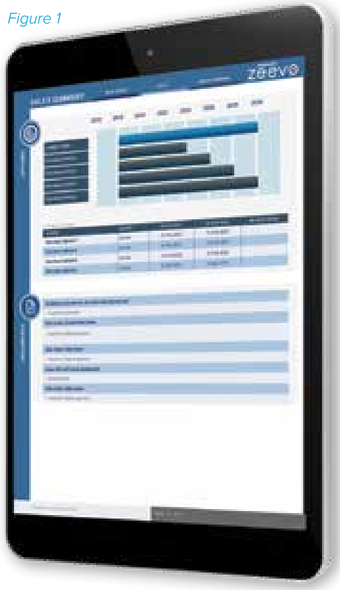
Marketing specifications and lease summary reports

These reports contain pertinent asset information, contract details, rent schedules, extension options, and configuration details for your lessee or prospective lessee that can be overwhelming to digest. Make the specification, or ("spec") professional and visually appealing. Use your brand's colours and logos. Design the report so that the reader's eyes are naturally drawn to the most important information on the report. Keep the reports consistent to other reports to streamline how information gets conveyed.

Sales sheets

Customise the design of your sales sheets to meet your own requirements. Presenting high

Figure 1



value monetary figures in a thoughtful and well-designed format lends additional credibility to your quotes.

Internal reports

Johnsen adds that "branding internal reports has just as many benefits. If your employees don't believe in you brand, why should your customers? Putting forth a consistent image of your company across your functions, improves your mission focus, deepens your employees' connection to the organisation, and breaks down organisational silos. This helps focus employees, improving hiring and retention."

Custom BI dashboard reports

As mentioned earlier, lessee reports must be actionable. Any data presented must lead to insights that lessees can use or learn from. McCartney expounds that "creating custom dashboard reports keeps internal reports visually consistent, appealing, and intuitive while remaining up-to-date."

Microsoft Power BI is one of several powerful business intelligence ("BI") tools on the market that connect to data in real-time. "Adopting a BI strategy should be an integral part of any company operation, and BI dashboards with advanced visualisations are critical tools to help executives, managers, and other corporate end-users make informed business decisions," denotes Johnsen.

There are many data visualisation tools available, including Tableau, Qlik, and Domo. However, OOTB reports solely use the visual elements commonly found in infographics and fail to give your report a stronger visual impact. The Zeevo team emphasises five areas of importance that comprise an effective dashboard, namely grouping visuals, visual types, effective metrics, consistent measures, and use of colours. As shown in a fleet summary dashboard in Figure 2, the clever use of relevant graphics, icons, images, and colors can elevate your report.

Johnsen explains: "The key to making BI dashboards effective for lessor and lessee teams is to deploy best practices to present data visually through charts, graphs, and diagrams that enable the reader to quickly understand complex concepts and grasp new patterns."

Zeevo can assist

With a proliferation of leasing platforms and progressively competitive industry landscape, lessors are increasingly recognising the importance of delivering a memorable brand experience to lessees that makes them stand out from their competition. Lessors may define their brand promise, but it is the lessee who decides whether or not the lessor delivered on its promise.

Zeevo's creative solutions are designed to assist lessors to deliver a brand experience that not only meets the lessees' expectations but strengthens their royalty to the lessor. Our team represents broad communications and marketing capabilities with deep experience in a number of key industries in designing, developing, and delivering creative content across all platforms.

"Our ultimate goal is to assist lessors in driving deeper levels of engagement with lessees and other external and internal stakeholders, with maximum potential for their brand," concludes Johnsen.

Figure 2

Top 50 **managers by number of aircraft**

Rank	Manager	Total	% change since last year		Turboprop	Regional jet	Narrowbody	Widebody
1	GECAS	**1,201**	↓	-2%	20	249	776	156
2	AerCap	**1,042**	↓	-4%	-	3	748	291
3	Avolon	**530**	↓	-9%	-	3	430	97
4	BBAM	**510**	↑	13%	-	2	384	124
5	Nordic Aviation Capital	**480**	↑	12%	282	191	7	-
6	SMBC Aviation Capital	**421**	↑	3%	-	2	369	50
7	Air Lease Corporation	**361**	↑	12%	-	2	269	90
8	DAE Capital	**350**	↑	7%	56	-	231	63
9	BOC Aviation	**337**	↑	13%	-	-	282	55
10	ICBC Leasing	**329**	↑	23%	-	7	285	37
11	Aviation Capital Group	**316**	↑	15%	-	-	298	18
12	Aircastle	**283**	↑	18%	-	6	244	33
13	Carlyle Aviation Partners	**240**	↑	25%	-	-	206	34
14	Castlelake	**223**	↑	23%	15	14	160	34
15	BOCOMM Leasing	**217**	↑	18%	-	10	183	24
15=	ORIX Aviation	**217**	↓	-6%	-	-	187	30
17	CDB Aviation	**215**	↑	13%	-	20	157	38
18	Macquarie AirFinance	**194**	↓	-1%	-	3	181	10
19	Goshawk	**171**	↑	49%	-	1	156	14
20	Jackson Square Aviation	**158**	↑	5%	-	-	141	17
21	Avmax	**150**	↓	-13%	64	71	13	2
22	China Aircraft Leasing Company	**137**	↑	22%	-	-	131	6
23	Standard Chartered Bank	**133**	↓	-1%	-	-	124	9
24	DVB AAM	**121**	↓	-2%	-	-	96	25
25	Falko	**115**	↑	49%	17	98	-	-
26	Cargo Aircraft Management	**103**	↑	11%	-	-	2	101
27	CMB Financial Leasing	**94**	↑	19%	-	4	75	15
28	Aircraft Leasing & Management	**86**	↑	13%	-	14	60	12
29	Chorus Aviation	**80**	↑	186%	68	12	-	-
30	Accipiter	**77**	↑	15%	-	-	75	2
31	CCB Leasing	**75**	↓	-3%	-	-	64	11
32	VTB Leasing	**74**	↑	4%	-	7	55	12
33	Elix Aviation Capital	**73**	↓	-5%	73	-	-	-
34	JP Lease Products & Services	**72**	↑	26%	-	-	50	22
35	VEB Leasing	**71**	↑	6%	1	30	21	19
36	Fortress Transportation	**70**	↑	8%	-	-	45	25
36=	ALAFCO	**70**	↑	21%	-	-	61	9
38	State Transport Leasing Company	**69**	↑	11%	-	31	31	7
38=	FPG Amentum	**69**	↓	-5%	-	-	52	17
40	MC Aviation Partners	**66**	↓	-4%	-	-	62	4
41	Aviation Finance & Leasing	**65**	↑	23%	-	-	65	-
42	Tokyo Century Leasing	**61**	↓	-34%	-	6	39	16
42=	Jetran International	**61**	↑	22%	7	2	50	2
44	Altavair Airfinance	**60**	↑	13%	-	-	31	29
45	Seraph Aviation Management	**59**	↑	20%	2	6	34	17
46	GTLK Europe	**58**	↓	-11%	-	-	51	7
46=	Skyworks Leasing	**58**	↑	12%	4	1	30	23
48	Acumen Aviation	**57**	→	0%	8	42	7	-
49	GOAL	**56**	↑	5%	8	11	34	3
49=	Sberbank Leasing	**56**	↓	-10%	-	20	30	6
49=	Merx Aviation	**56**	↑	4%	-	-	53	3
	Total	**10,247**	↑	**6%**	**625**	**868**	**7,135**	**1,619**

Source: Lessors and *Airfinance Journal*'s Fleet Tracker as of 30 June, 2019

Wednesday 22 January 2020, CCD, Dublin

Day one

8.00 Registration & Morning refreshments

8.55 Chairperson's opening remarks

James Kelly, Partner, **KPMG**

9.00 Opening keynote address

John Slattery, President & Chief Executive Officer, **Embraer Commercial Aviation**

9.30 The last 40 years of aviation finance: The evolution of investment banking

Greg Lee, Managing Director, **Goldman Sachs**

10.00 Will a fragmented European airline market maintain profitability in 2020?

Structurally, the European airline market is significantly more fragmented than in North America, with more than half the continent's profits being generated by the "Big Four". Hear from the leaders of some of Europe's most successful airlines give a rare insight into the fleet and financing strategies that keep them ahead of the competition.

Torbjorn Wist, Chief Financial Officer, **SAS Airlines**

Iain Wetherall, Chief Financial Officer, **Wizz Air**

Raffael Quintas Alves, Chief Financial Officer, **TAP Air Portugal**

Steve Gunning, Chief Financial Officer, **International Airlines Group**

Moderated by: **Steven Udvar-Hazy,** Executive Chairman, **Air Lease Corporation**

10.50 Morning networking break & refreshments

11.20 Is aircraft leasing now a low margin business?

- A substantial increase in competition in the operating leasing space have driven margins for lessors lower, is this to be considered the new normal?
- Will contract terms previously considered imperative to lessors continue to erode?
- How well positioned are aircraft lessors to weather more challenging macro-economic factors such as rising fuel prices and interest rates?

Firoz Tarapore, Chief Executive Officer, **DAE Capital**

Hani Kuzbari, Managing Director, **Novus Aviation Capital**

Paul Sheridan, Chief Executive Officer, **AMCK Aviation**

Patrick Hannigan, President & Chief Commercial Officer, **CDB Aviation**

Michael Inglese, Chief Executive Officer, Director, **Aircastle**

Moderated by: **Kevin Butler,** Managing Director, **TMF Group**

12.00 The launch of Skytra - an Airbus Company

Elise Weber, Chief Sales & Marketing Officer, **Skytra**

Matthew Tringham, Chief Strategy & Product Officer, **Skytra**

12.30 Airfinance Journal & CDB Aviation Scholarship presentation

12.40 Networking lunch

14.10 Financing the fleets of the future – which structures will dominate 2020?

- Airline profitability has been under pressure across the board in 2019, with cost of fuel and capital increasing – how will airline treasuries counteract these trends?
- Which financing solutions vary across differing airline business models?
- Which assets are likely to be in high demand in 2020?

Pierre Houle, Managing Director, Treasurer, **Air Canada**

Meghan Montana, Managing Director, Assistant Treasurer **American Airlines**

Edward McGarvey, Senior Vice President, Treasurer, **Atlas Air Worldwide**

Christine Rovelli, Vice President, Group Treasurer, **Finnair**

Moderated by: **Justin Benson,** Partner, **White & Case**

14.50 Inclusion and sustainability – a synergistic framework for the next 40 years

This groundbreaking discussion will explore the convergence of inclusion and sustainability as essential elements of the aviation industry's continued future success. The workforce of tomorrow will be increasingly multi-faceted – Gen Z and beyond, LGBTQ, a rainbow of cultures, belief systems and ethnicities. This cohort prizes individual expression and social impact over the accumulation of material wealth. To attract the best innovative thinkers of tomorrow and ensure the long-term health of the sector, aviation enterprises must fully embrace ESG, not as a necessary evil, but rather, as a core competency. And to retain this hard-fought talent, we must create inclusive workplaces that nurture creativity and the free flow of ideas, and fully harness the power of diverse thought.

Daire Keogh, Deputy President, **City University Dublin**

Jack O'Connor, Youth Delegate, Ireland, **United Nations**

Clare Scherrer, Partner, Managing Director, **Goldman Sachs**

Mayank Bhatnagar, Senior Vice President, Human Resources, **GECAS**

Moderated by: **Amelia Anderson,** Co-Founder & President, **AWAR**

15.40 Afternoon networking break & refreshments

16.00 Pilarski says...drink!

Back by ever popular demand, hear one of the industry's most prominent & respected economists give his forecast on the industry's future and what headwinds we ought to be cognisant of – in his trademark entertaining style.

Adam Pilarski, Senior Vice President, **Avitas**

16.30 Lessor CEO Interviews

Hear the CEO's of the world's most influential leasing companies discuss what they see as the future of aviation finance and their strategies for achieving it.

Greg Conlon, President & Chief Executive Officer, **GECAS**
Interviewed by: **Greg Lee,** Managing Director, **Goldman Sachs**

John Plueger, Chief Executive Officer & President, **Air Lease Corporation (ALC)**
Interviewed by: **Laura Mueller,** Managing Director, **Airfinance Journal**

Aengus Kelly, Chief Executive Officer, **Aercap**
Interviewed by: **Oliver Clark,** Editor, **Airfinance Journal**

Domhnal Slattery, Chief Executive Officer, **Avolon**
Interviewed by: **Olivier Bonnassies,** Managing Editor, **Airfinance Journal**

17.50 Chairperson's closing remarks

James Kelly, Partner, **KPMG**

17.55 40th anniversary celebratory drinks reception