








Engine Market Update

David Archer – Director of Valuations

mba is a Full-Service Operation

 Consulting & Advisory	 Valuation Solutions	 Data & Analytics	 Safety & Compliance	 Asset Management & Technical Services
<i>Plan strategically for growth & sustainability</i>	<i>Establish an accurate value from a trusted independent source</i>	<i>Gain competitive advantage through key industry data</i>	<i>Analyze operational risks and mitigate them</i>	<i>Maximize an asset's potential and manage downside potential</i>
Investor Due Diligence <ul style="list-style-type: none"> ▪ Business Plan ▪ Lessor Strategy ▪ Merger & Acquisition Support Market Research & Benchmarking <ul style="list-style-type: none"> ▪ Industry Reports ▪ Fleet Planning ▪ Trend Analysis ▪ Feasibility Studies ▪ Route Development Financial Analysis <ul style="list-style-type: none"> ▪ Cash Flows ▪ Maintenance Forecasting 	Tangible Assets <ul style="list-style-type: none"> ▪ Aircraft ▪ Engines ▪ Spare Parts ▪ Ground Service Equipment ▪ Helicopters ▪ Business Jets ▪ Simulators Intangible Assets <ul style="list-style-type: none"> ▪ Landing & Departure Slots ▪ International Routes ▪ Enterprise ▪ Frequent Flyer Programs 	Aviation Intelligence Platform <ul style="list-style-type: none"> ▪ REDBOOK Aircraft & Engine Values ▪ Fleet Database ▪ Market & Trend Data ▪ Portfolio Monitoring ▪ Aircraft Ranking Airline Credit Risk Assessment <ul style="list-style-type: none"> ▪ Financial ▪ Market ▪ Operations 	Safety Audits <ul style="list-style-type: none"> ▪ IATA ▪ IOSA ▪ ISAGO ▪ ACSF Training <ul style="list-style-type: none"> ▪ Safety Management 	Customized Asset Management <ul style="list-style-type: none"> ▪ Returns & Deliveries ▪ Lease Monitoring ▪ Repossession Logistics Acquisition Support <ul style="list-style-type: none"> ▪ Lease Reviews ▪ Negotiations ▪ Technical Due Diligence Aircraft Inspections <ul style="list-style-type: none"> ▪ Physical Inspection ▪ Technical Records

Industry Credentials



mba by the numbers

30+

**Years of Aviation
Service and Advisory**

OUR HISTORY

Established in 1992

Reputation as trusted advisors
to the industry's leading
decision makers

Historical data from mba and its
affiliates going back to the early
1960s

50+

**Finance, Technical, and
Safety Representatives**

OUR TEAM

Experienced leadership team
has held finance and
commercial positions at airlines,
lessors, OEMs and investment
banks

Large team of global technical
representatives, inspectors and
auditors.

Global reach decreases
response time and cost.

200+

**Clients who trust mba with
their business**

OUR CLIENTS

Airlines

Aircraft & Engine Lessors

Private Equity & Hedge Funds

Investment Banks

Government Agencies

Insurance Companies

Aircraft Storage Facilities

Parts Distributors

10,000+

**Assets valued annually,
excluding spare parts & online
values**

RECENT ACTIVITY

Leading advisor to investors
and financial institutions
globally including the US
Treasury.

Advisor to nearly every major
global aircraft lessor.

Preferred Appraiser for Airport
Slots, Routes, Spare Parts, and
Frequent Flyer Programs.

Over 86% involvement in ABS
and EETC transactions since
2017.

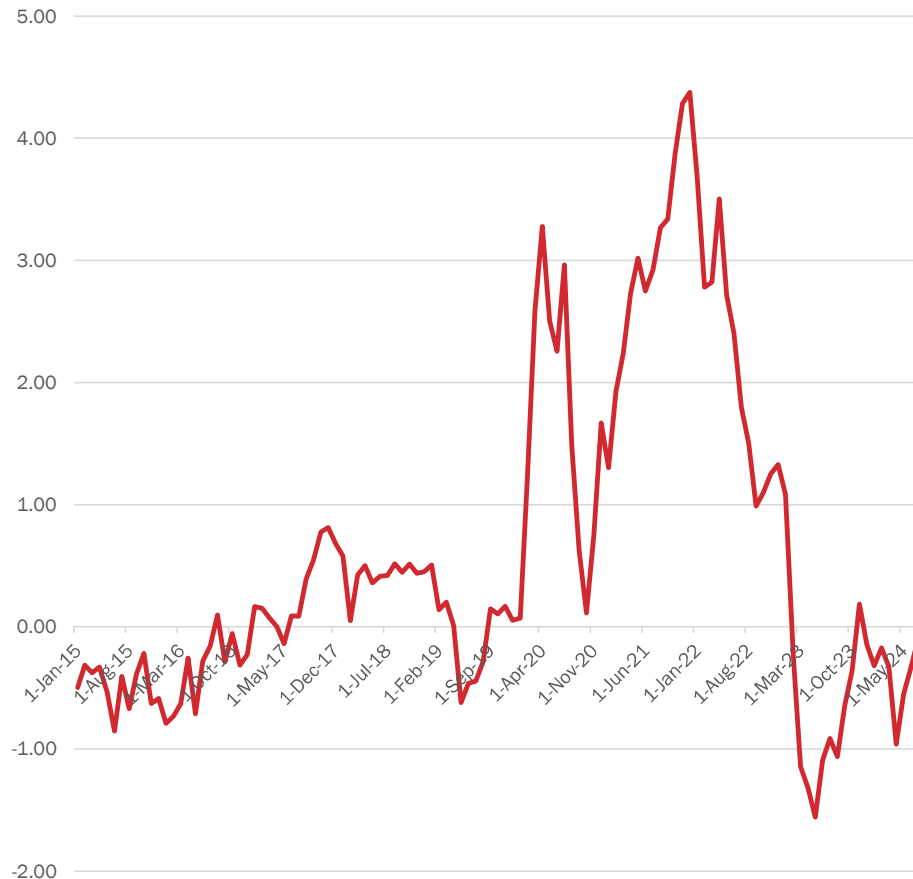


Engine Market Update



Supply Chain Disruption

Global Supply Chain Pressure Index: 2015-Present



■ OEMs

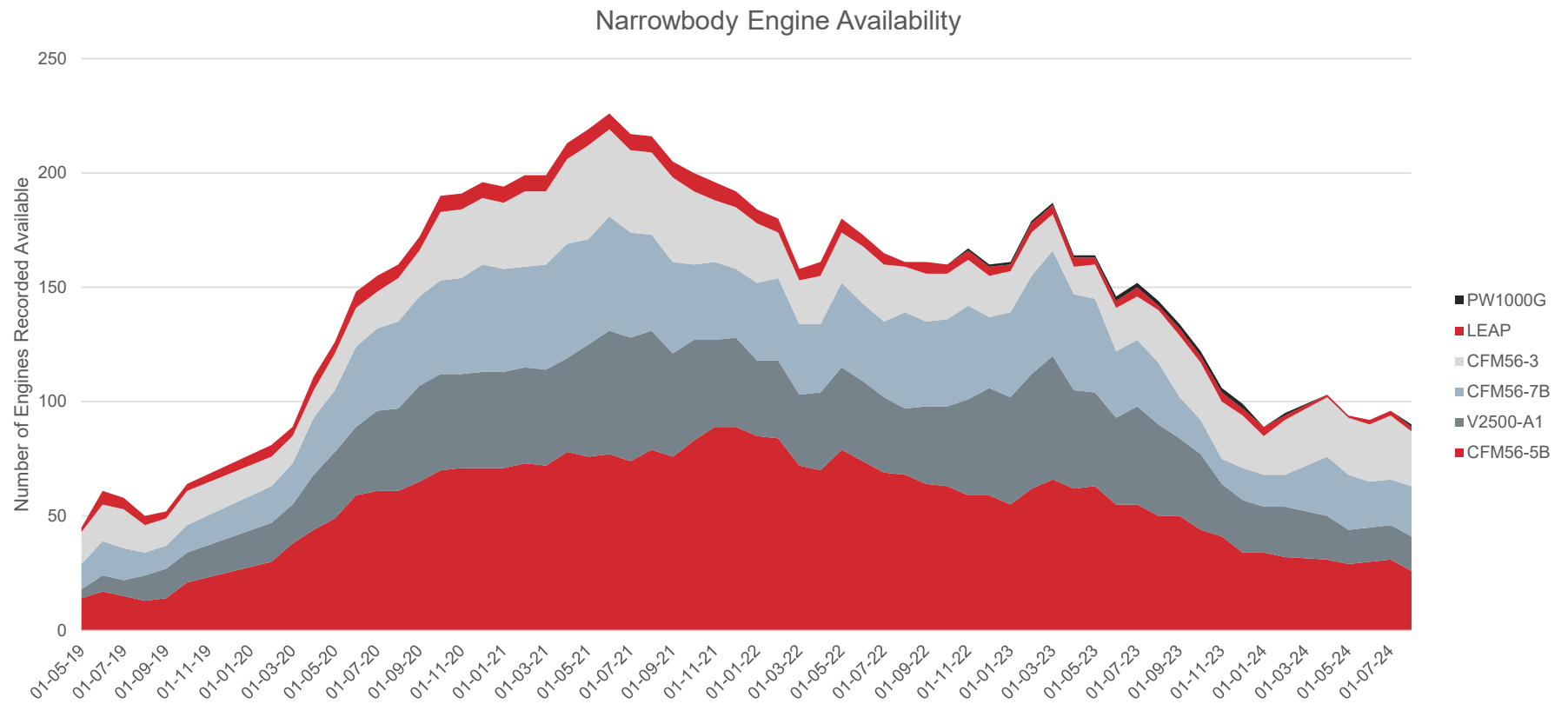
- OEM Delivery Delays
- Cost Escalation
- OEM 'Fix' Availability
- New Gen Engine Durability
- Teething Issues

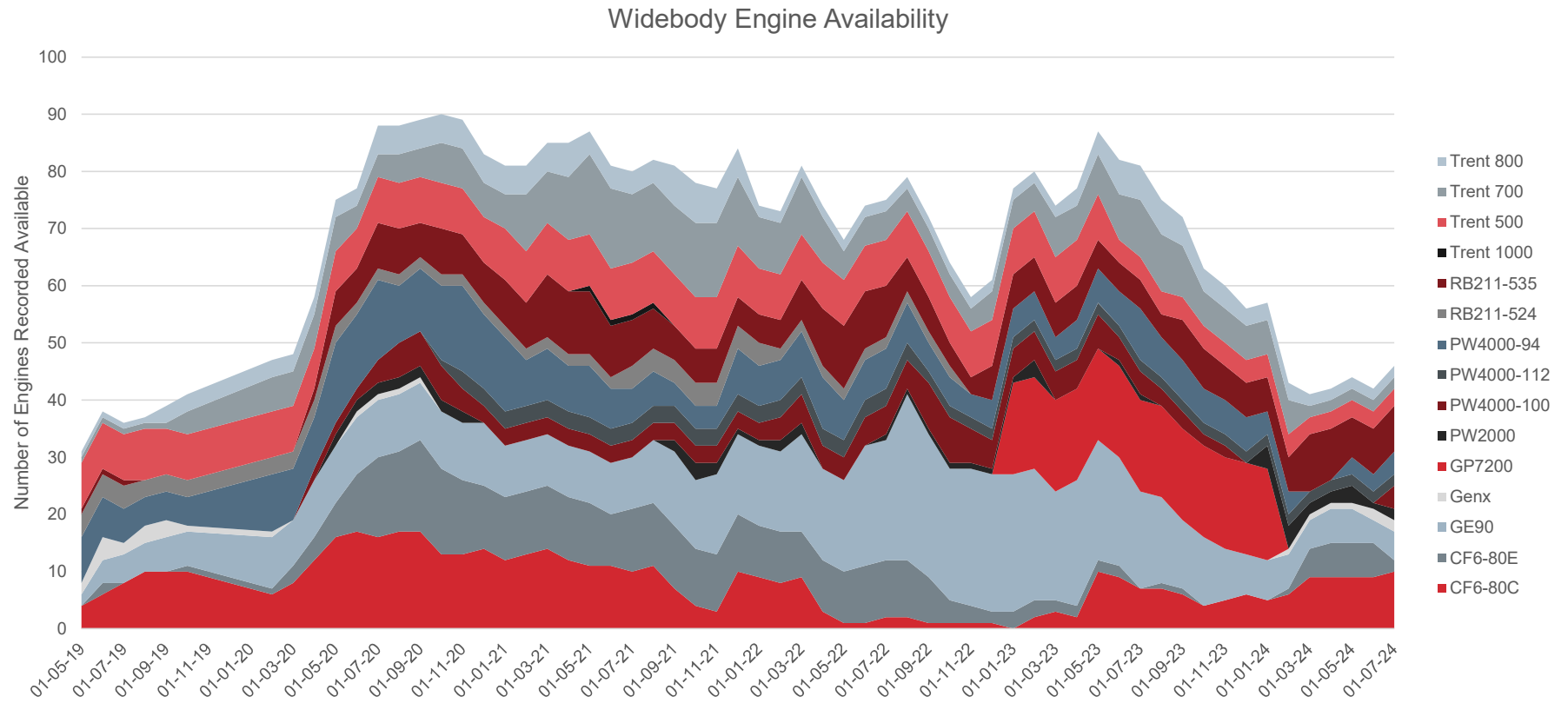
■ Aftermarket

- MRO TAT
- SV Slot Availability
- Teardown Volume
- Parts Repair Time

■ Lessors

- Increased Competition
- Spare Engine Availability
- Lease Rate Volatility





New Gen Engine Market

Narrowbody

LEAP-1A

- YoY Value Change 4.4%
- YoY LR Change 7.5%

LEAP-1B

- YoY Value Change 2.8%
- YoY LR Change 3.5%

PW1100G

- YoY Value Change 21.1%
- YoY LR Change 20.5%

Widebody

GEEnx-1B

- YoY Value Change 7.7%
- YoY LR Change 8.2%

Trent 1000

- YoY Value Change 2.2%
- YoY LR Change 1.1%

Current Gen Engine Market

Narrowbody

CFM56-7B

- YoY Value Change 16.6%
- YoY LR Change 16.7%

CFM56-5B

- YoY Value Change 9%
- YoY LR Change 17.3%

V2500-A5

- YoY Value Change 19.2%
- YoY LR Change 26%

Widebody

GE90-115

- YoY Value Change 15.5%
- YoY LR Change 16.2%

Trent 700

- YoY Value Change 16.8%
- YoY LR Change over >30%

Short Term Outlook (2 years)

- **Supply Chain Disruption**
 - Far from over but signs of improvement already
- **Engine Availability**
 - Likely to worsen before we see improvement
- **MRO Constraints**
 - More of the same but improving parts repair time as bottlenecks
- **Values and Lease Rates**
 - Potentially at peak but still some have room to improve further

Medium Term Outlook (3-5 Years)

- **Teething Issues**
 - Finally ‘under control’ – new gen engines reach maturity
- **Supply Chain**
 - Late 2026/2027 our most optimistic view of a better balance
- **MRO TAT**
 - Back to manageable timelines and slot availability returns
- **Values and Lease Rates**
 - Stabilising with mature engines finally declining

Questions to the Market

1. How has the demand for leased engines changed in the past year?

Unsurprisingly very positive

2. What specific supply chain issues are you facing when managing your engine portfolio?

OEM Deliveries and MRO Slots/TAT were most common response. For lessors this has been positive but not without its issues

3. How confident are you that the current supply chain disruptions will be 'resolved' in 2025?

Mixed but little confidence – 2026/2027 remains the most likely outcome to most but depends what issue you are talking about

4. What additional support or changes would you like to see from OEMs to improve the supply chain situation?

Certain OEMS blamed more than others – focus needs to shift from fixes to communication, but this is improving

5. What strategies are you adapted to mitigate the issues impacting the market currently?

Risk appetite, New markets though larger lessors had in general made few changes

6. What is your outlook on engine lease rates over the next two years?

No change or slight.

7. Given the current challenges, how optimistic are you about the engine leasing market's growth over the next 3-5 years?

Difficult to grow volume but some strong confidence in the outlook



Thank You! —



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