

# Avolon delivers strong net income



Andy Cronin, CEO of Avolon, says momentum in global aviation is continuing ahead of their 2022 results

[Avolon](#) increased its net income by over 430 percent in 2022, coming in at \$253 million, excluding impacts in Russia.

The company also achieved a 35 percent increase in operating cash flow to \$1.2 billion, exceeding the full-year cash flow it generated in 2019 prior to the COVID-19 pandemic. The company had a nine percent increase in lease revenue year-on-year to \$2.3 billion and a total available liquidity of \$5.6 billion, including \$655 million of unrestricted cash and \$4.9 billion of undrawn debt facilities, at the year's end.

"Momentum in global aviation continued throughout 2022 and we worked closely with our customers to support their demand for aircraft," Andy Cronin, CEO of Avolon, said in a February 9 press release. "Our financial performance was strong, with a five-fold increase in adjusted net income and 9 percent growth in lease revenue. Operating cash flow was 35 percent higher than 2021 and also ahead of our pre-pandemic cash flow in 2019. A non-cash impairment charge on aircraft in Russia impacted our reported performance, but the underlying financial strength of our business is clear."

During 2022, the company upsized its unsecured revolving facility to \$4.6 billion, bringing its total revolving debt capacity to more than \$6 billion. The Ireland-based company also raised \$2.2 billion in new debt, including its inaugural JOLCO financing, and ended the year with net debt to equity of 2.3

times, a secured debt to total assets ratio of 22 percent and approximately \$16 billion of unencumbered assets.

In terms of performance, Avolon had an owned and managed fleet of 576 aircraft at the end of 2022, as well as total orders and commitments for 258 aircraft. In 2022, the company executed 237 lease transactions, including new aircraft leases, follow-on leases and lease extensions. The company also delivered 35 new aircraft, transitioned 35 aircraft to 27 customers, sold 36 aircraft and added 10 new customers, ending the year with 146 airline customers operating in 63 countries.

Additionally, during 2022, Avolon agreed to a transaction with [Malaysia Airlines](#) for the financing of 20 A330-900neo aircraft valued at more than \$2 billion, delivered its first A330 to IAI for conversion to dedicated freighter operations, received its inaugural ESG rating from Sustainalytics, with a score of 16.0 placing it in the the 'low risk' category and the top 5 percent of its industry grouping. The company also fully placed an order for 500 Vertical Aerospace eVTOLs.

Avolon CEO Cronin said in the press release that the future of 2023 also looks hopeful. "The outlook for 2023 is positive, and we expect the reopening in China will be the catalyst to drive global traffic to pre-pandemic levels by June. Increasing demand for aircraft to service strong passenger demand, combined with a shortage of new aircraft, is putting upward pressure on lease rates and is positive for long-term residual aircraft values. Avolon's low leverage, high levels of liquidity and our order book of new technology, fuel-efficient aircraft position us well to take advantage of attractive opportunities to deploy capital in the year ahead."