

INVESTMENT BANKING |
DIVISION |

Goldman
Sachs



AWG Meeting

Aviation Finance Markets over the Past Six Months

May 2023

2021

- Record issuance year across industries and particularly for aviation finance

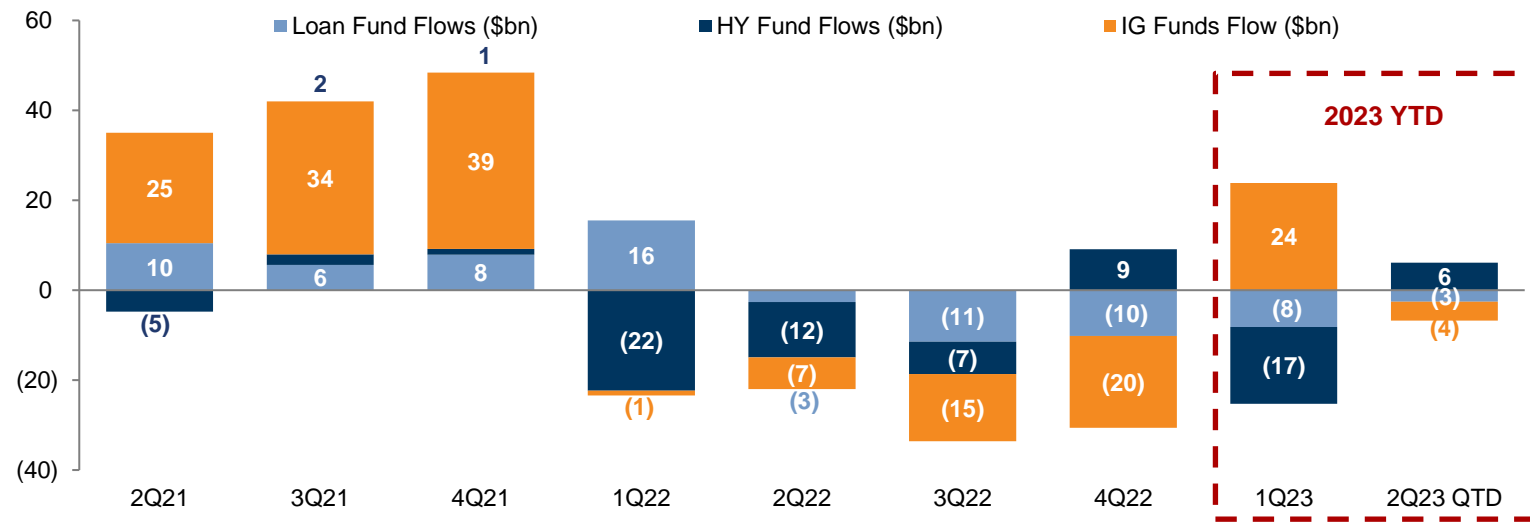
2022

- As the cost of capital increased dramatically, issuance volumes dropped off significantly in 2022 across markets

2023

- Primary issuance volumes in the capital markets have begun to recover as issuers with financing needs come back to market and the shock of the increased cost of capital begins to normalize
 - American Airlines, Castlelake Aviation, Atlas Air, VistaJet among others tapped the leveraged finance market across bonds and loans
 - Avolon, SMBC, Air Lease, Aviation Capital Group had success in the unsecured investment grade markets
 - Castlelake, ASL, and others are expected to hit the structured market later this year with more bespoke financings

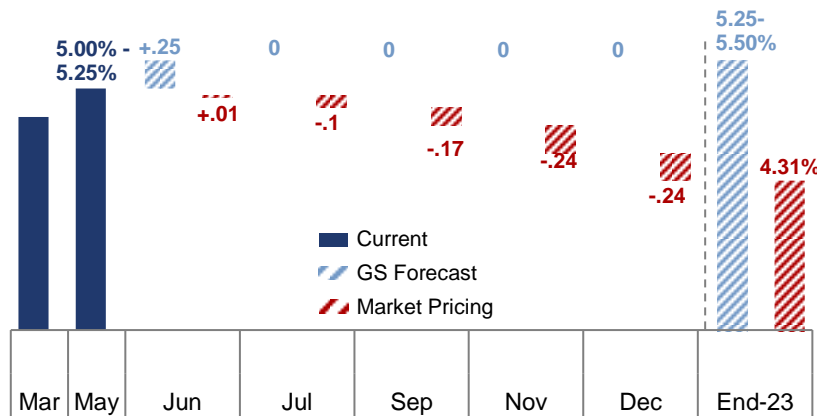
Funds Flow across High Yield Bond, Leveraged Loan and IG Bond Markets



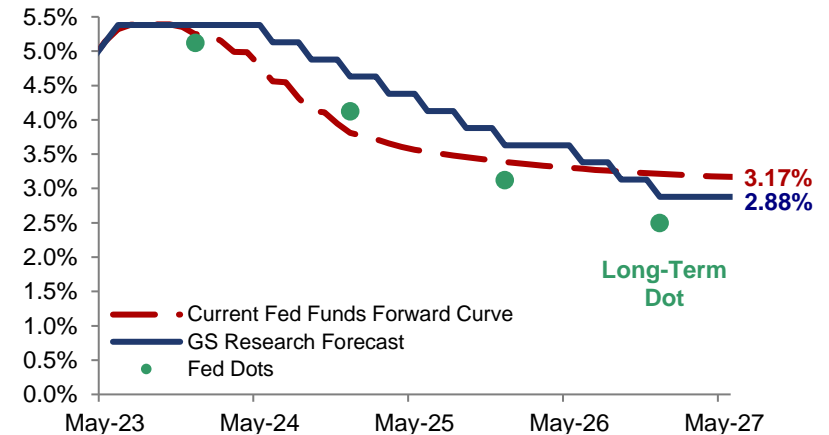
US Interest Rates Market Snapshot

Market Expects Rate Cuts in 2023 Despite FOMC's Comments to the Contrary

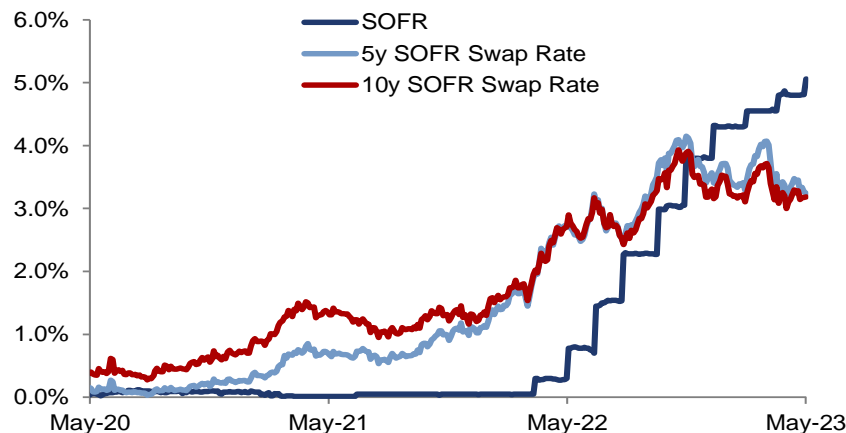
GS Expects Hold in June, Cuts in '23



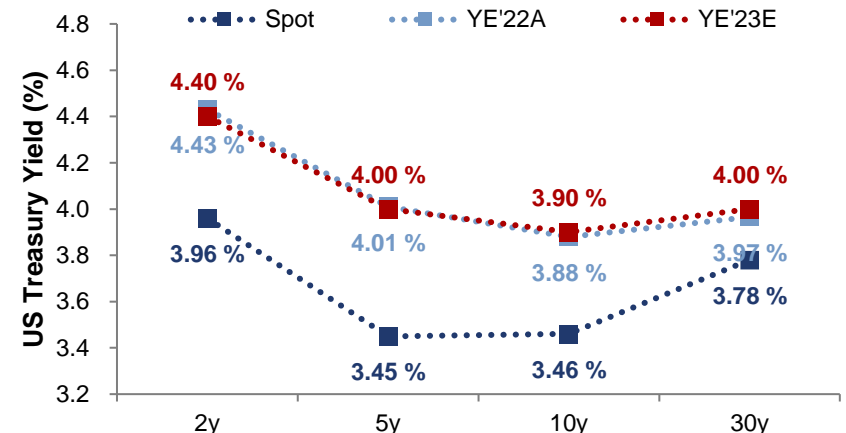
GS Rates Forecast Converges with Consensus in 2026



Rising SOFR is Now Above Corresponding Swap Rates



Treasuries Have Shifted Lower Across the Curve YTD



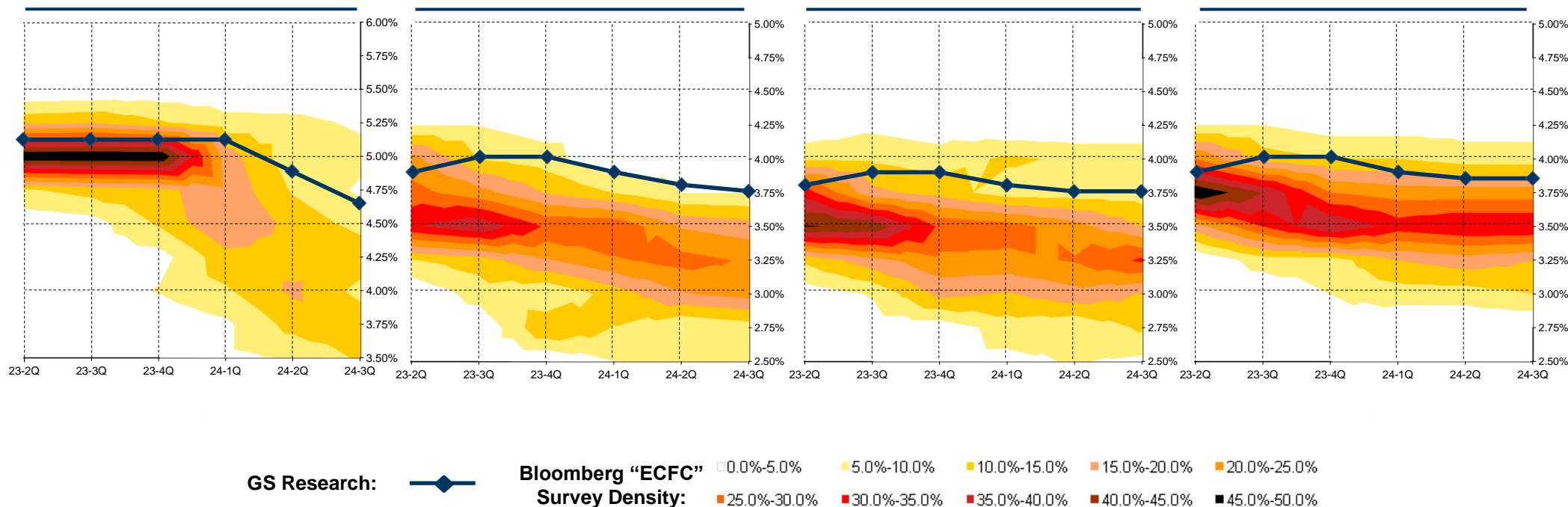
Source: GS Economic Research, GS Internal as of 05-May-23; Analysis provided for illustrative purposes only and is not reflective of future performance. This material is for discussion purposes only and does not purport to contain a comprehensive analysis of the risk/rewards of any idea or strategy herein.

Fed Funds¹

5Y US Treasury

10Y US Treasury

30Y US Treasury



GS Research Forecasts

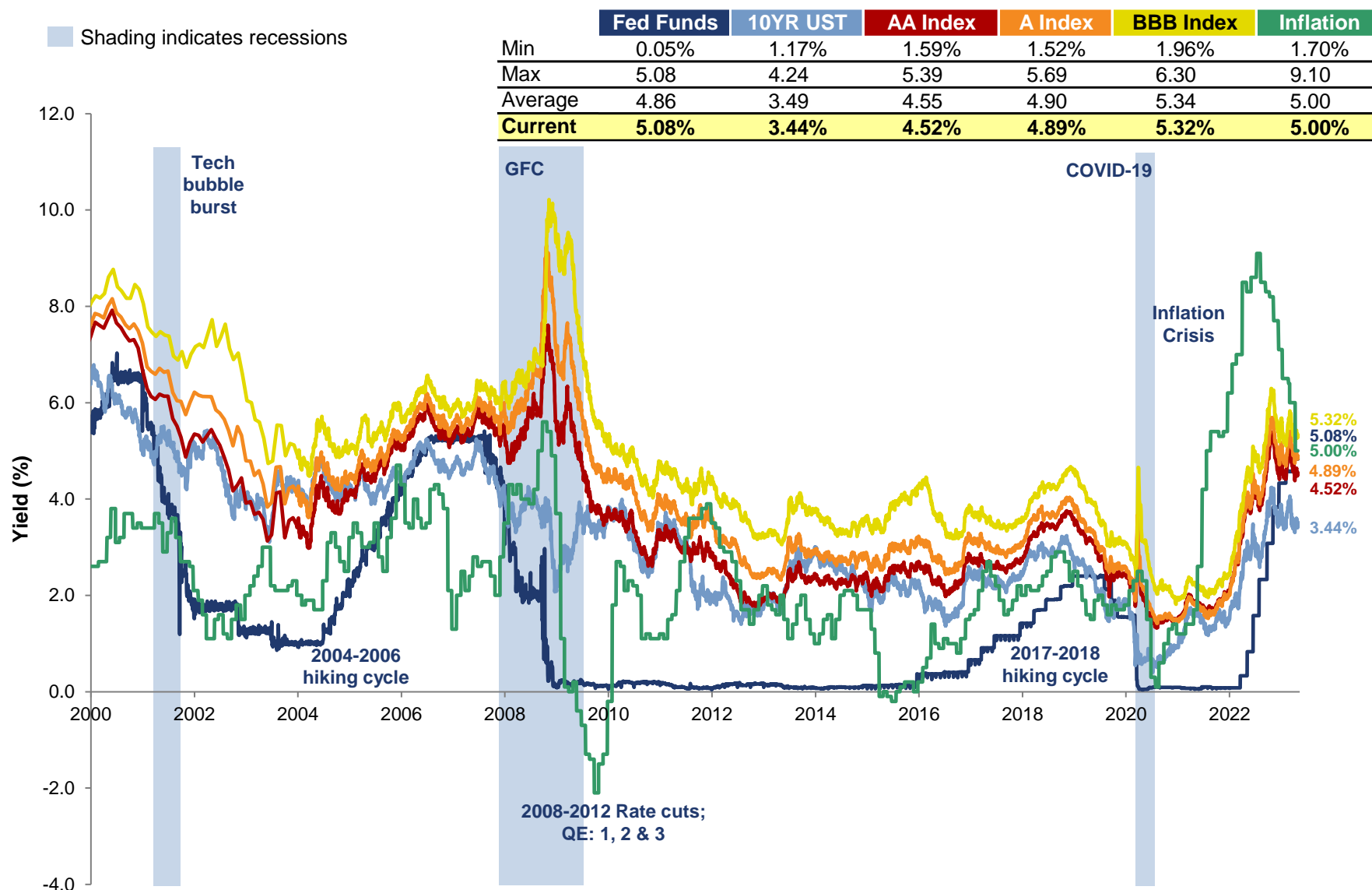
	2023Q2	2023Q3	YE 2023	2024Q1	2024Q2	2024Q3	YE 2024	2025Q1	2025Q2
Fed Funds	5.13%	5.13%	5.13%	5.13%	4.88%	4.63%	4.38%	4.13%	3.88%
3m LIBOR	5.60%	5.60%	5.60%	5.50%	5.25%	5.00%	4.80%	4.55%	4.25%
3m SOFR	5.00%	5.35%	5.35%	5.35%	5.30%	5.00%	4.80%	4.55%	4.30%
2Y UST	4.40%	4.50%	4.40%	4.20%	4.10%	3.90%	3.80%	3.60%	3.60%
5Y UST	3.90%	4.00%	4.00%	3.90%	3.80%	3.75%	3.70%	3.70%	3.70%
10Y UST	3.80%	3.90%	3.90%	3.80%	3.75%	3.75%	3.75%	3.75%	3.75%
30Y UST	3.90%	4.00%	4.00%	3.90%	3.85%	3.85%	3.85%	3.85%	3.85%

Source: Bloomberg Forecasts as of Apr-23, GS Research Apr-23. For illustrative purposes only. Past performance is not indicative of future results.

¹ Forecast shown is the midpoint of the projected fed funds range

Current US Borrowing Rates in Context

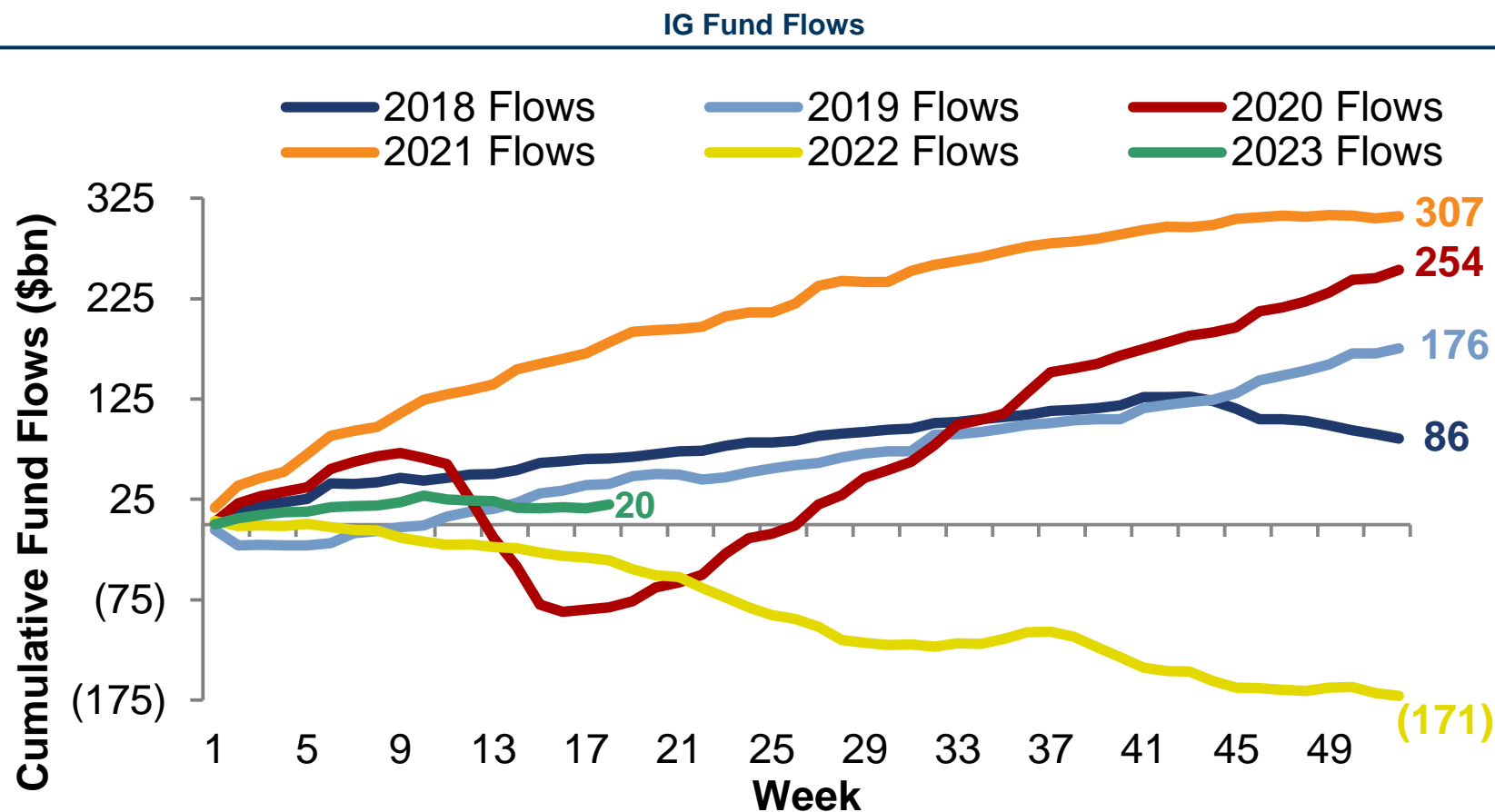
Yields Trading Stable to Lower Post-SVB Highs



Source: Advantage Data, Bloomberg, Bureau of Labor Statistics; data as of 5-May-2023. Note: Min, Max, and Average reflects period over last 2 years. Note: Inflation reflects YoY CPI.

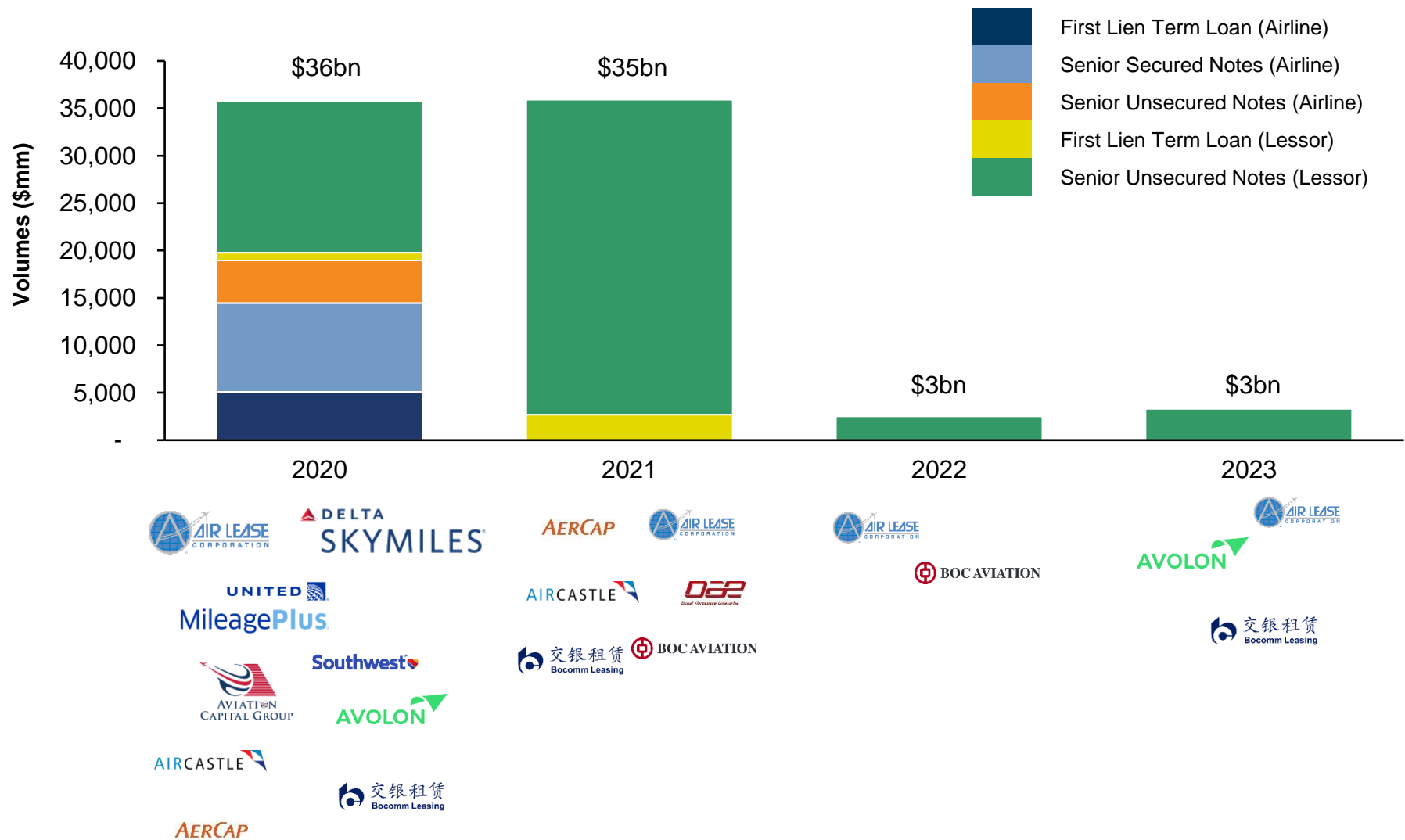
Investment Grade Volumes

2023 Net Inflows ~\$20bn | 2023 YTD Issuance Down 16.5% vs. 2022 YoY

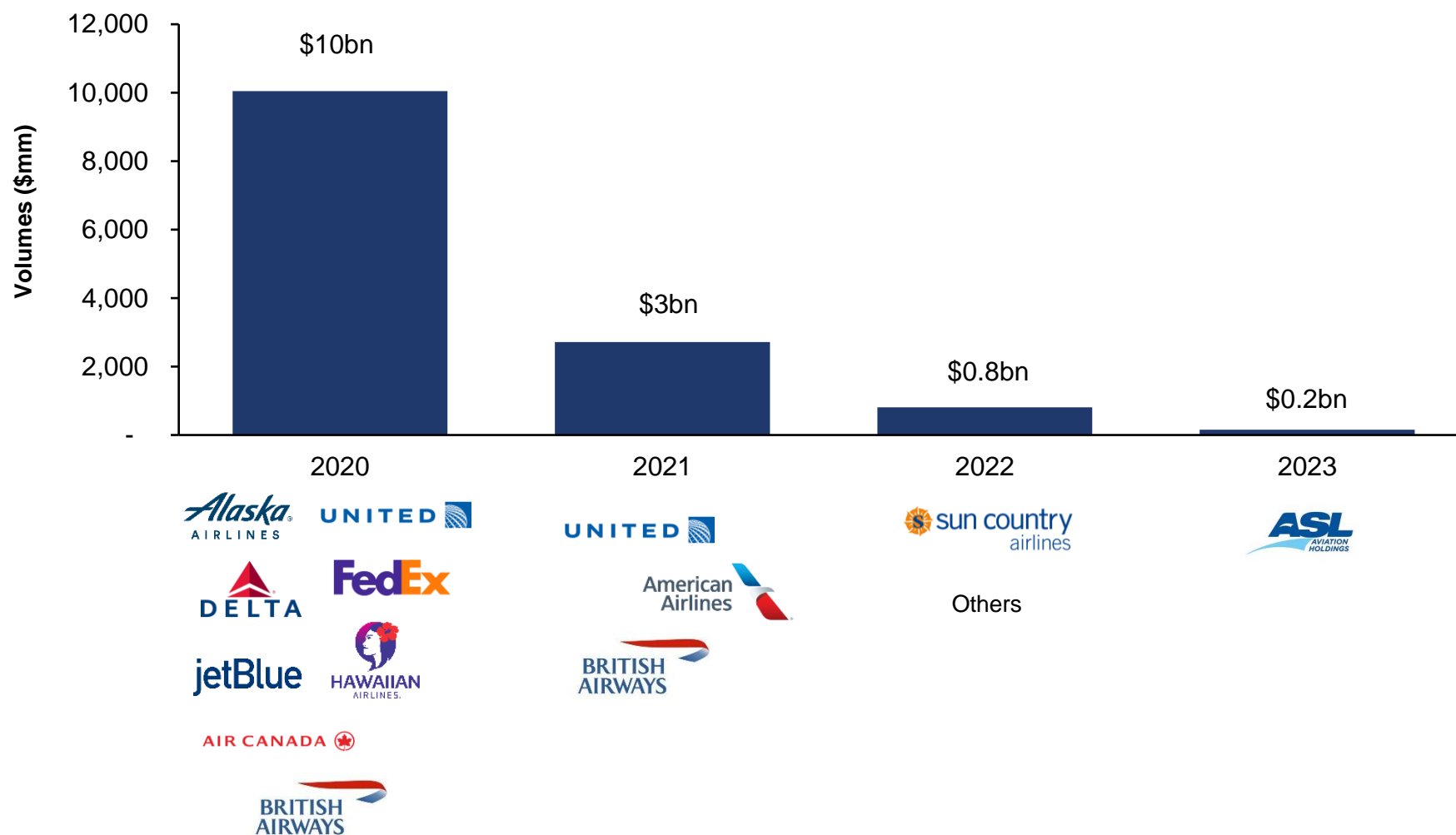


Investment Grade Aviation Issuer Volumes

Airlines and Lessors



For discussion purposes only. Reflects USD denominated issuances only. Does not include EETCs.



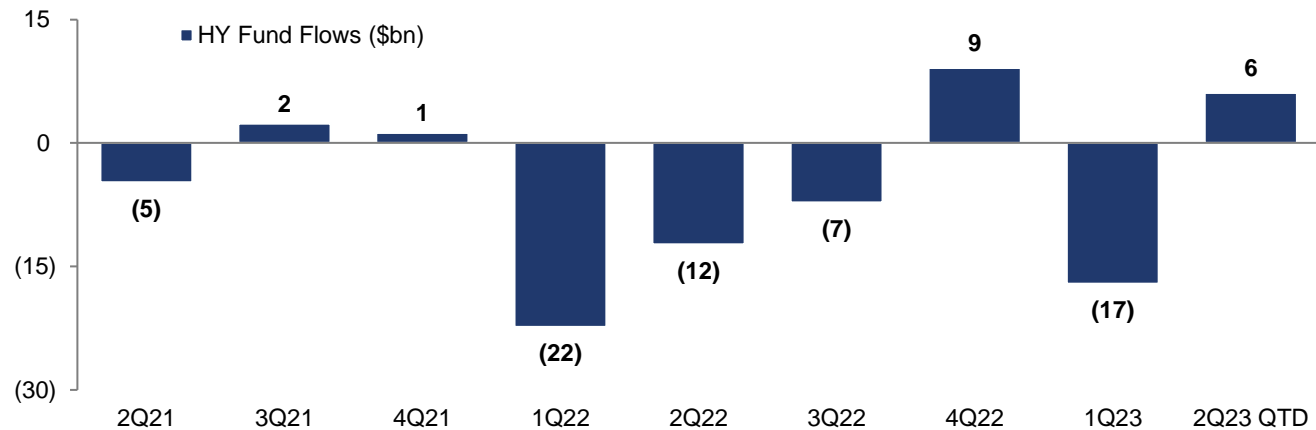
For discussion purposes only. Includes public transaction and some private placements

High Yield Volumes

CLO and HY Volumes Each Rise To \$6bn In 2Q23, while Leveraged Loans fall to net \$3bn in outflows

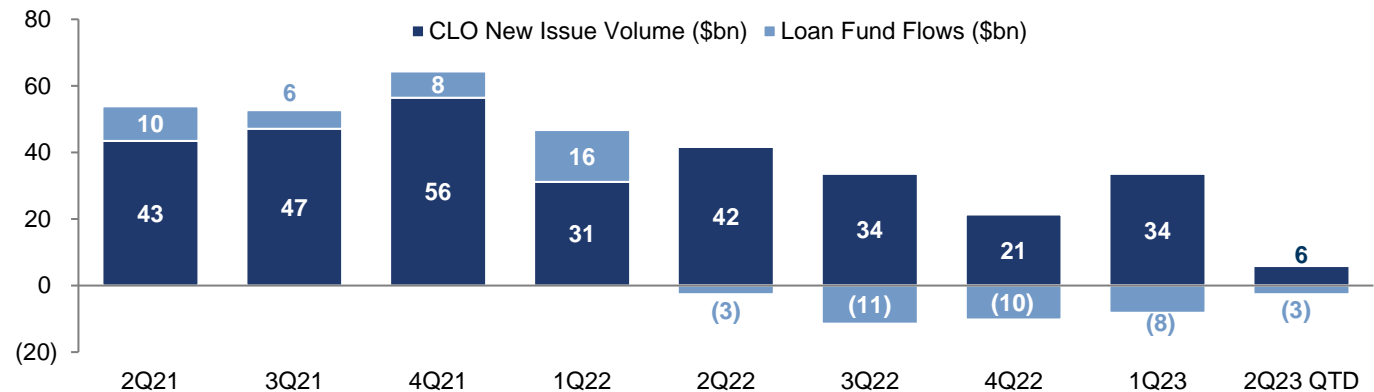
HY Fund Flows

**HY Primary
YTD Volumes**
2021: \$206.1bn
2022: \$56.6bn
2023: \$61.7bn



Leveraged Loans and CLO Fund Flows

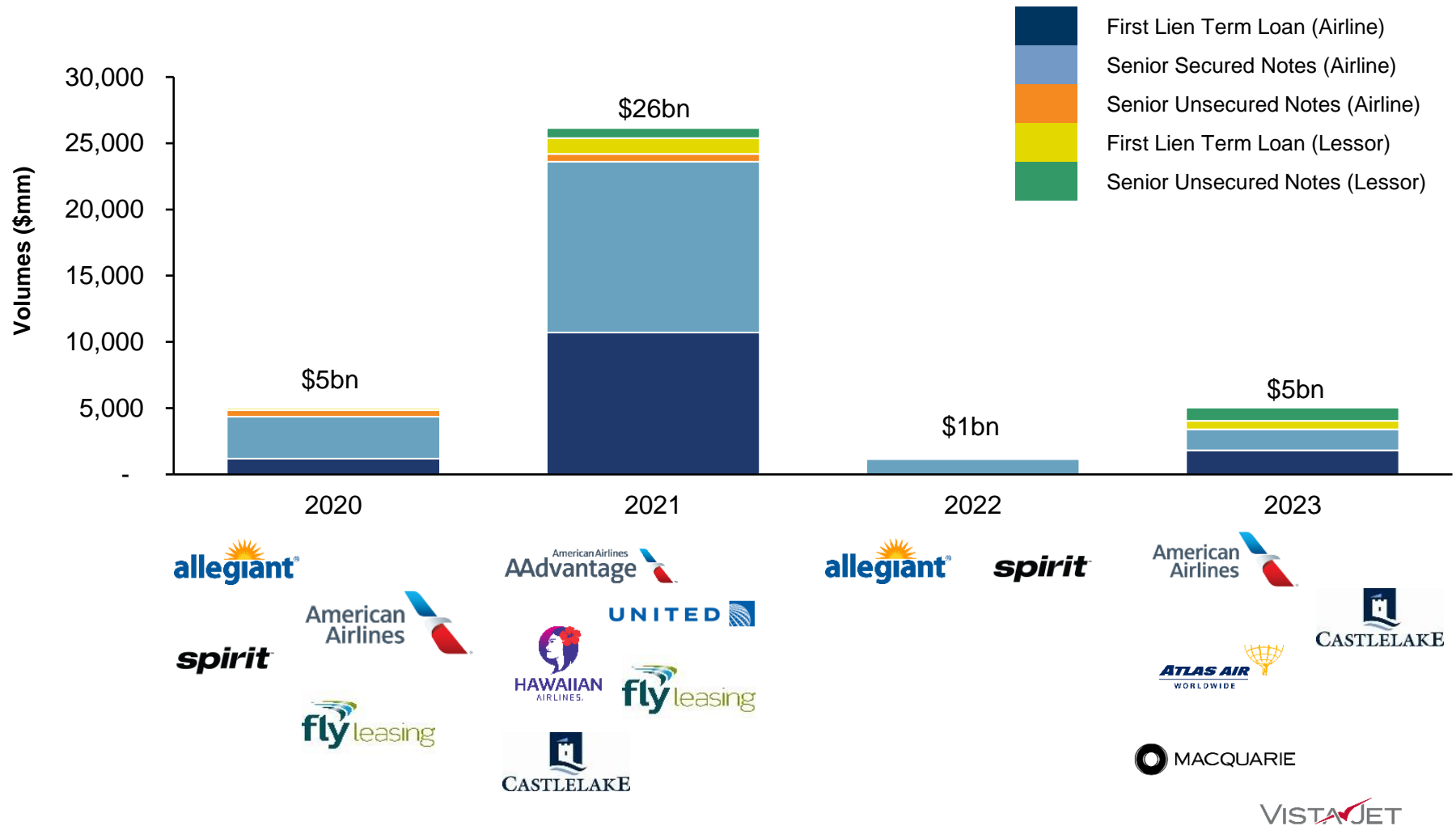
**Loan Primary
YTD Volumes**
2021: \$245.0bn
2022: \$147.7bn
2023: \$79.2bn



Source: Bloomberg, LCD News, AMG Data Services; Data as of 5-May-2023

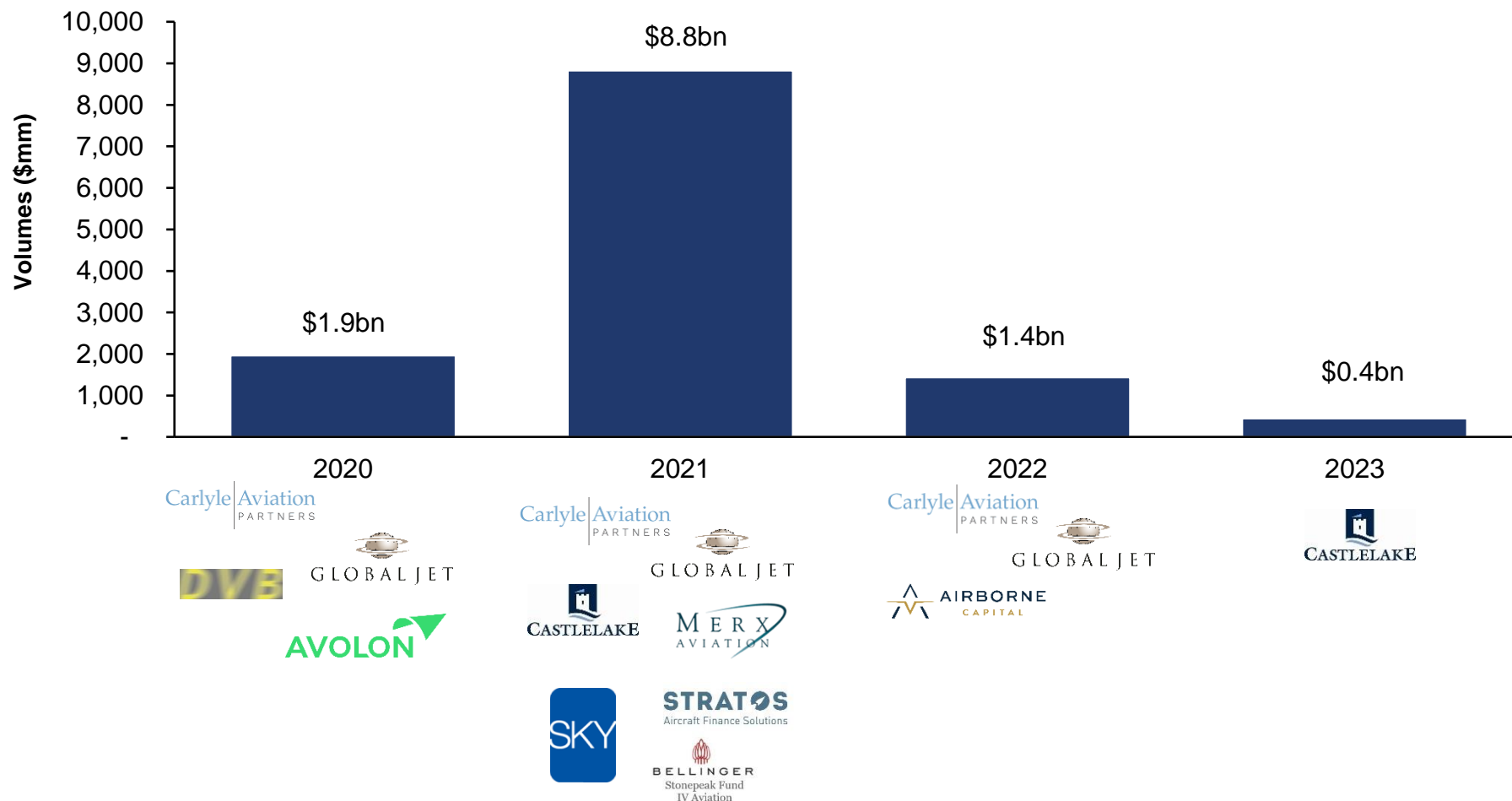
High Yield Aviation Issuer Volumes

Airlines and Lessors



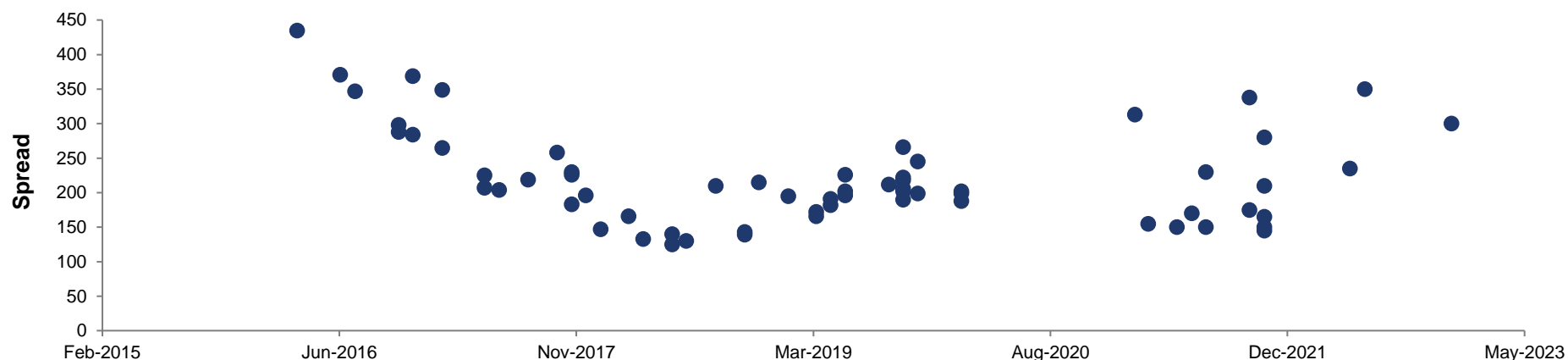
For discussion purposes only.

Aircraft / Aviation Loan ABS Volumes



For discussion purposes only.

Aircraft ABS New Issue Class A Pricing Over Time



Deal	Date	Yield	Spread	Deal	Date	Yield	Spread
AASET 2016-1	Apr-16	5.375%	+ 435 bps	PION 2019-1	May-19	4.000%	+ 191 bps
HAIL 2016-1	Jul-16	4.750%	+ 371 bps	AASET 2019-1	Jun-19	3.875%	+ 202 bps
CLAST 2016-1	Aug-16	4.500%	+ 347 bps	HORZN 2019-1	Jun-19	3.750%	+ 196 bps
AASET 2016-2	Nov-16	4.250%	+ 298 bps	SLVRR 2019-1	Jun-19	4.000%	+ 226 bps
BBIRD 2016-1	Nov-16	4.250%	+ 288 bps	WAVE 2019-1	Sep-19	3.625%	+ 212 bps
MERLIN 2016-1	Dec-16	4.750%	+ 284 bps	MACH 2019-1	Oct-19	3.500%	+ 218 bps
LAFL 2016-1	Dec-16	5.625%	+ 369 bps	AASET 2019-2	Oct-19	3.400%	+ 202 bps
FALCON 2017-1	Feb-17	4.625%	+ 265 bps	HORIZON 2019-2	Oct-19	3.450%	+ 190 bps
PROP 2017-1	Feb-17	5.375%	+ 349 bps	FALCON 2019-1	Oct-19	3.625%	+ 206 bps
TBOLT 2017-1	May-17	4.250%	+ 225 bps	RAPTOR 2019-1	Oct-19	4.250%	+ 266 bps
AASET 2017-1	May-17	4.000%	+ 207 bps	TBOLT 2019-1 (III)	Oct-19	3.700%	+ 222 bps
CLAST 2017-1	Jul-17	4.000%	+ 204 bps	TLWIND 2019-1	Nov-19	4.000%	+ 245 bps
S-JETS 2017-1	Aug-17	4.000%	+ 219 bps	START 2019-2 (III)	Nov-19	3.563%	+ 199 bps
METAL 2017-1	Oct-17	4.625%	+ 258 bps	AASET 2020-1	Feb-20	3.375%	+ 199 bps
HAIL 2017-1	Nov-17	4.250%	+ 230 bps	SAPA 2020-1 (II)	Feb-20	3.250%	+ 188 bps
WAVE 2017-1	Nov-17	3.875%	+ 183 bps	LUNRR 2020-1	Feb-20	3.400%	+ 202 bps
SPRITE 2017-1	Nov-17	4.375%	+ 226 bps	CLAS 2021-1	Feb-21	3.500%	+ 313 bps
KDAC 2017-1	Dec-17	4.250%	+ 196 bps	BJETS 2021-1	Mar-21	2.172%	+ 155 bps
AASET 2018-1	Jan-18	3.875%	+ 147 bps	SLAM 2021-1	May-21	2.447%	+ 150 bps
SAPA 2018-1 (I)	Mar-18	4.300%	+ 166 bps	MAPS 2021-1	Jun-21	2.535%	+ 170 bps
MAPS 2018-1	Apr-18	4.250%	+ 133 bps	BBIRD 2021-1	Jul-21	2.456%	+ 150 bps
CLAS 2018-1	Jun-18	4.187%	+ 125 bps	CLAS 2017-1R	Jul-21	2.757%	+ 230 bps
STARR 2018-1 (I)	Jun-18	4.335%	+ 140 bps	SALT 2021-1	Oct-21	2.690%	+ 175 bps
TBOLT 2018-1	Jul-18	4.183%	+ 130 bps	STELR 2021-1	Oct-21	4.000%	+ 338 bps
ZCAP 2018-1	Sep-18	5.153%	+ 210 bps	AASET 2021-1	Nov-21	3.236%	+ 210 bps
AASET 2018-2	Nov-18	4.500%	+ 139 bps	SOLRR 2021-1	Nov-21	2.651%	+ 150 bps
HORZN 2018-1	Nov-18	4.500%	+ 143 bps	NAVTR 2021-1	Nov-21	2.788%	+ 165 bps
Kestrel 2018-1	Dec-18	4.976%	+ 215 bps	SPRTE 2021-1	Nov-21	4.000%	+ 280 bps
MAPS 2019-1	Feb-19	4.500%	+ 195 bps	AASET 2021-2	Nov-21	2.815%	+ 145 bps
CLAS 2019-1	Apr-19	4.000%	+ 166 bps	BJETS 2022-1	May-22	5.323%	+ 235 bps
STARR 2019-1 (II)	Apr-19	4.125%	+ 172 bps	AASET 2022-1	Jun-22	6.558%	+ 350 bps
JOL-AIR 2019-1	May-19	4.000%	+ 182 bps	MAST 2022-1	Dec-22	7.000%	+ 300 bps

Note: For illustrative purposes only. Past performance is not indicative of future results Source: Morningstar, FINRA, Finsight

Summary of Recent Secured Issuances

Date	Issuer	Product	Market	Rating (M / S / F / K)	Deal Size (\$mm)	Structure	Final Coupon
June-22	Carlyle AASET 2022-1	Aircraft ABS	144A	A3 / - / - / A	522 67%	ABS	6.6% (+350bps)
Dec-22	Airborne MAST 2023-1	Aircraft ABS	Private Placement	- / - / - / A-	304 61% LTV	ABS	c. 7% (+300bps)
Feb-23	Atlas Air	Senior Secured Note Leveraged Loan	High Yield and Term Loan B	Ba1 / BB / BB+ Ba1 / BB / BB+	800 850	101 soft call NC3	S + 425bps @ 97 8.50%
Feb-23	American Airlines	Senior Secured Note Leveraged Loan	High Yield and Term Loan B	Ba3 / B- / B	1,000 750	101 soft call NC2	7.25% S + CSA + 275bps @ 98
Feb-23	Castlelake	Add-on TLB	Leveraged Loan	Ba3 / BB / BB+ / BBB-	635 68% LTV	101 soft call	S + 275bps @ 99.25
Mar-23	Castlelake	Non-recourse CLO	Private Placement	-	446 77% LTV	NC2	-
Mar-23	ASL	EETL	Private Placement	-	155	NC2	S + 385bps
Total					\$4,940		

For discussion purposes only.

Summary of Recent Unsecured Issuances

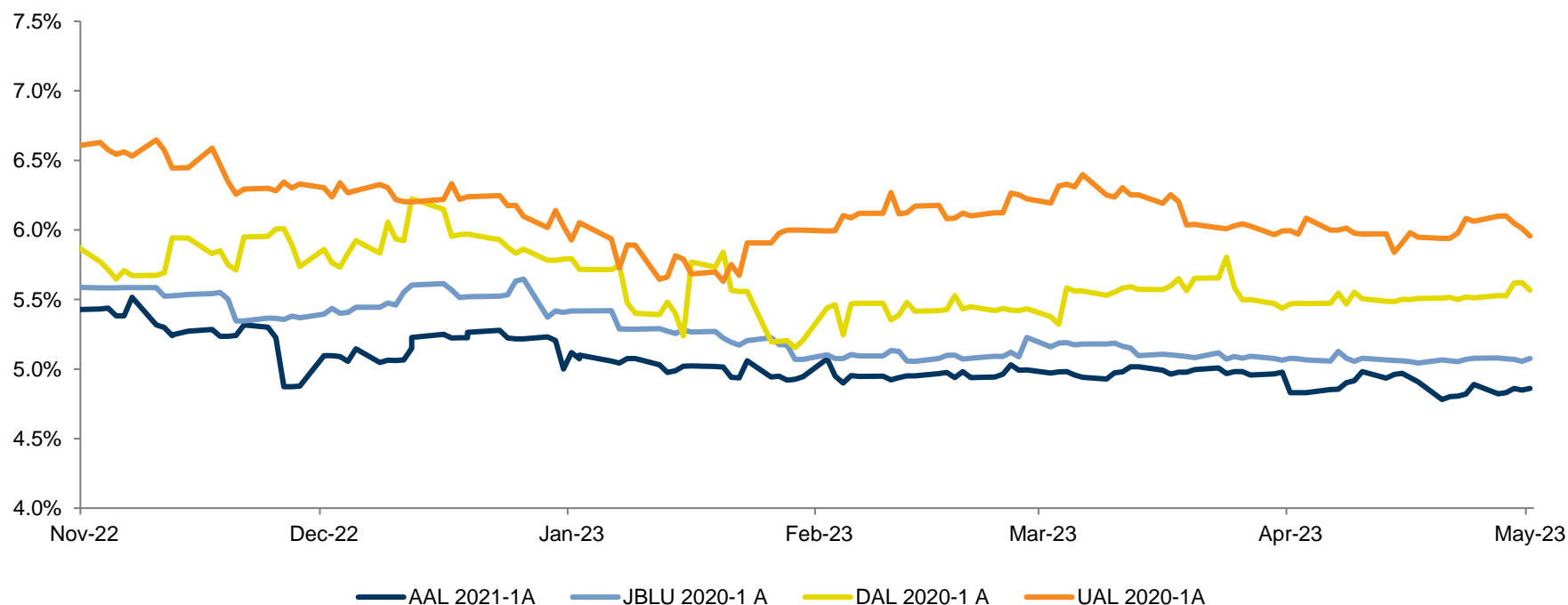
Date	Issuer	Product	Market	Rating (M / S / F / K)	Deal Size (\$mm)	Structure	Final Coupon
Jan-23	Air Lease Corp	Unsecured	IG	- / BBB / BBB	\$700	5NCL	5.3%(+190)
Mar-23	Aviation Capital Group	Unsecured	IG	Baa2 / BBB- / -	\$600	5NCL	6.25% (+275)
Apr-23	Macquarie AirFinance	Unsecured	High-Yield	- / BB+ / BB	\$500	5NC2	8.375%
Apr-23	BOC Aviation	Unsecured	IG	- / A- / A-	\$500	10NCL	4.875% (+160bps)
Apr-23	SMBC Aviation	Unsecured	IG	- / A- / BBB+	\$650	5NCL	5.450% (+200)
May-23	Avolon	Unsecured	IG	Baa3 / BBB- / BBB-	\$750	5NCL	6.375% (+300bps)
May-23	VistaJet	Unsecured	High-Yield	B3 / B- / BB-	\$500	5NC2	9.500% (@ 98.998 OID to Yield 9.750%)
Total					\$5,556		

- On the airline side, the unsecured bond market has had limited issuance – two international transactions (Air France and China Eastern) priced in 2023, while US domestic carriers have not issued since August 2022
- The unsecured market has remained open and active for leasing companies, both investment grade and high yield names

For discussion purposes only.

Airline Enhanced Equipment Trust Certificates

Class A Yield | Last 6 Months

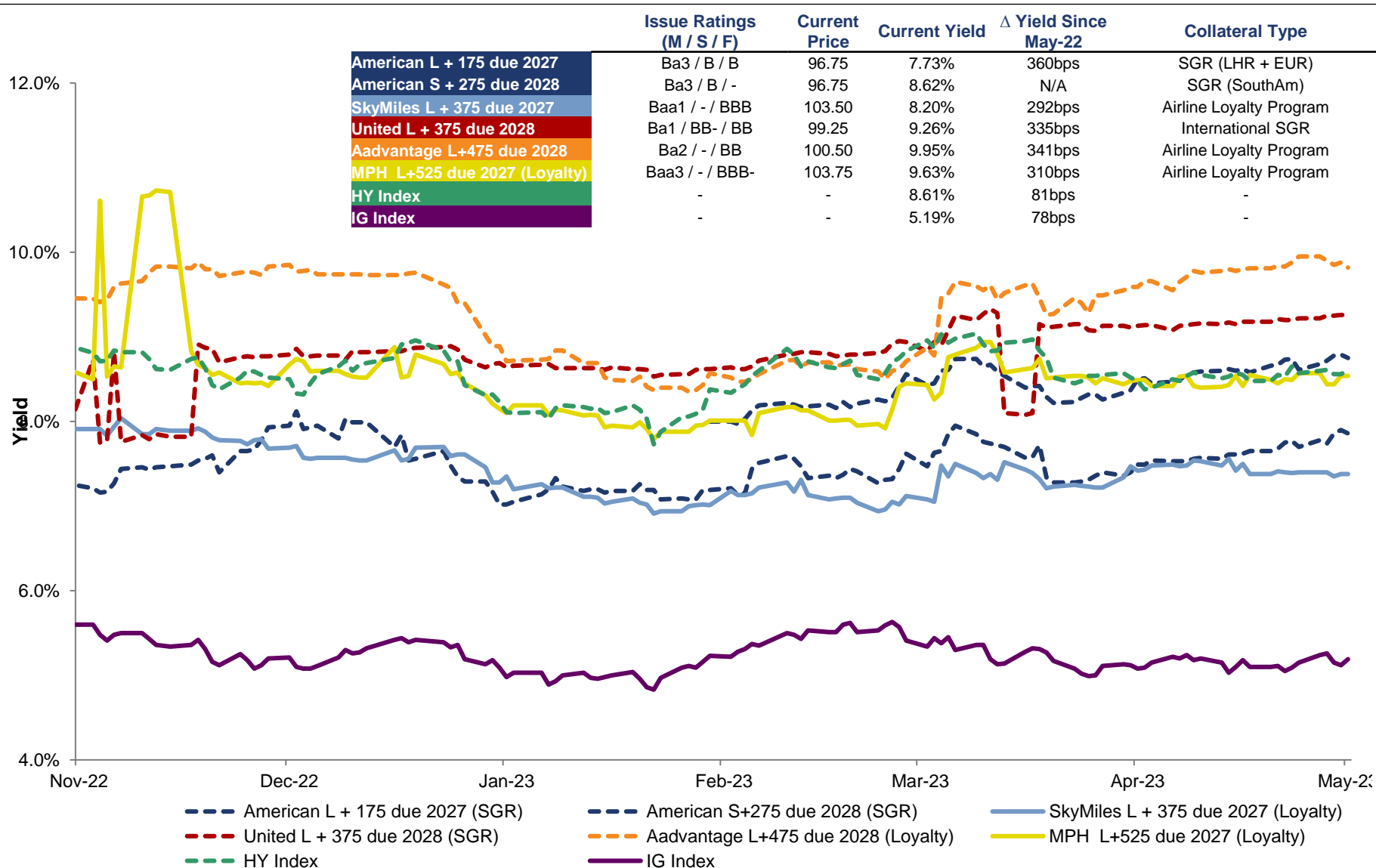


Key Trading Data

	Ratings (M / S / F)	Initial LTV	Current Price	Current Spread	Current Yield	Δ in Spread Since May-22	Δ in Yield Since May-22	Collateral
AAL 2021-1 2.875% due 2034	Baa1 / A- / A	54%	81.75	278bps	4.88%	39bps	50bps	A321-253NX (81%), E175 LR (19%); ~0.1 yrs
JBLU 2020-1 4.000% due 2032	A2 / - / A	59%	91.97	243bps	5.08%	3bps	53bps	A321-231 (63%), A321-271NX (37%); ~3.0 yrs
DAL 2020-1 2.500% due 2028	A3 / BBB / -	68%	86.62	373bps	5.57%	128bps	133bps	A321-211 (14%), A330-302 (33%), 737-932ER (53%); ~4.5 yrs
UAL 2020-1 5.875% due 2027	A3 / A+ / -	52%	99.00	277bps	5.96%	32bps	28bps	352 Aircraft; ~19.0 yrs 99 Spare Engines and United's Spare Part Inventory

Airline Term Loan B Comparables

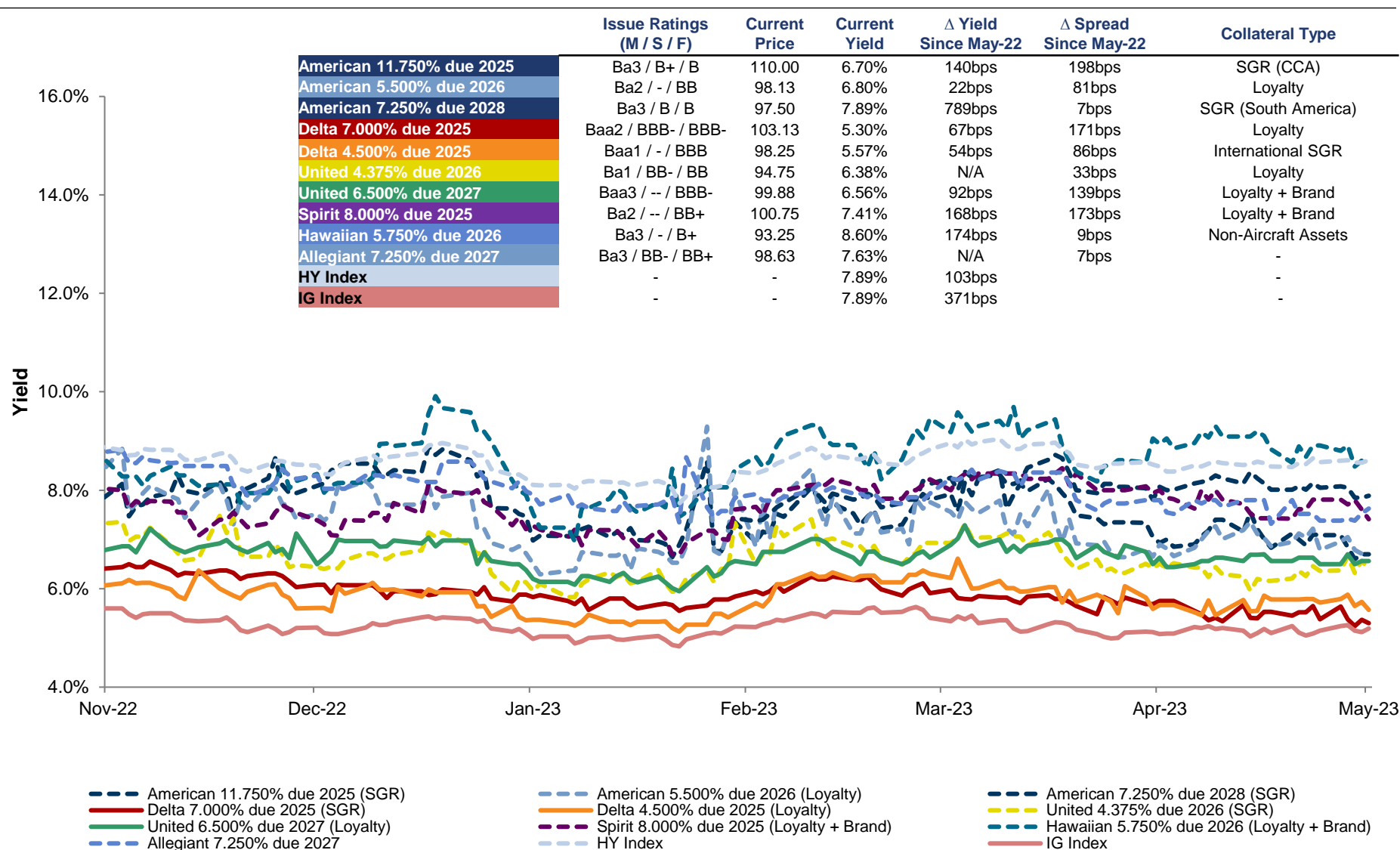
Yield | Last 6 Months



For illustrative purposes only. Past performance not indicative of future results. Dotted lines indicate high yield, solid lines indicate investment grade. Source: Bloomberg as of 05/12/2023

Airline Secured Notes Comparables

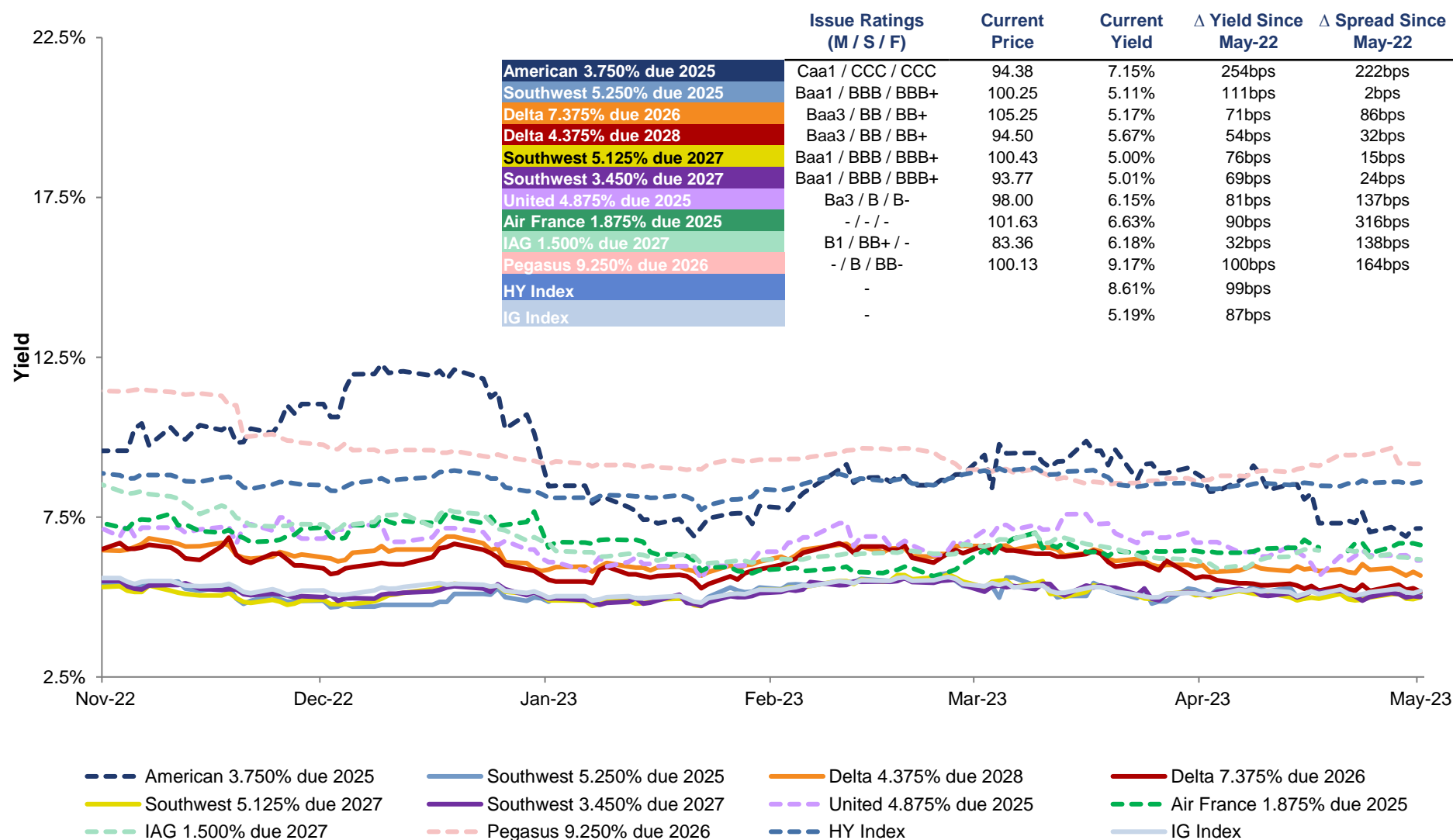
Yield | Last 6 Months



For illustrative purposes only. Past performance not indicative of future results. Dotted lines indicate high yield, solid lines indicate investment grade. Source: Bloomberg as of 05/12/2023

Airline Unsecured Notes

Yield | Last 6 Months

INVESTMENT
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For illustrative purposes only. Past performance not indicative of future results. Dotted lines indicate high yield, solid lines indicate investment grade. Source: Bloomberg as of 05/12/2023

Bank Market and Private Lending

Banks and Alternative Lenders Have Provided Capital in place of the Capital Markets

- The halt in the capital markets across markets has created a temporary funding gap in the aviation sector

Bank Market

- Airlines and lessors leaned heavily on their banking relationships to raise financing at a more efficient rate than the capital markets
- These financings include upsize and extensions of warehouse and revolving credit facilities, non-recourse term lending, IG style bridge financings to support acquisitions
- While banks continue to support their clients via in well-structured facilities, capacity in the market is fixed

Private / Alternative Lending

- Alternative (non-bank) lenders continue to emerge to fill the gap for financings, especially for lessors as ABS markets have remained shut through 2023
- Some of the active names are as follows:

APOLLO

PK AirFinance



Muxinich & Co

AshlandPlace

CASTLELAKE



"We have seen instances where the bond markets shut down, where traditional investors haven't been able to buy a certain security, and where the bank markets weren't able to do something that was in the capital markets, when alternative lenders – usually private equity-backed credit funds – stepped up and were able to provide funds in significant size, and receiving very attractive yield for their efforts while filling an important role"

- Greg Lee, Head of Transportation, Goldman Sachs

"Aviation industry provides ample opportunity for alternative lenders who really understand how to effectively structure and execute transactions and provide airlines and leasing companies with attractive debt financing. With this, we believe demand for creative financing solutions will remain high for many years, and the ability to provide tailored solutions is likely to differentiate industry participants."

- Evan Carruthers, Managing Partner and Chief Investment Officer at Castllake

Appendix A: Case Studies



ASL Aviation Holdings Prices \$155 million Enhanced Equipment Trust Loans

Priced March 22nd, 2023 | Goldman Sachs Served as Sole Structuring & Placement Agent

Transaction Summary (Tranche A-2)

Facility	■ \$155mm Enhanced Equipment Trust Loans
Issuer	■ ASL Aviation Holdings
Principal Amount	■ \$155,000,000
Initial WAL / Tenor	■ 4.3 years / 5.5 years
Legal Maturity	■ 7.0 years
Spread	■ SOFR + 385bps
Amortization	■ 10% per annum
PIK Period	■ Defer up to 18 months of interest payments
Collateral	<ul style="list-style-type: none"> ■ Incremental debt is secured by 10x B737-800s, cross-collateralized with the existing 21x aircraft ■ The portfolio is strategically core to ASL's overall fleet and has an average age of 18.7yrs
LTV	<ul style="list-style-type: none"> ■ 55% on passenger aircraft to be converted ■ Lower of 75% of appraised value and 78% of purchase price on freighter aircraft
Delayed Draw	■ Yes

Company Overview

- ASL Aviation Holdings is a global aviation services company with seven airlines based in Europe, South Africa and Asia and is a world leader in ACMI airline operations and both scheduled and charter cargo and passenger services
 - ASL Aviation Holdings airlines operate cargo services for the world's leading express parcel integrators and online retailers
- ASL has a global team of 2,500 people of 51 nationalities. The Group has a fleet of 140 aircraft that includes 7 aircraft types ranging from the turbo prop ATR 72 to the Boeing 747

Transaction Overview

- Goldman Sachs underwrote the Term Loan in February 2021 for \$125mm, which was upsized in June 2022 by \$75mm for a total commitment of \$200mm. In the second half of 2022, \$75mm of the facility was syndicated (Tranche A-1)
- The \$155mm Pass-Through tranche will be pari passu and cross-collateralized with the existing ~\$185mm Term Loan tranche (Tranche A-2)
- The transaction priced amid an extremely volatile market backdrop at SOFR +385bps

Advance

Unique EETC structure to support conversion of passenger aircraft to freighter aircraft with increasing advance as construction milestones are hit & LTV topping out once the converted aircraft enters service

Delayed Draw

The transaction utilizes a delayed draw feature on the Pass-Through tranche, with a 15-month delayed draw period & 1 draw per month

Collection Account

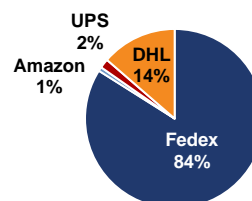
Revenues from key contracts (for Tranche A-1) and a proportionate share pledged by ASL as drawdowns progress in a monthly security account (for Tranche A-2)

Covenant package

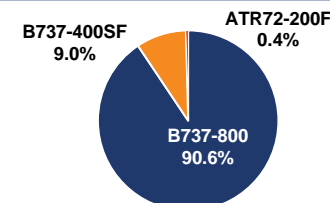
Financial covenants including LTV tests and revenue thresholds, and corporate covenants including leverage and liquidity tests

Portfolio Summary

Contract Counterparty



Aircraft Type



American Airlines, Inc. \$750mm Senior Secured Notes and \$1bn Senior Secured Term Loan B

Goldman Sachs acted as Structuring Agent and Joint Lead Arranger and Bookrunner

Transaction Overview

- On February 8, 2023, American Airlines, Inc. (the "Company") priced \$1.75bn across a \$1 billion 5-year Amended and Extended Term Loan B ("A&E Term Loan B") and \$750 million 5-year Senior Secured Notes
- Collateral package comprised of substantially all of the take off and landing slots, foreign gate leaseholds, and route authorities used by the Company to provide scheduled services to and from South America and New Zealand (the "South American SGR" or the "Collateral Package")
- Proceeds from the offering were used to pay down the Company's existing \$1,752 million Term Loan B due 2025, which is currently secured by the Collateral Package
- Key terms remained largely unchanged from the refinanced Term Loan B due 2025 with select credit enhancing modifications, including (i) elimination of the ability to substitute Core Collateral (ii) addition of semi-annual appraisals and LTV tests
- Goldman Sachs acted as Joint Structuring Agent, Lead Arranger and Bookrunner**

Pro Forma Capital Structure

	As of 30-Sep-22 ¹			Pro Forma							
CCR: B2 / B- / B- (Stable / Stable / Stable)	Amount	X LTM EBITDAR	Δ	Amount	X LTM EBITDAR		Pricing	Floor	OID	Ratings	Maturity
Cash & Short-Term Investments	\$ 10,057		\$(52)	\$ 10,005							
Sr. Secured Revolving Credit Facilities (\$2,843mm)	-			-			L + 2.00 %			Various	Oct-24
2013 Term Loan B (LatAm)	1,752		(1,752)	-			L + 1.750 %	0.000 %		Ba3 / B- / B	Jun-25
A&E Term Loan B (LatAm)	-	1,000		1,000			S + 2.75 %	0.500 %	98	Ba3 / B- / B	Feb-28
New Senior Sec. Notes (LatAm)	-		750	750			7.25%			Ba3 / B- / B	Feb-28
2014 Term Loan B (LHR + EUR)	1,196			1,196			L + 1.750 %	0.000 %		Ba3 / B- / B	Jan-27
11.750% Senior Sec. Notes due 2025	2,500			2,500			11.750 %			Ba3 / B / NR	Jul-25
10.750% Senior Sec. IP Notes due 2026	1,000			1,000			10.750 %				Feb-26
10.750% Senior Sec. LGA/DCA Notes due 2026	200			200			10.750 %				Feb-26
5.500% Senior Sec. Notes (AAdvantage) due 2026	3,500			3,500			5.500 %			Ba2 / NR / BB	Apr-26
AAdvantage Term Loan Facility	3,500			3,500			L + 4.750 %	0.750 %		Ba2 / NR / BB	Apr-28
5.750% Senior Sec. Notes (AAdvantage) due 2029	3,000			3,000			5.750 %			Ba2 / NR / BB	Apr-29
Aircraft EETCs	9,352			9,352			2.88% to 7.13%				2022-2034
Other Debt	5,018			5,018			Various				Various
Total Secured Debt	\$ 31,018	9.2 x		\$ 31,016	9.2 x						
Net Secured Debt	20,961	6.2		21,011	6.2						
3.750% Senior Notes due 2025	500			500			3.750 %			Caa1 / CCC / CCC	Mar-25
6.500% Convertible Notes	1,000			1,000			6.500 %				Jul-25
Promissory Notes	3,746			3,746							
Total Debt	\$ 36,264	10.7 x		\$ 36,262	10.7 x						
Net Debt	26,207	7.7		26,257	7.8						
Operating Lease Liabilities	7,748			7,748							
Total Adj. Debt with Operating Leases	\$ 44,012	13.0 x		\$ 44,010	13.0 x						
Market Capitalization (as of 31-Jan-2023)	10,489			10,489							
Total Capitalization	\$ 54,501	16.1 x		\$ 54,499	16.1 x						
Enterprise Value	44,444	13.1		44,494	13.1						
2019A EBITDAR	\$ 7,382										

¹ Assumes \$1,188 million Term Loan B due 2023 was prepaid with cash from balance sheet in December 2022.

² As of Q3 2022

Company Overview

- Headquartered in Fort Worth, Texas, American Airlines is the world's largest airline as measured by total fleet size and passengers carried
- American has hubs and gateways in Charlotte, Chicago, Dallas/Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix and Washington, D.C. and partner gateways, including in London, Doha, Madrid, Seattle/Tacoma, Sydney and Tokyo (among others)
- American is a founding member of the oneworld® alliance and American's cargo division provides a wide range of freight and mail services, with facilities and interline connections available across the globe
- 2022 Revenue and LTM EBITDAR² of ~\$49bn and ~\$3.4bn, respectively

Transaction Highlights

- ✓ Robust Collateral Package of SGR in South America, a high growth market where American has the #1 market share and substantial opportunities to expand
- ✓ The Transaction demonstrates Goldman Sachs' ability to continue to drive strong execution in the airline sector

Key Terms

Borrowers / Issuers	American Airlines, Inc. (the "Borrower")	
Parent	American Airlines Group Inc. ("AAG")	
Ranking	Senior Secured	
Maturity	5 years (February 2028)	
Facility Ratings	Ba3 / B- / B (Moody's / S&P / Fitch)	
Facility	Secured Term Loan	Secured Notes
Amount	\$1.0 billion	\$750 million
Pricing	S + CSA + 275 (0.5% Floor)	7.25%
Issue Price	98.00	Par
Yield	8.1%	7.25%
Call Protection	101 soft call 6-months	NC2, Par+50, Par+25, Par
Amortization	1% per annum	-

Atlas Air Worldwide \$800mm Term Loan B and \$850mm Secured Notes

Goldman Sachs Served as Lead Left Arranger and Joint Lead Bookrunner | Priced February 9, 2023

Transaction Overview

- On February 9, 2023, Atlas Air Worldwide Holdings Inc. ("Atlas Air" or the "Company") (NASDAQ: AAWW) successfully priced a \$800 million First Lien Term Loan B and \$850 million First Lien Senior Secured Notes
 - Net proceeds from the new debt, along with ~\$1.6 billion rolled existing Atlas debt, ~\$878 million new preferred equity and ~\$1.5 billion new common equity, support the acquisition of Atlas by Apollo Global Management, J.F. Lehman & Hill City Capital (the "Consortium")
- Key Transaction Highlights:**
 - Extensive collaboration with the Company and Consortium to craft a tailored credit story and marketing message for Atlas' inaugural Leveraged Finance offering
 - GS devised unique, bespoke and atypical transaction structure with high-quality hard collateral, resulting in BB average ratings outcome (despite sponsor ownership), enhancing distribution into traditional Leveraged Finance market
 - Targeted pre-marketing process resulted in advanced interest ahead of formal launch and drove meaningful oversubscription during syndication
 - Rigorous marketing effort on the Term Loan built momentum across both tranches, leading the transaction to upsize in market and price inside initial price talk

Company Overview

- Atlas Air is a leading global provider of outsourced aircraft and aviation operating services focused on the attractive air cargo sector
 - The Company operates the world's largest fleet of 747 freighters and provides customers a broad array of 747, 777, 767 and 737 aircraft for domestic, regional and international cargo
 - For the LTM period ending September 30, 2022, Atlas generated Revenue and Pro Forma Adj. EBITDA of \$4,505 million and \$1,301 million, respectively (~29% margin)
- On August 4, 2022, Atlas entered into a definitive agreement to be acquired by an investor group led by funds managed by the Consortium for total consideration of ~\$5.6 billion
 - In the all-cash transaction, Atlas shareholders will receive \$102.50 per share in cash, representing a 57% premium to the 30-day volume weighted average trading price of Atlas Air common stock as of July 29, 2022
- Pro forma for the transaction, the Company will have Total and Net Leverage of 2.5x and 2.4x, respectively, based on LTM Pro Forma Adjusted EBITDA²
 - The First Lien Senior Secured debt is supported by a high-quality collateral package at an ~1.6x funded Collateral Coverage Ratio at close

	Term Loan B	Senior Secured Notes
Borrower / Issuer	• Rand Parent, LLC	
Security	• First Lien Senior Secured	
Corporate Rating	• Ba1 (stable) / BB- (stable) / BB (stable) (M / S / F)	
Tranche Rating	• Ba1 / BB / BB+	• Ba1 / BB / BB+
Amount	• \$800 million	• \$850 million
Tenor	• 7 years	• 7 years
Pricing	• SOFR (0.00%) + 4.25%	• 8.50%
Issue Price	• 97.00	• 100.00
Yield¹	• 9.75%	• 8.50%
Call Protection	• 101 "soft" call for 6 months	• Non-call 3 years

PF Capitalization

(\$ in millions)	Amount	Pro Forma Adj. EBITDA ²	% of Total Capitalization	Tenor
Cash & Cash Equivalents	\$119			
New Revolver (\$300 million)	–			5 years
New Term Loan B	800		14%	7 years
New Senior Secured Notes	850		15%	7 years
Rolled Existing Atlas Debt	1,564		28%	Various
Total Debt	\$3,214	2.5x	57%	
Net Debt	3,096	2.4x		
New Preferred Equity	878		16%	
New Common Equity	1,500		27%	
Total Capitalization	\$5,592	4.3x	100%	
Enterprise Value	5,474	4.2x		
LTM 30-Sep-2022 PF Adj. EBITDA²	\$1,301			

¹ Yield on Term Loan B based on 3-month SOFR of ~4.753% as of 09-Feb-23; ² Based on midpoint of FYE 31-Dec-22 PF Adj. EBITDA of ~\$1.2 billion, total and net leverage would be 2.7x and 2.6x, respectively; PRIVATE AND CONFIDENTIAL. This document is being sent to you for your information only as an investment banking client of Goldman Sachs and should not be forwarded outside of your organization. This document has been prepared by the Investment Banking Division and is not a product of the research department of Goldman Sachs. This document should not be used as a basis for trading in the securities or loans of the companies named herein or for any other investment decision. This document does not constitute an offer to sell the securities or loans of the companies named herein or a solicitation of proxies or votes and should not be construed as consisting of investment advice.

Castlelake Aviation Limited Prices \$635 million Incremental Term Loan B

Priced February 14, 2023 | Goldman Sachs Served as Lead Left Arranger and Bookrunner

Transaction Overview

- On February 14th, 2023, Castlelake Aviation Limited ("Castlelake Aviation") successfully priced a \$635mm Incremental Term Loan B transaction. Proceeds will be used to refinance existing debt and for general corporate purposes
- The Incremental Term Loan B is secured by a diversified portfolio of 21 aircraft ("Additional Collateral") which will be cross-collateralized with the existing pool of 54 aircraft (the "Existing Collateral"), for a total portfolio of 75 aircraft
- The Incremental tranche will have a maturity date of October 2027, 1-year beyond the maturity date of the existing Term Loan B tranche
- The Incremental offering is governed by the same covenants as the existing Term Loan B and will be secured by the shared collateral pool, with an initial advance of 68% on Additional Collateral
- Key Transaction Highlights**
 - Transaction was met with strong demand from both existing and new investors to help drive meaningful oversubscription early in the process
 - Final pricing of S + 275 @ 99.25 OID was meaningfully tightened from initial talk of S + 300 @ 98.5 OID
 - Transaction represents the tightest print for a Ba3/BB- borrower since 2Q 2022
- Goldman Sachs acted as Left Lead Arranger and Bookrunner**

Summary Term Sheet

Facility		\$635 million Incremental Term Loan
Borrowers	■ Castlelake Aviation One Designated Activity Company and Castlelake Aviation One LLC	
Corporate Ratings	■ Ba3 / BB- / BB / BB+ (M / S / F / K)	
Secured Facility Ratings	■ Ba3 / BB / BB+ / BBB- (M / S / F / K)	
Size	■ \$635mm (68% Initial Advance on Additional Collateral)	
Collateral	■ 75x aircraft, portfolio of 21x Additional Collateral cross-collateralized with the 54x Existing Collateral	
Tenor (Maturity)	■ October 2027	
Margin	■ S + 275	
OID	■ 99.25	
Amortization	■ 1% per annum	
Call Protection	■ 101 "soft call" for 6 months	
Maintenance Covenants	■ LTV ratio of 70%, Maximum average age of aircraft, Collateral concentration ratios	

Castlake Aviation Overview

- Established in 2021, Castlelake Aviation is built on the experience and expertise of Castlelake L.P., a leading global aviation focused alternative investment firm
 - Since its inception in 2005, Castlelake L.P. has invested more than \$17 billion¹ in aviation opportunities
 - Castlake L.P. has over ~200 airline customers and 307 aircraft under management²
- Castlake has a robust growth profile with a committed pipeline of aircraft purchases and access to new opportunities in the market
- Castlake targets a 2.5 – 3x debt to equity ratio with financial policies driven by a goal to migrate to Investment Grade in the next few years

Castlake Aviation Portfolio³

84 # of Assets ⁴	100% Utilization	> \$2.5bn Capital Markets Financing Raised
38 # of Aircraft in Pipeline Under Contract ⁵	6.1 years Wtd. Average Asset Age ⁶	9.7 years Wtd. Average Remaining Lease Term ⁶

¹ Debt and equity invested across all private market funds and vehicles managed by Castlelake from inception in 2005 through June 30, 2022 ² Data as of September 30, 2022; includes aircraft that Castlelake owns (252) as well as those collateralizing financings provided by Castlelake to customers (55). ³ Represents Castlelake Aviation's fleet as of September 30, 2022. ⁴ Aircraft assets consists of 76x Aircraft, 2x Engines, and 6x Loans secured by aircraft. ⁵ Assumes 5x of the aircraft in the current pipeline are acquired by year-end, one of which has been acquired since September 30, 2022. There can be no assurance any projected or pipeline investment opportunities will be consummated nor that any such investments will result in positive returns. These are proposed indicative terms and remain subject to contract. ⁶ Remaining lease term, average aircraft age, and airframe type are weighted by book value of the assets defined as: (i) "Flight Equipment held for Operating Lease, Net" with respect to our on operating lease, and excluding "Maintenance Rights and Lease Premium," (ii) "Net Investment in Finance Lease" with respect to our aircraft on finance lease, and (iii) "Loan Receivables, Net" with respect to our loan portfolio.

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