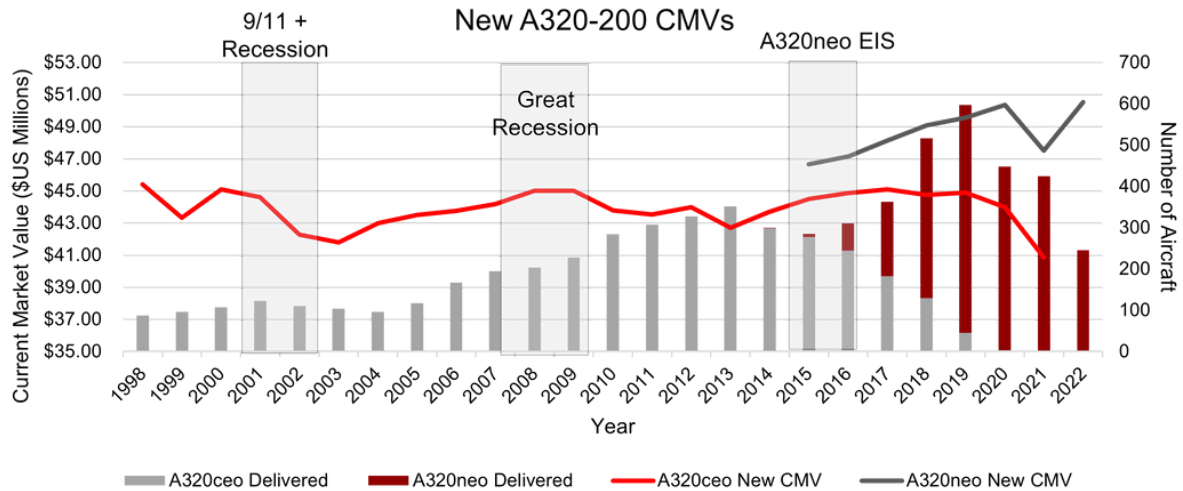
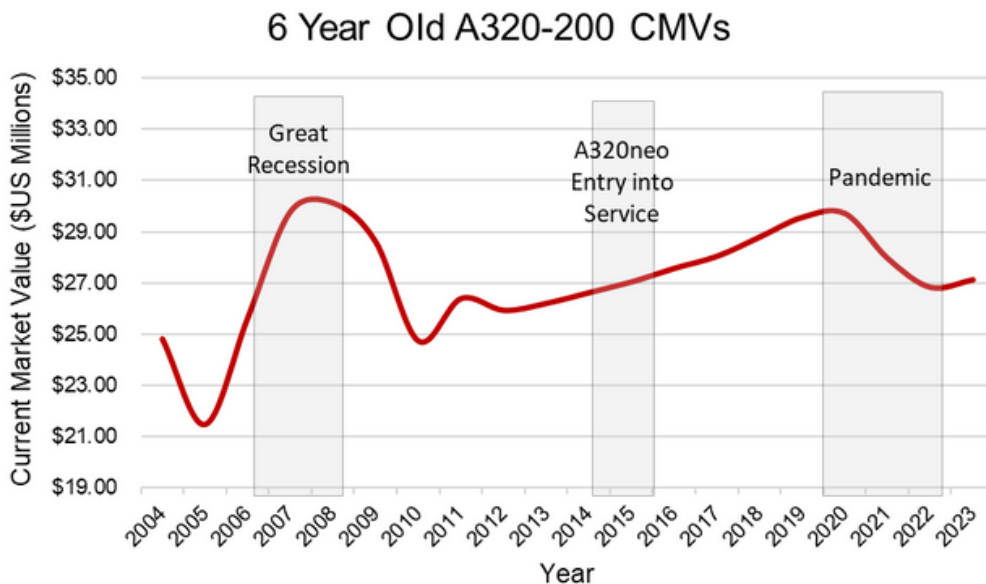


Historical Values

From 1998 until 2021, Current Market Values for a new A320-200 ranged between \$40.86 million to \$45.42 million. The Market Values were impacted by significant events such as the September 11th attacks, The Great Recession, and A320neo Entry into Service.

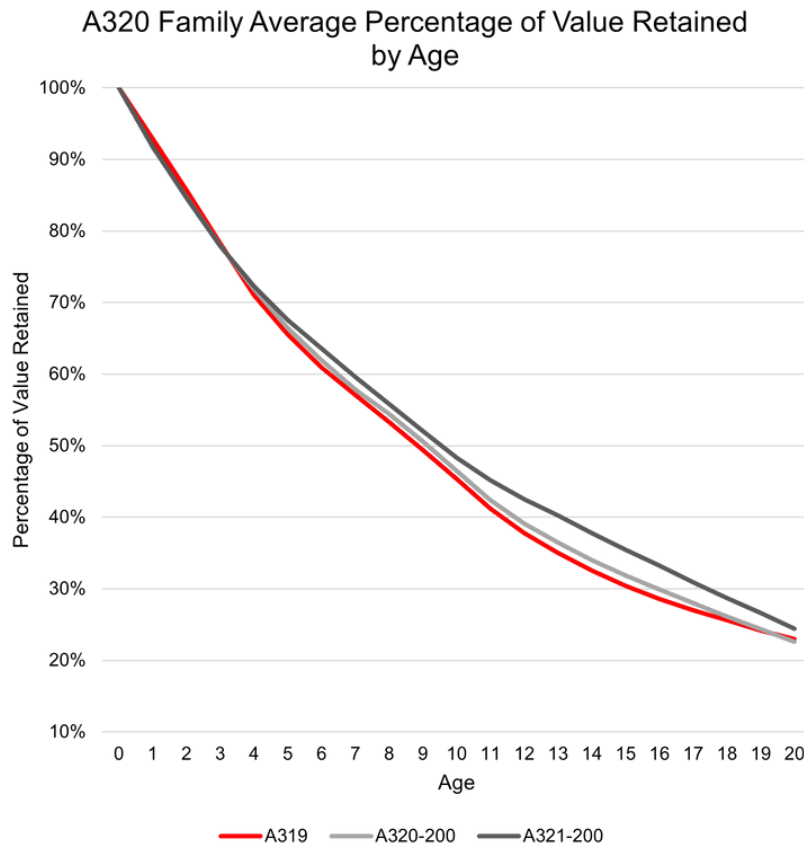


After various downcycles A320-200 values recovered at a similar pace as the 737-800, with the exception after 9/11. Values did not begin recovering until 2 years after the fact due to strict labor laws limiting their ability to pull back production resulting in a number of whitetails being built.



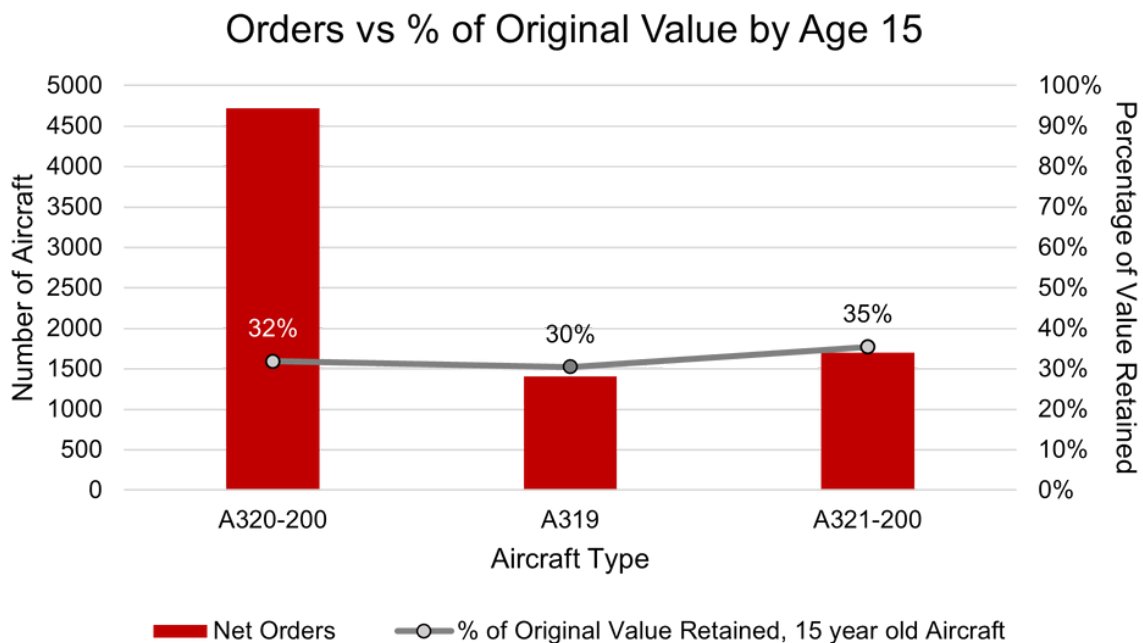
- CMV's for 6-year-old aircraft continued to climb after recovering from the Great Recession, but never fully returned to the high in 2007, mostly due to the announcement and EIS of the neo.
- Little to no inflation impact on new aircraft values over a 25 year period.
- Values have started to recover 3 years after the start of the pandemic, albeit at a slower rate than the 737-800.

Value Retention



- The A320-200 proved to be the most popular aircraft among its siblings, with over 4,722 Net Orders through its production run
- On average, after 15 years the A320-200 retains 32% of its original value, while the A321-200 retains 35% of its original value. Comparatively, the 737-800 has retained 40% of its value, on average, at 15 years.

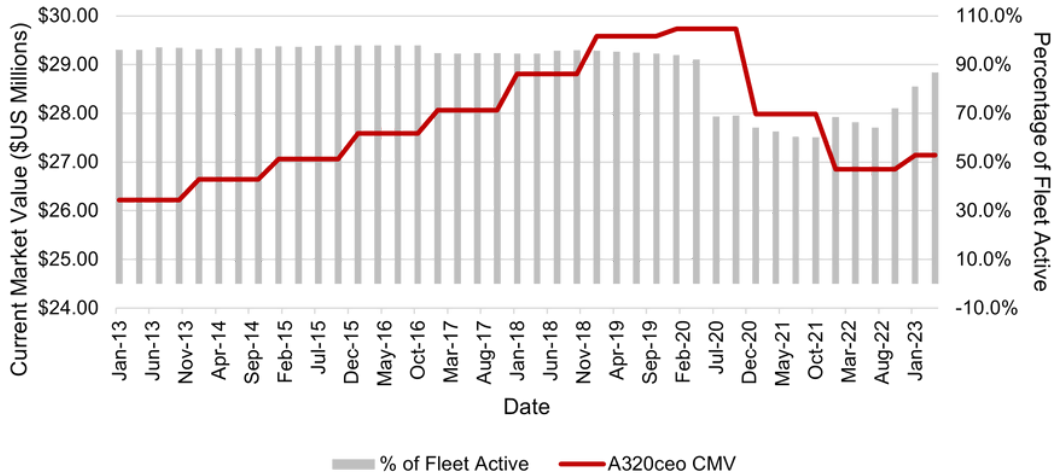
Overall, the A321-200 retains its value slightly better than the A320-200, this can be attributed to the multiple conversion programs that exist for the A321-200. The A320-200 is unlikely to have the same benefit of a successful conversion program.



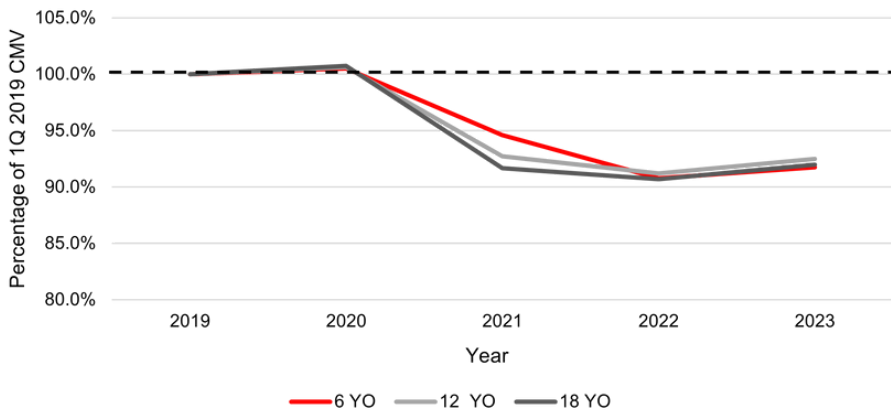
Pandemic Value & Trend Recovery

A320-200 values experienced mild volatility during the pandemic, values for 6-, 12-, and 18-year-old aircraft dropped about 10% from January 2020 to January 2022.

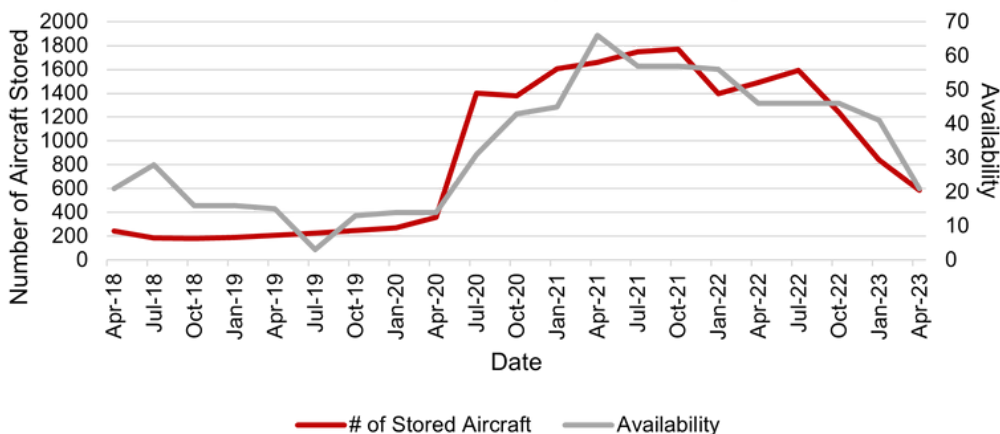
6-YO A320-200 CMV and Active Fleet



A320-200 Percentage of CMV as of 1Q vs. 2019



A320-200 Availability and Storage

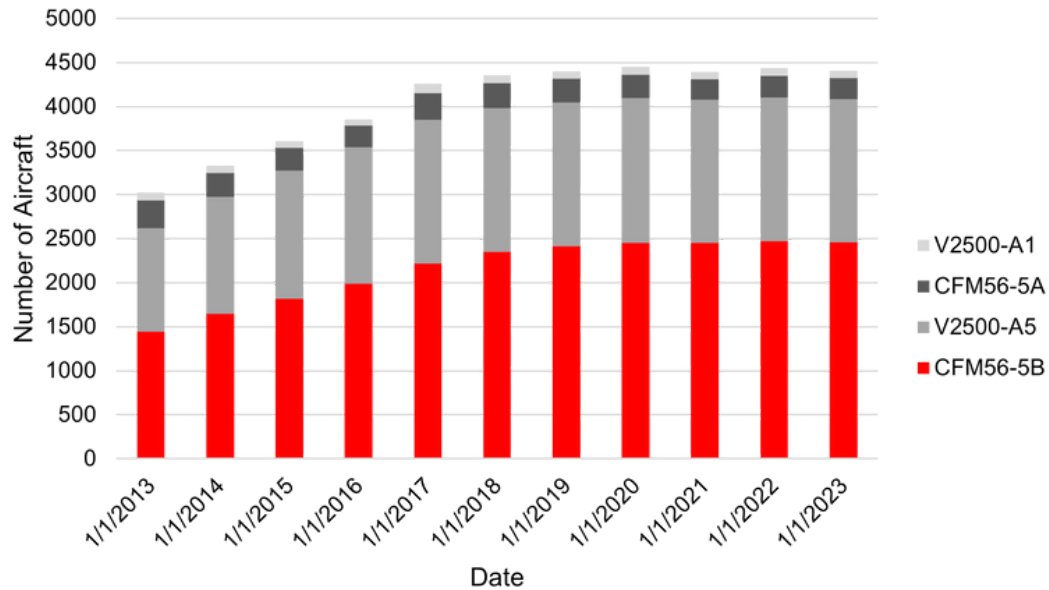


- Value impacts were a result of high availability rates and a large portion of the fleet being parked due to the rapid decrease in domestic air travel demand.
- Values have not recovered to pre-Covid numbers, with the A320-200's market value is about 90.9% to 92.0% of January 2019's values for 6-, 12-, and 18-year-old aircraft. However, values are expected to see further recovery in 2023 assuming stable economic environment and strong domestic travel demand. Demand requirements due to unreliability issues with the neo aircraft may lead to further value recovery in the near term.

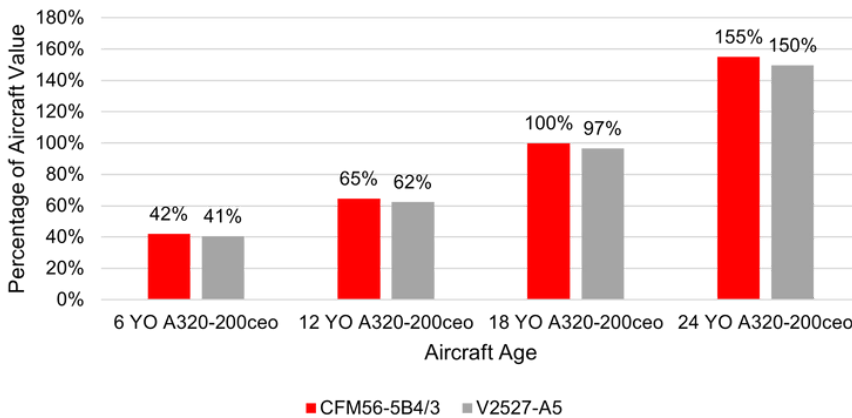
Engines

Throughout the production run of the A320-200, the two preferred engine options were the CFM56-5B or the V2500-A5. The CFM56-5B is currently the most popular engine option, it currently powers 56.6% of the fleet.

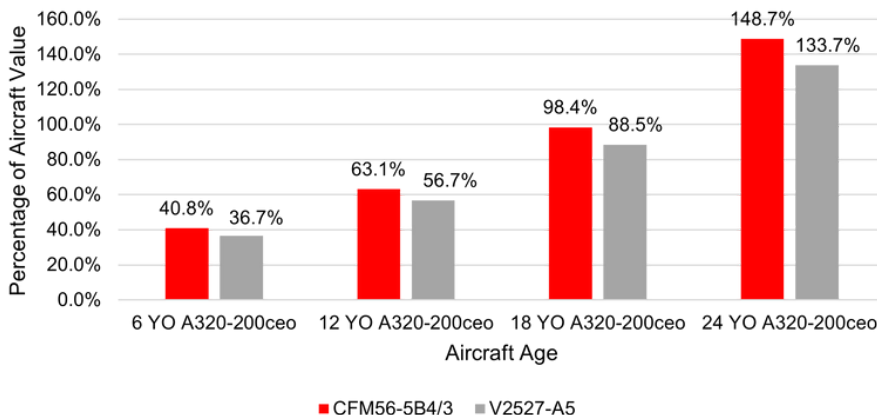
Historical Fleet by Engine Type



Engines as Percentage of Aircraft Current Base Value



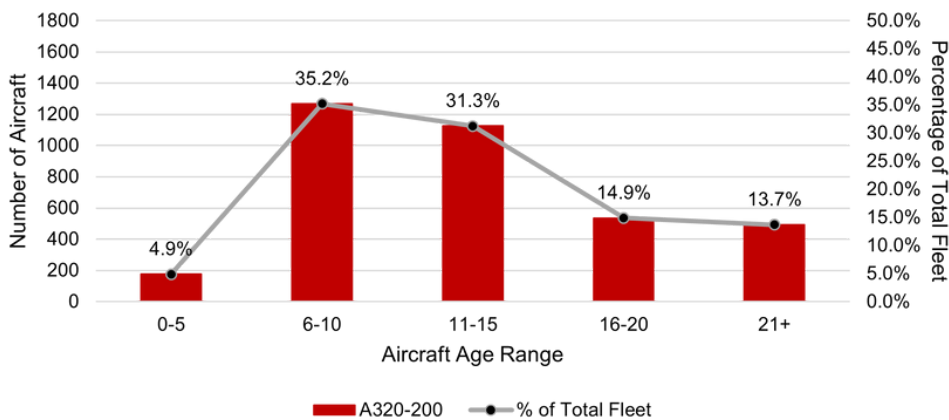
Engines as Percentage of Aircraft Current Market Value



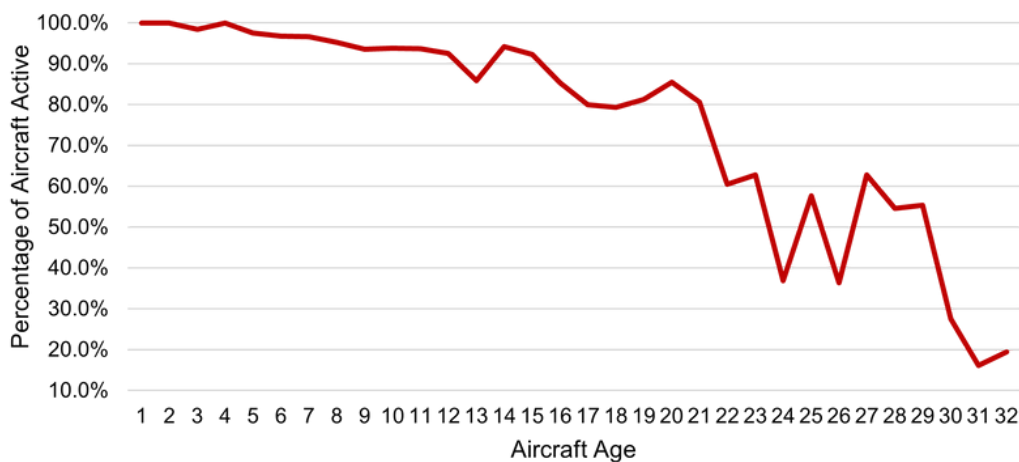
- As the A320-200 ages, the Engine Half-Time Base Value becomes a larger percentage of the total value of the aircraft. By the time an aircraft reaches 18 years of age, the value of the engines accounts for almost all the value of the aircraft.
- After the aircraft reaches 18 years of age, more value can be extracted by parting out the aircraft

Current Trends

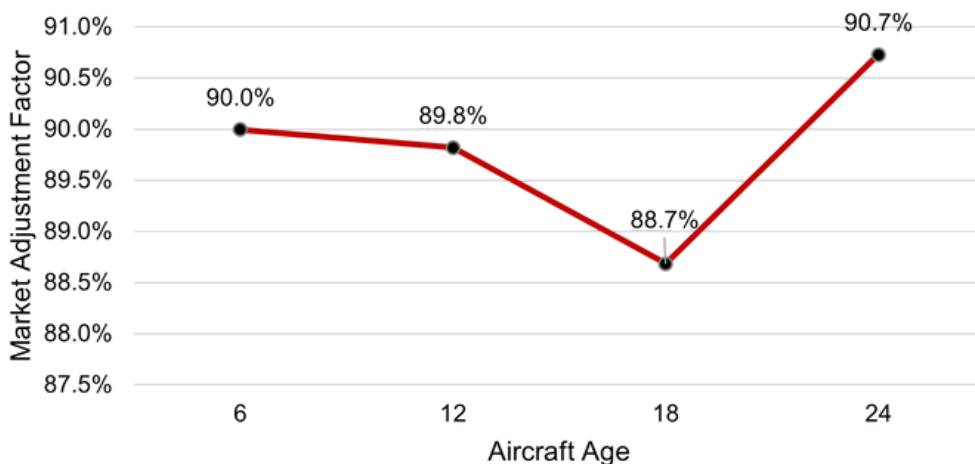
Current A320-200 Age Distribution



Percentage of Active A320-200s 2Q 2023



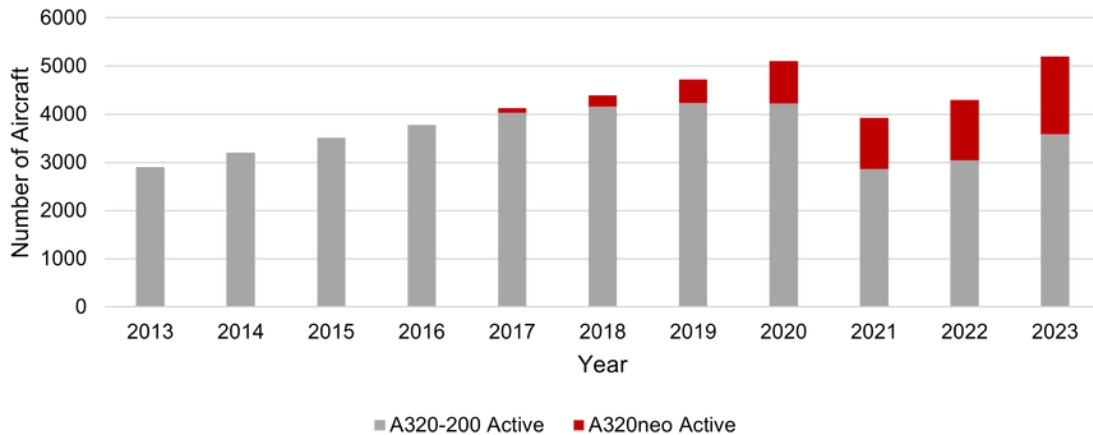
A320-200 MAF 2Q 2023



- The Market Values for 24 year old A320-200s are supported by the demand for spare engines.
- The majority of in-service A320-200s are less than 15 years old, and more than half of the fleet for aircraft over 22 years old is stored.
- Currently, 38.9% of in-service A320-200 aircraft operate out of Asia, with restrictions having been recently loosened, stored aircraft will be introduced back into service to meet the growing demand, this will have a positive effect on market values in the short term.

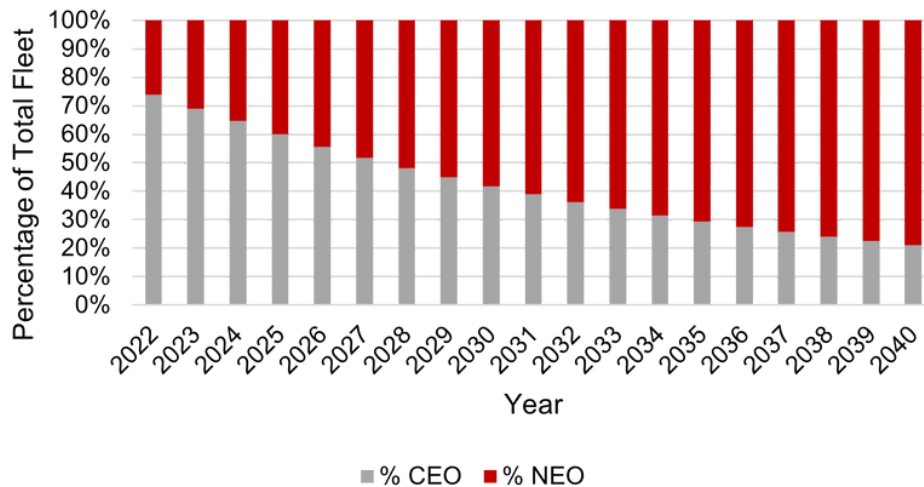
Long-Term Outlook

NEO vs CEO Active Fleet



As of January 2023, the A320neo consists of 31.0% of the whole A320 fleet. Airbus is aiming to raise A320neo production to 64 aircraft per month and then to 75 aircraft by 2025. The NEO is set to exceed the CEO in 2028 as the more dominant type according to Airbus' current target production rates and the A320-200 retirement forecast

A320NEO vs. CEO Saturation



- Though the A320neo provides a 14% fuel burn advantage, increased maintenance costs on the neo engines may make the ceos more attractive from an operational cost perspective if escalation continues at double digit rates.
- One factor that will also likely have a significant effect on the values for the A320ceo, apart from continued passenger traffic growth, is whether Airbus will be able to keep up with production rates. Values could see short term boosts should there be a shortage of narrowbody aircraft in the near term.

A320 Family Retirements

