

AIR LEASE CORP
Form 10-Q
November 03, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-35121

AIR LEASE CORPORATION

(Exact name of registrant as specified in its charter)

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Delaware 27-1840403
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

2000 Avenue of the Stars, Suite 1000N
Los Angeles, California 90067
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (310) 553-0555

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At November 2, 2016, there were 102,843,309 shares of Air Lease Corporation's Class A common stock outstanding.

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Air Lease Corporation and Subsidiaries

Form 10-Q

For the Quarterly Period Ended September 30, 2016

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NOTE ABOUT FORWARD-LOOKING STATEMENTS

Statements in this quarterly report on Form 10-Q that are not historical facts may constitute “forward-looking statements,” including any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “believes,” “can,” “could,” “may,” “predicts,” “potential,” “should,” “will,” “estimate,” “projects,” “continuing,” “ongoing,” “expects,” “intends” and similar words or phrases. These statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in such statements, including as a result of the following factors, among others:

- our inability to make acquisitions of, or lease, aircraft on favorable terms;

- our inability to sell aircraft on favorable terms;

- our inability to obtain additional financing on favorable terms, if required, to complete the acquisition of sufficient aircraft as currently contemplated or to fund the operations and growth of our business;
 - our inability to obtain refinancing prior to the time our debt matures;

- impaired financial condition and liquidity of our lessees;
 - deterioration of economic conditions in the commercial aviation industry generally;

- increased maintenance, operating or other expenses or changes in the timing thereof;

- changes in the regulatory environment;

- potential natural disasters and terrorist attacks and the amount of our insurance coverage, if any, relating thereto; and

- the factors discussed under “Part I — Item 1A. Risk Factors,” in our Annual Report on Form 10-K for the year ended December 31, 2015, and under “Part 1 — Item 1A. Risk Factors,” in our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2016, and other SEC filings.

All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations. You are therefore cautioned not to place undue reliance on such statements. Any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Air Lease Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and par value amounts)

	September 30, 2016 (unaudited)	December 31, 2015
Assets		
Cash and cash equivalents	\$ 226,822	\$ 156,675
Restricted cash	17,062	16,528
Flight equipment subject to operating leases	13,365,123	12,026,798
Less accumulated depreciation	(1,490,007)	(1,213,323)
	11,875,116	10,813,475
Deposits on flight equipment purchases	1,228,726	1,071,035
Other assets	333,181	297,385
Total assets	\$ 13,680,907	\$ 12,355,098
Liabilities and Shareholders' Equity		
Accrued interest and other payables	\$ 235,227	\$ 215,983
Debt financing, net of discounts and issuance costs	8,554,732	7,712,421
Security deposits and maintenance reserves on flight equipment leases	886,229	853,330
Rentals received in advance	101,418	91,485
Deferred tax liability	615,012	461,967
Total liabilities	\$ 10,392,618	\$ 9,335,186
Shareholders' Equity		
Preferred Stock, \$0.01 par value; 50,000,000 shares authorized; no shares issued or outstanding	—	—
Class A common stock, \$0.01 par value; authorized 500,000,000 shares; issued and outstanding 102,843,309 and 102,582,669 shares at September 30, 2016 and December 31, 2015, respectively	1,010	1,010
Class B Non-Voting common stock, \$0.01 par value; authorized 10,000,000 shares; no shares issued or outstanding	—	—
Paid-in capital	2,233,242	2,227,376
Retained earnings	1,054,037	791,526
Total shareholders' equity	\$ 3,288,289	\$ 3,019,912
Total liabilities and shareholders' equity	\$ 13,680,907	\$ 12,355,098

(See Notes to Consolidated Financial Statements)

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