



An MTU Aero Engines Company



DRIVEN BY VISIONS
OF TOMORROW

Cargo Facts "Aircraft and Engine Valuations" Session 7

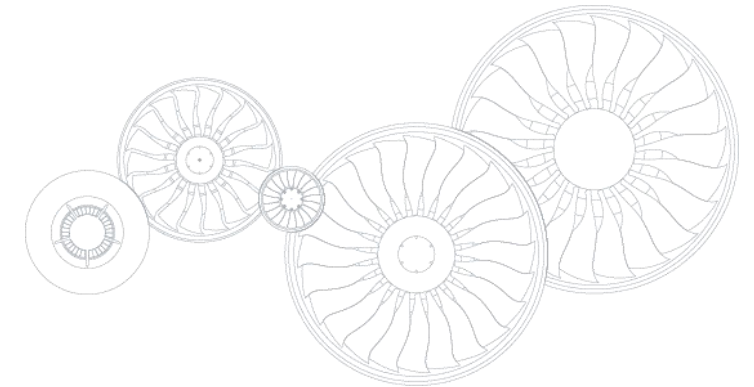
San Diego, CA, USA.

20th Oct 2022

Les Cronin - Vice President Sales and Marketing - USA

Agenda

1. Market overview
2. Engine financials



1. Market Overview

New P2F programs

B737-800BCF/SF



Engine requirements

CFM56-7B24/26
LLP rebuild 8,000CR+
Thrust : 24,000 – 26,000

Known lessors

- Titan Aviation
- BBAM
- GECAS
- Specter
- AFG
- ACS



A321P2F - CFM



Engine requirements

CFM56-5B3
LLP rebuild 7,000CR+
Thrust : 32,000

Known lessors

- BBAM
- ST Resources
- Vallair
- CAM



A321P2F - IAE



Engine requirements

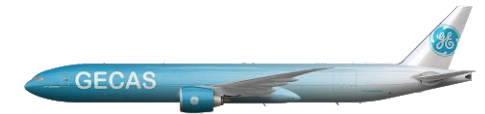
V2533-A5
LLP rebuild 7,000CR+
Thrust : 33,000

Known lessors

- BBAM
- ST Resources
- Vallair
- CAM



B777-300ERSF



Engine requirements

GE90-115B
LLP rebuild 3,500CR+
Thrust : 115,000

Known lessors

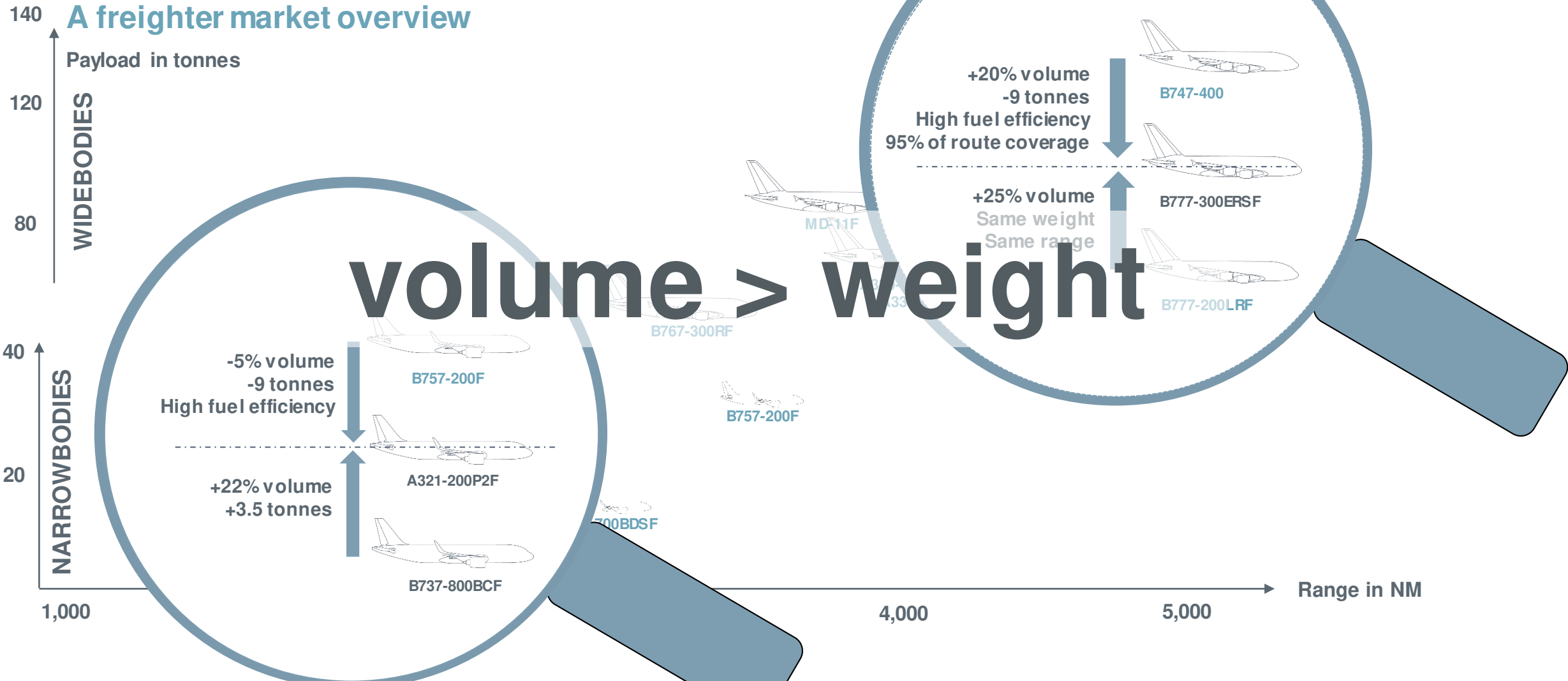
- Fortress
- GECAS
- Jetran



Unprecedented demand for P2F conversions.

1. Market Overview

A freighter market overview



1. Market Overview

Conversion sites around the world



Increasing number of sites available for conversions

2. Engine Financials

CFM56-7B – B737-800BCF/SF

Mission

Hour/cycle ratio : 2-3
 Cycles per month : ~60 - 75
 Lease term : 8 years (6 + 2)



Cost structure

Lease rate (A/C) : \$200k – \$220k month (going down)
 Conversion cost : \$6m (including Check)
 Target converted A/C including engines: \$18m - \$20m
 Expected maintenance event on engines : No



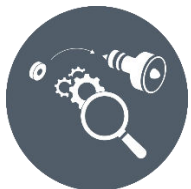
Key financial targets

No residual value risk (full asset depreciation): \$19m costs
 10% margin, 3% interest, no maintenance
 A/C appetite: *“Highly desirable”* (IBA, March 2022)



Impact on engine budget

Target acquisition costs : \$4.5m - \$5.5m



Product match



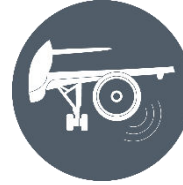
CFM56-7B24 or 26
 Non T/I
 Benign environment
 CR: 5,500+
 No reduced inspection interval
 EGTM: 30 degrees
 Est. Sales price: \$5.2m outright
 Exchange option: YES

2. Engine Financials

V2500-A5 – A321P2F

Mission

Hour/cycle ratio : 2-3
 Cycles per month : ~60-75
 Lease term : 8 years



Cost structure

Lease rate (A/C) : \$240k - \$260k (going down)
 Conversion cost : \$9m (including Check)
 Target converted A/C including engines: \$22m - \$25m
 Expected maintenance event on engines : No

Key financial targets

No residual value risk (full asset depreciation)): \$24m costs
 10% margin, 3% interest, no maintenance
 A/C appetite: Higher availability of feedstock



Impact on engine budget

Target acquisition costs : \$4.4m - \$6.0m



Product match



V2533-A5

Non select

Benign environment

CR: 5,500+

No reduced inspection interval

EGTM: 30 degrees



Sales price: \$5,8m

Exchange option: YES

2. Engine Financials



CFM56-5B – A321P2F

Mission
 Hour/cycle ratio : 2-3
 Cycles per month : ~60-75
 Lease term : 8 years

Cost structure
 Lease rate (A/C) : \$240k - \$260k (going down)
 Conversion cost : \$9m - \$10m (including Check)
 Target converted A/C including engines: \$24m - \$26m
 Expected maintenance event on engines : No

Key financial targets
 No residual value risk (full asset depreciation)): \$24m costs
 10% margin, 3% interest, no maintenance
 A/C appetite: Lower availability of feedstock / Noise Consideration

Impact on engine budget
 Target acquisition costs : \$4.7 - \$5.7M

Product match



CFM56-5B3/P
 Non T/I
 Benign environment
 CR: 5,500+
 No reduced inspection interval
 EGTM: 30 degrees
 Sales price: \$5.4m outright
 Exchange option: YES

2. Engine Financials

GE90-115B – B777-300ERSF

Mission

Hour/cycle ratio : min 6/1
 Cycles per month : 50
 Lease term : 8 years (6 +2)



Cost structure

Lease rate (A/C) : \$600k/month (need to improve)
 Conversion cost : \$30m – \$35m (including Check)
 Target converted A/C including engines: \$60m - \$65m
 Expected maintenance event on engines : No

Key financial targets

No residual value risk (full asset depreciation): \$12m-\$13m
 A/C appetite: In a sweet spot presently, wont last....



Impact on engine budget

Target acquisition costs : \$10m

Product match



GE90-115B
 CR: 4,500+
 No reduced inspection interval
 EGTM: 35C
 Sales price: \$13m
 Exchange option: YES



Für Fragen stehen wir Ihnen gerne zur Verfügung. /
Please contact us if you have any further questions.

Les Cronin

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