

Is GECAS A Good Deal? Conference Call on Why We're Overweight (Vol.)

MARCH 16, 2021 | 12:00PM ET

We invite investors to attend a conference call with Vincent Caintic on his upgrade of AerCap (AER) to Overweight, with a target price of \$88. Vincent upgraded AerCap following its announcement of the acquisition of GE's aircraft leasing business, GECAS. Vincent believes the acquisition has significant synergies and embedded value not appreciated by the market. Vincent will also discuss broad themes of investor feedback / pushback on his upgrade to Overweight and of AerCap's acquisition of GECAS.

Conference call date and time subject to change. To join the call or to obtain more information, please contact your Stephens sales representative.

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Topics of Discussion

- Book value: why is stated book value \$62/share (8% dilution) when implied asset value of \$34-35 billion implies \$74/share (10% accretion)?
- Asset values: Is \$31 billion purchase price an overly conservative number or accurate? How should we compare this against \$34 billion mark on sale, and \$38 billion GE held GECAS prior to sale?
- Valuation: What's the right multiple for AER? Why are we giving 1.2x book value when historically it's been 80%? Should ROE expansion matter?
- Motivations and Transparency: Why were disclosures weak on EPS, book value and accretion? Is the deal done simply for growth?

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