

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): February 22, 2024

FTAI Aviation Ltd.

(Exact Name of Registrant as Specified in its Charter)

**Cayman Islands
(State or Other Jurisdiction of Incorporation)**

**001-37386
(Commission File Number)**

**98-1420784
(IRS Employer Identification No.)**

**1345 Avenue of the Americas, 45th Floor, New York, New York 10105
(Address of Principal Executive Offices) (Zip Code)**

**(212) 798-6100
(Registrant's Telephone Number, Including Area Code)**

**Not Applicable
(Former Name or Former Address, if Changed Since Last Report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class:</u> | <u>Trading Symbol:</u> | <u>Name of each exchange on which registered:</u> |
|--|------------------------|---|
| Class A Common shares, \$0.01 par value per share | FTAI | The Nasdaq Global Select Market |
| 8.25% Fixed-to-Floating Rate Series A Cumulative Perpetual Redeemable Preferred Shares | FTAIP | The Nasdaq Global Select Market |
| 8.00% Fixed-to-Floating Rate Series B Cumulative Perpetual Redeemable Preferred Shares | FTAIO | The Nasdaq Global Select Market |
| 8.25% Fixed Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares | FTAIN | The Nasdaq Global Select Market |
| 9.50% Fixed Rate Reset Series D Cumulative Perpetual Redeemable Preferred Shares | FTAIM | The Nasdaq Global Select Market |

Item 2.02. Results of Operations and Financial Condition.

On February 22, 2024, FTAI Aviation Ltd. (“FTAI” or the “Company”) issued a press release announcing the Company’s results for its fiscal quarter and year ended December 31, 2023. A copy of the Company’s press release is attached to this Current Report on Form 8-K (the “Current Report”) as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure.

This Current Report, including the exhibit attached hereto, is being furnished and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any of the Company’s filings under the Securities Act of 1933, as amended, or the Exchange Act, unless expressly set forth as being incorporated by reference into such filing.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

| Exhibit Number | Description |
|---------------------------|--|
| 99.1 | Press release, dated February 22, 2024, issued by FTAI Aviation Ltd. |
| 104 | Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FTAI Aviation Ltd.

By: /s/ Eun (Angela) Nam

Name: Eun (Angela) Nam

Title: Chief Financial Officer and Chief Accounting Officer

Date: February 22, 2024



PRESS RELEASE

FTAI Aviation Ltd. Reports Fourth Quarter and Full Year 2023 Results, Declares Dividend of \$0.30 per Ordinary Share

NEW YORK, February 22, 2024 (GLOBE NEWSWIRE) – FTAI Aviation Ltd. (NASDAQ: FTAI) (the “Company” or “FTAI”) today reported financial results for the fourth quarter and full year 2023. The Company’s consolidated comparative financial statements and key performance measures are attached as an exhibit to this press release.

Financial Overview

(in thousands, except per share data)

| Selected Financial Results | Q4'23 |
|--|--------------|
| Net Income Attributable to Shareholders | \$ 110,025 |
| Basic Earnings per Ordinary Share from Continuing Operations | \$ 1.10 |
| Diluted Earnings per Ordinary Share from Continuing Operations | \$ 1.09 |
| Adjusted EBITDA ⁽¹⁾ | \$ 162,331 |

⁽¹⁾ For definitions and reconciliations of non-GAAP measures, please refer to the exhibit to this press release.

Fourth Quarter 2023 Dividends

On February 22, 2024, the Company’s Board of Directors (the “Board”) declared a cash dividend on our ordinary shares of \$0.30 per share for the quarter ended December 31, 2023, payable on March 20, 2024 to the holders of record on March 8, 2024.

Additionally, on February 22, 2024, the Board declared cash dividends on its Fixed-to-Floating Rate Series A Cumulative Perpetual Redeemable Preferred Shares (“Series A Preferred Shares”), Fixed-to-Floating Rate Series B Cumulative Perpetual Redeemable Preferred Shares (“Series B Preferred Shares”), Fixed-Rate Reset Series C Cumulative Perpetual Redeemable Preferred Shares (“Series C Preferred Shares”) and Fixed-Rate Reset Series D Cumulative Perpetual Redeemable Preferred Shares (“Series D Preferred Shares”) of \$0.51563, \$0.50000, \$0.51563 and \$0.59375 per share, respectively, for the quarter ended December 31, 2023, payable on March 15, 2024 to the holders of record on March 5, 2024.

Business Highlights

- Q4 2023 Aerospace Products Adj. EBITDA of \$55 million, bringing total segment Adj. EBITDA for 2023 to \$160 million, up from \$74 million in 2022. ⁽¹⁾
- Sold 61 modules to 17 unique customers in Q4, including 6 new customers and 11 repeat customers. Modules sold in 2023 total 178 to 30 customers.
- Launched V2500 Engine exchange program.

- Acquired \$229 million of Aviation Leasing Equipment in Q4, comprised of 11 Aircraft and 32 Engines.

(1) For definitions and reconciliations of non-GAAP measures, please refer to the exhibit to this press release.

Additional Information

For additional information that management believes to be useful for investors, please refer to the presentation posted on the Investor Center section of the Company's website, <https://www.ftaiaaviation.com>, and the Company's Annual Report on Form 10-K, when available on the Company's website. Nothing on the Company's website is included or incorporated by reference herein.

Conference Call

In addition, management will host a conference call on Friday, February 23, 2024 at 8:00 A.M. Eastern Time. The conference call may be accessed by registering via the following link <https://register.vevent.com/register/BI5208d5ee8f4a42ec950edf6b9a21c1c2>. Once registered, participants will receive a dial-in and unique pin to access the call.

A simultaneous webcast of the conference call will be available to the public on a listen-only basis at <https://www.ftaiaaviation.com/>. Please allow extra time prior to the call to visit the site and download the necessary software required to listen to the internet broadcast.

A replay of the conference call will be available after 11:30 A.M. on Friday, February 23, 2024 through 11:30 A.M. on Friday, March 1, 2024 on <https://ir.ftaiaaviation.com/news-events/presentations>.

The information contained on, or accessible through, any websites included in this press release is not incorporated by reference into, and should not be considered a part of, this press release.

About FTAI Aviation Ltd.

FTAI owns and maintains commercial jet engines with a focus on CFM56 and V2500 engines. FTAI's propriety portfolio of products, including The Module Factory and a joint venture to manufacture engine PMA, enables it to provide cost savings and flexibility to our airline, lessor, and maintenance, repair, and operations customer base. Additionally, FTAI owns and leases jet aircraft which often facilitates the acquisition of engines at attractive prices. FTAI invests in aviation assets and aerospace products that generate strong and stable cash flows with the potential for earnings growth and asset appreciation.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond the Company's control. The Company can give no assurance that its expectations will be attained and such differences may be material. Accordingly, you should not place undue reliance on any forward-looking statements contained in this press release. For a discussion of some of the risks and important factors that could affect such forward-looking statements, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are available on the Company's website (www.ftaiaaviation.com). In addition, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based. This release shall not constitute an offer to sell or the solicitation of an offer to buy any securities.

For further information, please contact:

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FTAI AVIATION LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(Dollar amounts in thousands, except share and per share data)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|------------------------------------|------------------|-------------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Total revenues | \$ 312,737 | \$ 274,291 | \$ 1,170,896 | \$ 708,411 |
| Expenses | | | | |
| Cost of sales | 135,223 | 128,246 | 502,132 | 248,385 |
| Operating expenses | 28,945 | 24,067 | 110,163 | 132,264 |
| General and administrative | 3,430 | 2,343 | 13,700 | 14,164 |
| Acquisition and transaction expenses | 4,999 | 4,867 | 15,194 | 13,207 |
| Management fees and incentive allocation to affiliate | 4,900 | 3,558 | 18,037 | 3,562 |
| Depreciation and amortization | 46,478 | 37,456 | 169,877 | 152,917 |
| Asset impairment | 901 | 9,048 | 2,121 | 137,219 |
| Interest expense | 43,663 | 36,997 | 161,639 | 169,194 |
| Total expenses | 268,539 | 246,582 | 992,863 | 870,912 |
| Other income (expense) | | | | |
| Equity in income (losses) of unconsolidated entities | 63 | (244) | (1,606) | (369) |
| (Loss) gain on sale of assets, net | — | (2,722) | — | 77,211 |
| Gain (loss) on extinguishment of debt | — | 2 | — | (19,859) |
| Other income (expense) | 6,713 | (1) | 7,590 | 207 |
| Total other income (expense) | 6,776 | (2,965) | 5,984 | 57,190 |
| Income (loss) from continuing operations before income taxes | 50,974 | 24,744 | 184,017 | (105,311) |
| (Benefit from) provision for income taxes | (67,386) | (2,057) | (59,800) | 5,300 |
| Net income (loss) from continuing operations | 118,360 | 26,801 | 243,817 | (110,611) |
| Net loss from discontinued operations, net of income taxes | — | — | — | (101,416) |
| Net income (loss) | 118,360 | 26,801 | 243,817 | (212,027) |
| Less: Net income (loss) attributable to non-controlling interests in consolidated subsidiaries: | | | | |
| Continuing operations | — | — | — | — |
| Discontinued operations | — | — | — | (18,817) |
| Less: Dividends on preferred shares | 8,335 | 6,791 | 31,795 | 27,164 |
| Net income (loss) attributable to shareholders | \$ 110,025 | \$ 20,010 | \$ 212,022 | \$ (220,374) |
| Earnings (loss) per share: | | | | |
| Basic | | | | |
| Continuing operations | \$ 1.10 | \$ 0.20 | \$ 2.12 | \$ (1.39) |
| Discontinued operations | \$ — | \$ — | \$ — | \$ (0.83) |
| Diluted | | | | |
| Continuing operations | \$ 1.09 | \$ 0.20 | \$ 2.11 | \$ (1.39) |
| Discontinued operations | \$ — | \$ — | \$ — | \$ (0.83) |
| Weighted average shares outstanding: | | | | |
| Basic | 100,239,011 | 99,566,387 | 99,908,214 | 99,421,008 |
| Diluted | 100,853,151 | 100,180,524 | 100,425,777 | 99,421,008 |

FTAI AVIATION LTD.
CONSOLIDATED BALANCE SHEETS (Unaudited)
(Dollar amounts in thousands, except share and per share data)

| | December 31, | |
|--|---------------------|---------------------|
| | 2023 | 2022 |
| Assets | | |
| Cash and cash equivalents | \$ 90,756 | \$ 33,565 |
| Restricted cash | 150 | 19,500 |
| Accounts receivable, net | 115,156 | 99,443 |
| Leasing equipment, net | 2,032,413 | 1,913,553 |
| Property, plant, and equipment, net | 45,175 | 10,014 |
| Investments | 22,722 | 22,037 |
| Intangible assets, net | 50,590 | 41,955 |
| Goodwill | 4,630 | — |
| Inventory, net | 316,637 | 163,676 |
| Other assets | 286,456 | 125,834 |
| Total assets | \$ 2,964,685 | \$ 2,429,577 |
| Liabilities | | |
| Accounts payable and accrued liabilities | \$ 112,907 | \$ 86,452 |
| Debt, net | 2,517,343 | 2,175,727 |
| Maintenance deposits | 65,387 | 78,686 |
| Security deposits | 41,065 | 32,842 |
| Other liabilities | 52,100 | 36,468 |
| Total liabilities | \$ 2,788,802 | \$ 2,410,175 |
| Commitments and contingencies | | |
| Equity | | |
| Ordinary shares (\$0.01 par value per share; 2,000,000,000 shares authorized; 100,245,905 and 99,716,621 shares issued and outstanding as of December 31, 2023 and 2022, respectively) | 1,002 | \$ 997 |
| Preferred shares (\$0.01 par value per share; 200,000,000 shares authorized; 15,920,000 and 13,320,000 shares issued and outstanding as of December 31, 2023 and 2022, respectively) | 159 | 133 |
| Additional paid in capital | 255,973 | 343,350 |
| Accumulated deficit | (81,785) | (325,602) |
| Shareholders' equity | 175,349 | 18,878 |
| Non-controlling interest in equity of consolidated subsidiaries | 534 | 524 |
| Total equity | \$ 175,883 | \$ 19,402 |
| Total liabilities and equity | \$ 2,964,685 | \$ 2,429,577 |

FTAI AVIATION LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Dollar amounts in thousands, unless otherwise noted)

| | Year Ended December 31, | |
|--|--------------------------------|---------------------|
| | 2023 | 2022 |
| Cash flows from operating activities: | | |
| Net income (loss) | \$ 243,817 | \$ (212,027) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |
| Equity in losses of unconsolidated entities | 1,606 | 46,971 |
| Gain on sale of assets, net | (160,742) | (141,677) |
| Security deposits and maintenance claims included in earnings | (40,535) | (41,845) |
| Loss on extinguishment of debt | — | 19,859 |
| Equity-based compensation | 1,638 | 2,623 |
| Depreciation and amortization | 169,877 | 193,236 |
| Asset impairment | 2,121 | 137,219 |
| Change in deferred income taxes | (63,626) | 2,161 |
| Change in fair value of non-hedge derivatives | — | (1,567) |
| Change in fair value of guarantees | (1,807) | — |
| Amortization of lease intangibles and incentives | 43,764 | 37,135 |
| Amortization of deferred financing costs | 8,860 | 19,018 |
| Provision for credit losses | 6,583 | 47,975 |
| Other | (6,646) | (1,010) |
| Change in: | | |
| Accounts receivable | (40,357) | (65,969) |
| Other assets | (5,627) | (23,037) |
| Inventory | (31,884) | (23,267) |
| Accounts payable and accrued liabilities | 1,254 | (19,599) |
| Management fees payable to affiliate | 1,683 | 804 |
| Other liabilities | (997) | 2,340 |
| Net cash provided by (used in) operating activities | 128,982 | (20,657) |
| Cash flows from investing activities: | | |
| Investment in unconsolidated entities | (19,500) | (7,344) |
| Principal collections on finance leases | 3,638 | 2,227 |
| Principal collections on notes receivable | 4,875 | — |
| Acquisition of business, net of cash acquired | (29,632) | (3,819) |
| Acquisition of leasing equipment | (749,780) | (638,329) |
| Acquisition of property, plant and equipment | (6,148) | (144,196) |
| Acquisition of lease intangibles | (20,964) | (31,127) |
| Investment in promissory notes | (11,500) | — |
| Purchase deposit for acquisitions | (23,937) | (6,671) |
| Proceeds from sale of leasing equipment | 477,886 | 408,937 |
| Proceeds from sale of property, plant and equipment | — | 5,289 |
| Proceeds for deposit on sale of aircraft and engine | 1,413 | 3,780 |
| Return of purchase deposits | 300 | — |
| Net cash used in investing activities | \$ (373,349) | \$ (411,253) |

| | Year Ended December 31, | |
|--|-------------------------|------------------|
| | 2023 | 2022 |
| Cash flows from financing activities: | | |
| Proceeds from debt | \$ 951,665 | \$ 813,980 |
| Repayment of debt | (605,000) | (1,144,529) |
| Payment of deferred financing costs | (12,180) | (18,607) |
| Receipt of security deposits | 9,927 | 3,882 |
| Return of security deposits | (2,385) | (2,141) |
| Receipt of maintenance deposits | 30,354 | 47,846 |
| Release of maintenance deposits | (275) | (1,471) |
| Proceeds from issuance of ordinary shares, net of underwriter's discount | 5 | — |
| Proceeds from issuance of preferred shares, net of underwriter's discount and issuance costs | 61,729 | — |
| Capital contributions from non-controlling interests | 10 | 1,187 |
| Dividend from spin-off of FTAI Infrastructure, net of cash transferred | — | 500,562 |
| Settlement of equity-based compensation | — | (148) |
| Cash dividends - ordinary shares | (119,847) | (128,483) |
| Cash dividends - preferred shares | (31,795) | (27,164) |
| Net cash provided by financing activities | 282,208 | 44,914 |
| Net increase (decrease) in cash and cash equivalents and restricted cash | 37,841 | (386,996) |
| Cash and cash equivalents and restricted cash, beginning of period | 53,065 | 440,061 |
| Cash and cash equivalents and restricted cash, end of period | \$ 90,906 | \$ 53,065 |

Key Performance Measures

The Chief Operating Decision Maker (“CODM”) utilizes Adjusted EBITDA as our key performance measure.

Adjusted EBITDA provides the CODM with the information necessary to assess operational performance, as well as make resource and allocation decisions. Adjusted EBITDA is defined as net income (loss) attributable to shareholders from continuing operations, adjusted (a) to exclude the impact of provision for income taxes, equity-based compensation expense, acquisition and transaction expenses, losses on the modification or extinguishment of debt and capital lease obligations, changes in fair value of non-hedge derivative instruments, asset impairment charges, incentive allocations, depreciation and amortization expense, dividends on preferred shares, and interest expense, (b) to include the impact of our pro-rata share of Adjusted EBITDA from unconsolidated entities, and (c) to exclude the impact of equity in earnings (losses) of unconsolidated entities and the non-controlling share of Adjusted EBITDA.

The following table sets forth a reconciliation of net income (loss) attributable to shareholders to Adjusted EBITDA for the three and twelve months ended December 31, 2023 and 2022:

| <i>(in thousands)</i> | Three Months Ended December 31, | | Year Ended December 31, | |
|--|--|-------------------|--------------------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net income (loss) attributable to shareholders from continuing operations | \$ 110,025 | \$ 20,010 | \$ 212,022 | \$ (137,775) |
| Add: (Benefit from) provision for income taxes | (67,386) | (2,057) | (59,800) | 5,300 |
| Add: Equity-based compensation expense | 510 | — | 1,638 | — |
| Add: Acquisition and transaction expenses | 4,999 | 4,867 | 15,194 | 13,207 |
| Add: (Gain) loss on the modification or extinguishment of debt and capital lease obligations | — | (2) | — | 19,859 |
| Add: Changes in fair value of non-hedge derivative instruments | — | — | — | — |
| Add: Asset impairment charges | 901 | 9,048 | 2,121 | 137,219 |
| Add: Incentive allocations | 4,576 | 3,489 | 17,116 | 3,489 |
| Add: Depreciation & amortization expense ⁽¹⁾ | 56,557 | 44,277 | 213,641 | 190,031 |
| Add: Interest expense and dividends on preferred shares | 51,998 | 43,788 | 193,434 | 196,358 |
| Add: Pro-rata share of Adjusted EBITDA from unconsolidated entities ⁽²⁾ | 214 | (125) | 310 | 40 |
| Less: Equity in (earnings) losses of unconsolidated entities | (63) | 244 | 1,606 | 369 |
| Less: Non-controlling share of Adjusted EBITDA | — | — | — | — |
| Adjusted EBITDA (non-GAAP) | \$ 162,331 | \$ 123,539 | \$ 597,282 | \$ 428,097 |

⁽¹⁾ Includes the following items for the three months ended December 31, 2023 and 2022: (i) depreciation and amortization expense of \$46,478 and \$37,456, (ii) lease intangible amortization of \$3,801 and \$3,654 and (iii) amortization for lease incentives of \$6,278 and \$3,167, respectively.

Includes the following items for the years ended December 31, 2023 and 2022: (i) depreciation and amortization expense of \$169,877 and \$152,917, (ii) lease intangible amortization of \$15,126 and \$13,913 and (iii) amortization for lease incentives of \$28,638 and \$23,201, respectively.

⁽²⁾ Includes the following items for the three months ended December 31, 2023 and 2022: (i) net income (loss) of \$63 and \$(244), (ii) depreciation and amortization expense of \$286 and \$119 and (iii) acquisition and transaction expense of \$(135) and \$0, respectively.

Includes the following items for the years ended December 31, 2023 and 2022: (i) net loss of \$1,606 and \$369, (ii) depreciation and amortization expense of \$1,488 and \$409 and (iii) acquisition and transaction expense of \$428 and \$0, respectively.