

9 August 2024

AMEDEO AIR FOUR PLUS LIMITED (the “Company”)
(LSE: AA4, LEI: 21380056PDNOTWERG107)
Factsheet

The Company announces that its factsheet for the period to 30 June 2024 is now available on its website at <http://www.aa4plus.gg>. An extract from the Chairman’s statement within the factsheet is reproduced below.

The past year has seen rapid changes in the aviation industry with strong airline performances from our two lessees, Emirates and Thai Airways, as passenger traffic continues to improve. Boeing’s travails are front page news, less so are the continuing labour and parts supply issues which are hindering efforts by equipment manufacturers to fill the supply gap left by COVID shutdowns. Whilst some airlines are still paying off government financial support from 2020, others are placing large orders for new generation aircraft. There is increasing evidence that cost pressures, notably fuel and staff costs, are causing excess capacity in some areas.

Your Company continues to show strong financial performance with the cash flows from Emirates supporting the dividend payments to Shareholders. Whilst the lease rentals from Thai do not provide dividend income to the Company, nevertheless, due to the lower interest rates achieved by the existence of highly favourable derivatives, they act to reduce outstanding debt.

The recent news that Emirates intends to upgrade all its A380 aircraft which do not currently have Premium Economy seats should be supportive of values especially since doubts continue over the entry into service date of the largest available replacement, the Boeing 777X. Emirates financial results were outstanding and the A380’s biggest supporter, Sir Tim Clark is at the time of writing still at the helm. However, the residual value of the Group’s Assets is key to the value of the Group to shareholders. The only empirical evidence of value lies in the transactions by other investment funds that have reached maturity where sales have been concluded to Emirates. Recent news concerning progress made by Boeing with the 777X, further increases the uncertainty surrounding the future of the A380 and so your Board remains of the view that these transactions are not persuasive.

Thai Airways has placed a large order for new Boeing aircraft and remains on track to emerge from rehabilitation in 2025 with reduced debt, increased capital and a slimmed down workforce.

To provide an update on our review of strategic options available to the Company, I hope investors will not mistake our comparative silence on this topic as lack of effort. A great deal of work is being done in assessing the best way forward, with a number of different industry participants and advisers including our asset manager, Amedeo Limited.

Whilst the Group’s fleet is not the most complex, it is not the simplest, either. One of our aircraft types, the A380, is less liquid given the shallow operator base although the good news flow I refer to above should support stronger valuations. In addition, one of our lessees is still under bankruptcy protection, and this is discouraging to investors. Consequently, in weighing up the possible alternative ways forward – including running off the leases as is or selling the whole or a part of the portfolio now or over time – in terms of value to you, our shareholders, is not straightforward. Your Board remains committed to identifying the best value for you overall, including assessing the return of cash to you, as we consider prudent, along the way. We intend to provide an update to Shareholders later this year.

Finally, I would like to take the opportunity to thank our two outgoing Directors, Laurence Barron and Mary Gavigan, for their diligence and commitment during their time in office. We welcome Eithne Manning whose deep leasing industry experience will be relevant in our ongoing review.

Robin Hallam

For further information, please contact:

JTC Fund Solutions (Guernsey) Limited
+44 (0) 1481 702 400

Panmure Liberum Limited

Chris Clarke / Darren Vickers
+44 (0) 20 3100 2000

About the Company

The Company is a Guernsey-domiciled company, with shares admitted to trading on the Specialist Fund Segment of the London Stock Exchange's Main Market (LSE: AA4).

The Company's investment objective is to obtain income returns and a capital return for its Shareholders by acquiring, leasing and then selling aircraft.