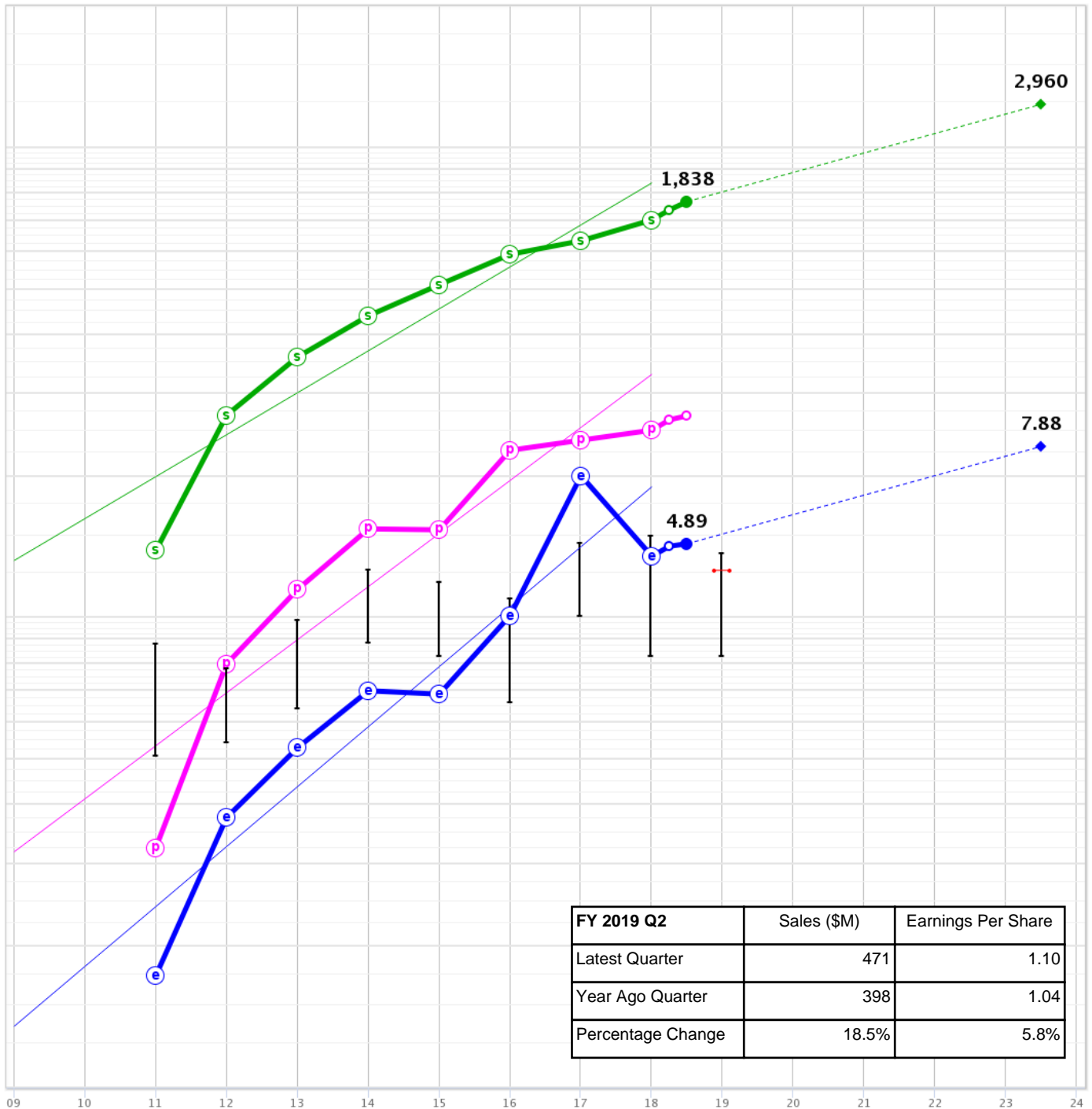


Company	Air Lease		Date	09/09/19	
Prepared by	LONG		Data taken from	BI Stock Data	
Where traded	NYS	Industry	Rental & Leasing Services		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	112.8		2.9	92.6	
Debt (\$M)	12,859.2	% to Tot Cap	70.8	% Pot Dil	1.3

# Stock Selection Guide

Symbol: AL

## 1 VISUAL ANALYSIS of Sales, Earnings, and Price



- |                                   |       |                                                |       |
|-----------------------------------|-------|------------------------------------------------|-------|
| (1) Historical Sales Growth       | 22.8% | (3) Historical Earnings Per Share Growth       | 34.1% |
| (2) Estimated Future Sales Growth | 10.0% | (4) Estimated Future Earnings Per Share Growth | 10.0% |

## 2 EVALUATING Management

Air Lease

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Last 5 Year Avg.
Pre-tax Profit on Sales			24.9%	31.6%	34.2%	37.6%	32.1%	40.9%	40.2%	38.1%	37.8%
% Earned on Equity				5.6%	7.5%	9.0%	8.2%	10.8%	19.3%	11.4%	11.7%
% Debt To Capital			54.5%	65.3%	69.9%	70.8%	71.9%	72.0%	70.1%	70.6%	71.1%

## 3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

**CLOSING PRICE** 42.91 (09/09/19)

**HIGH THIS YEAR** 46.61

**LOW THIS YEAR** 28.13

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2014	42.9	30.0	2.38	18.0	12.6	0.13	5.5	0.4
2015	40.5	28.1	2.34	17.3	12.0	0.17	7.3	0.6
2016	37.2	22.5	3.44	10.8	6.5	0.23	6.5	1.0
2017	49.0	34.3	6.82	7.2	5.0	0.33	4.8	0.9
2018	50.7	28.1	4.60	11.0	6.1	0.43	9.3	1.5
AVERAGE		28.6		12.9	8.5		6.7	
CURRENT/TTM			4.89			0.52	10.6	
AVERAGE PRICE EARNINGS RATIO: 10.7				CURRENT PRICE EARNINGS RATIO: 8.8				

## 4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

### A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 10.0 X Estimate High Earnings/Share 7.88 = Forecasted High Price \$ 78.8

### B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 8.5 X Estimate Low Earnings/Share 4.89 = Forecasted Low Price \$ 41.6

(b) Avg. Low Price of Last 5 Years 28.6

(c) Recent Market Low Price 28.1

(d) Price Dividend Will Support  $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.52}{1.53\%} = 34.0$

Selected Forecasted Low Price \$ 28.6

### C ZONING using 25%-50%-25%

Forecasted High Price 78.8 Minus Forecasted Low Price 28.6 = 50.1 Range. 25% of Range 12.5

Buy Zone 28.6 to 41.1

Hold Zone 41.1 to 66.2

Sell Zone 66.2 to 78.8

Present Market Price of 42.91 is in the **HOLD** Zone

### D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price } 78.8 - \text{Present Price } 42.91}{\text{Present Price } 42.91 - \text{Minus Low Price } 28.6} = \frac{35.84}{14.30} = 2.5$  To 1

### E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price } 78.8}{\text{Closing Price } 42.91} = 1.8353 \times 100 = 183.53 - 100 = 83.5\%$  % Appreciation

## 5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

**A**  $\frac{\text{Indicated Annual Dividend } 0.43}{\text{Closing Price } 42.91} = 0.0121 = 1.2\%$  Current Yield

### B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout } 6.7\%}{\text{Forecast High PE } 10.00} = 0.7\%$

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout } 6.7\%}{\text{Forecast Average PE } 9.25} = 0.7\%$

### C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

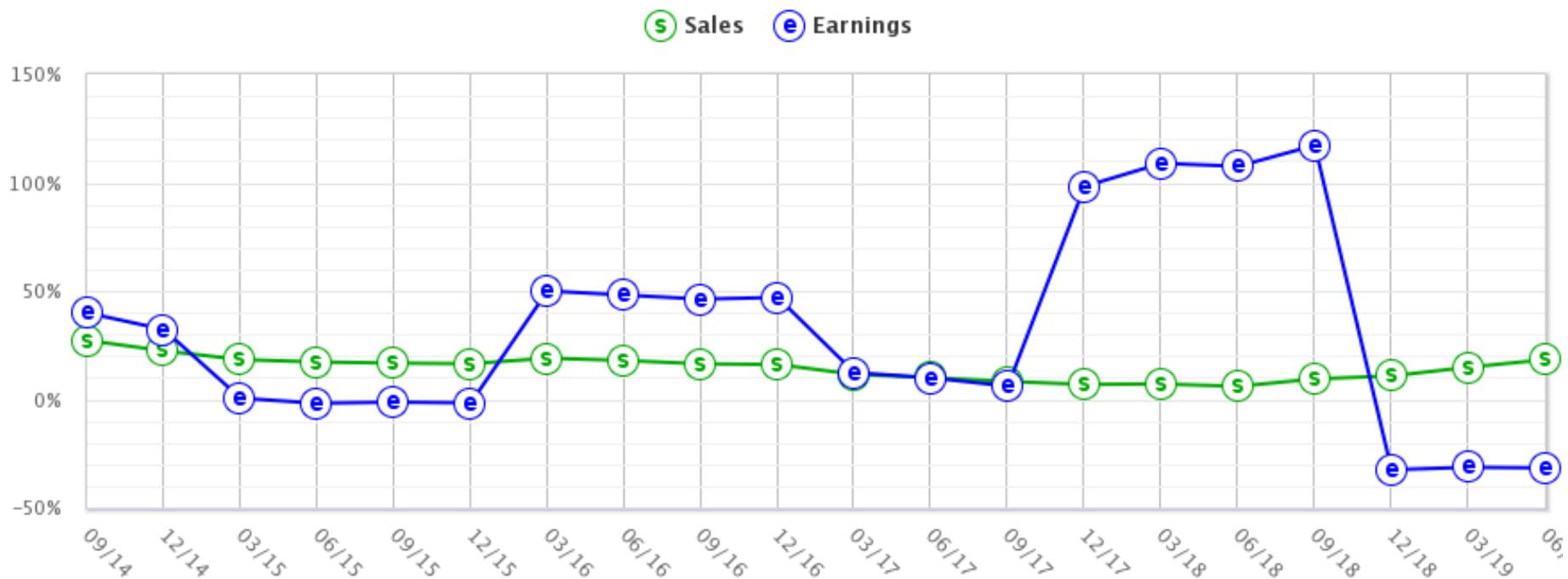
Annualized Appreciation 12.9 %  
Average Yield 0.7 %  
Annualized Rate of Return 13.6 %

### COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 11.2 %  
Average Yield 0.7 %  
Annualized Rate of Return 11.9 %

**Quarterly Growth Trend Data**

Graph: Trailing 4 Quarters, Last 5 Years of Data



Period	Quarterly Data								Last 12 Months Data											
	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS		Pre-Tax Profit			Sales			%Change			
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change		\$	\$ Mil	%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales				
06/19	1.10	5.8	160.5	34.1	8.9	471.4	18.5	20.1	4.89	686.9	37.4	1,838.1	135.6	19.7	-31.7	12.9	18.3			
03/19	1.23	23.0	174.9	37.5	23.8	466.1	22.3	21.1	4.83	673.8	38.2	1,764.5	136.0	20.2	-31.4	9.2	14.8			
12/18	1.24	-70.6	172.0	38.2	3.8	450.0	12.9	19.6	4.60	640.1	38.1	1,679.7	130.2	20.3	-32.6	5.0	10.8			
09/18	1.32	46.7	179.4	39.8	16.4	450.7	19.6	18.3	7.58	633.8	38.9	1,628.2	-194.2	-30.6	117.2	6.8	9.4			
06/18	1.04	13.0	147.4	37.1	-5.4	397.8	4.4	21.8	7.16	608.5	39.2	1,554.3	-160.0	-26.3	107.5	4.2	6.0			
03/18	1.00	28.2	141.3	37.1	5.6	381.2	5.8	21.7	7.04	617.0	40.1	1,537.4	-141.6	-22.9	108.9	8.2	7.1			
12/17	4.22	374.2	165.7	41.6	10.9	398.5	7.6	-184.4	6.82	609.5	40.2	1,516.4	-117.2	-19.2	98.3	5.0	6.9			
09/17	0.90	4.7	154.1	40.9	6.6	376.8	6.1	35.6	3.49	593.3	39.9	1,488.4	211.4	35.6	6.1	6.7	8.2			
06/17	0.92	9.5	155.9	40.9	9.6	381.0	8.8	35.3	3.45	583.7	39.8	1,466.7	207.8	35.6	9.9	9.9	10.0			
03/17	0.78	-8.2	133.9	37.2	-7.0	360.2	4.9	36.6	3.37	570.1	39.7	1,435.9	203.2	35.6	12.3	12.5	11.5			

**Quarterly Growth Trend Data**

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change	\$		\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
12/16	0.89	20.3	149.4	40.3	19.3	370.5	13.4	35.1	3.44	580.2	40.9	1,419.1	205.3	35.4	47.0	47.7	16.0
09/16	0.86	21.1	144.6	40.7	20.9	355.1	13.4	35.5	3.29	556.1	40.4	1,375.3	197.2	35.5	46.2	48.0	16.3
06/16	0.84	20.0	142.3	40.6	20.4	350.1	14.9	35.5	3.14	531.1	39.8	1,333.3	188.5	35.5	48.1	50.6	17.9
03/16	0.85	347.4	144.0	41.9	380.4	343.3	23.4	35.5	3.00	507.0	39.4	1,287.9	180.1	35.5	50.0	53.6	19.0
12/15	0.74	13.8	125.2	38.3	15.8	326.7	14.3	35.4	2.34	393.0	32.1	1,222.8	139.6	35.5	-1.7	-0.5	16.4
09/15	0.71	22.4	119.6	38.2	24.2	313.1	19.5	35.6	2.25	375.8	31.8	1,182.1	133.2	35.4	-1.3	-0.4	16.7
06/15	0.70	20.7	118.2	38.8	23.5	304.7	18.9	35.6	2.12	352.5	31.2	1,130.9	124.6	35.3	-1.9	-0.9	17.2
03/15	0.19	-66.7	30.0	10.8	-68.4	278.3	13.0	35.5	2.00	330.0	30.5	1,082.5	116.3	35.2	0.5	1.1	18.3
12/14	0.65	18.2	108.1	37.8	19.4	285.9	15.1	35.1	2.38	394.8	37.6	1,050.5	138.8	35.2	32.2	34.5	22.3
09/14	0.58	26.1	96.3	36.8	28.6	261.9	22.5	35.2	2.28	377.2	37.2	1,013.0	132.5	35.1	39.9	42.8	27.2
06/14	0.58	41.5	95.7	37.3	44.3	256.3	24.2	35.2	2.16	355.8	36.9	964.9	125.0	35.1	41.2	44.4	27.7
03/14	0.57	50.0	94.7	38.5	53.6	246.3	29.6	35.2	1.99	326.5	35.7	914.9	114.7	35.1	42.1	45.7	29.9
12/13	0.55	44.7	90.6	36.5	47.8	248.4	33.4	35.0	1.80	293.4	34.2	858.7	103.1	35.1	40.6	43.9	33.0
09/13	0.46	27.8	74.9	35.0	30.9	213.8	23.7	35.1	1.63	264.2	33.2	796.4	92.8	35.1	40.5	45.6	38.9
06/13	0.41	46.4	66.3	32.1	51.1	206.3	33.1	35.2	1.53	246.5	32.6	755.5	86.7	35.2	56.1	61.6	53.9
03/13	0.38	46.2	61.7	32.4	48.2	190.1	44.3	35.2	1.40	224.0	31.8	704.2	79.1	35.3	79.5	87.4	71.8
12/12	0.38	46.2	61.3	32.9	58.4	186.2	63.9	35.0	1.28	204.0	31.6	645.9	72.1	35.4	101.4	670.9	82.6
09/12	0.36	100.0	57.2	33.1	101.8	172.9	91.1	35.3	1.16	181.4	31.6	573.3	64.6	35.6	274.2	310.8	160.9
06/12	0.28	250.0	43.9	28.3	303.0	155.1	109.5	35.8	0.98	152.5	31.1	490.9	54.4	35.7	9,700.0	3,233.8	230.9
03/12	0.26	420.0	41.6	31.6	745.0	131.7	138.6	35.3	0.78	119.5	29.2	409.8	42.5	35.6	100.9	334.5	442.4
12/11	0.26		38.7	34.0		113.6		36.0	-91.06	26.5	7.5	353.7	6.9	26.1			
09/11	0.18	250.0	28.3	31.3	352.2	90.5	373.4	35.5	0.31	44.2	20.1	219.7	15.7	35.5			
06/11	0.08	100.1	10.9	14.7	124.4	74.0	5,892.2	35.5	0.01	4.6	3.1	148.3	1.6	34.0			
03/11	0.05		4.9	8.9		55.2		35.5									
09/10	-0.12		-11.2	-58.8		19.1		31.1									
06/10	-90.45		-44.7	-3,616.7		1.2		9.0									
03/10	-1.06		-0.5			0.0		0.0									