



# AAWW Investor Slides

MARCH 2022



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# Safe Harbor Statement

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect Atlas Air Worldwide Holdings Inc.’s (“AAWW”) current views with respect to certain current and future events and financial performance. Such forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the operations and business environments of AAWW and its subsidiaries that may cause actual results to be materially different from any future results, express or implied, in such forward-looking statements.

For additional information, we refer you to the risk factors set forth in the documents filed by AAWW with the Securities and Exchange Commission. Other factors and assumptions not identified above are also involved in the preparation of forward-looking statements, and the failure of such other factors and assumptions to be realized may also cause actual results to differ materially from those discussed.

Such forward-looking statements speak only as of the date of this presentation. AAWW assumes no obligation to update the statements in this presentation to reflect actual results, changes in assumptions, or changes in other factors affecting such estimates, other than as required by law and expressly disclaims any obligation to revise or update publically any forward-looking statement to reflect future events or circumstances.

This presentation also includes some non-GAAP financial measures. You can find our presentations on the most directly comparable GAAP financial measures calculated in accordance with accounting principles generally accepted in the United States and our reconciliations in our earnings releases dated February 17, 2022, which are posted at [www.atlasairworldwide.com](http://www.atlasairworldwide.com).

# Operating an Essential Business

## SAFETY IS OUR TOP PRIORITY

- Taking every precaution to protect our employees and operations
- Providing safe and high-quality service for our customers

## VITAL ROLE IN THE GLOBAL SUPPLY CHAIN

- Bringing goods to market with unmatched speed and reliability
- Carrying express, e-Commerce, manufacturing and other necessities
- Airfreight volumes exceeding pre-pandemic levels
- Favorable economic and supply chain conditions

## CAPITALIZING ON MARKET DYNAMICS

- Entering and enhancing long-term customer agreements
- Leveraging global operating capabilities and flexible business model

## A LEADER IN THE STRONG FUTURE OF AIRFREIGHT

- Strong balance sheet
- Talented team of employees
- Industry-leading fleet and premier customers



# Shaping a Powerful Future

**Global leader** in outsourced aviation

Focused on opportunities that **generate the best returns**

**Long-standing, strategic customers**

Adjusting our business – **managing costs, aligning resources** with **strategic priorities**

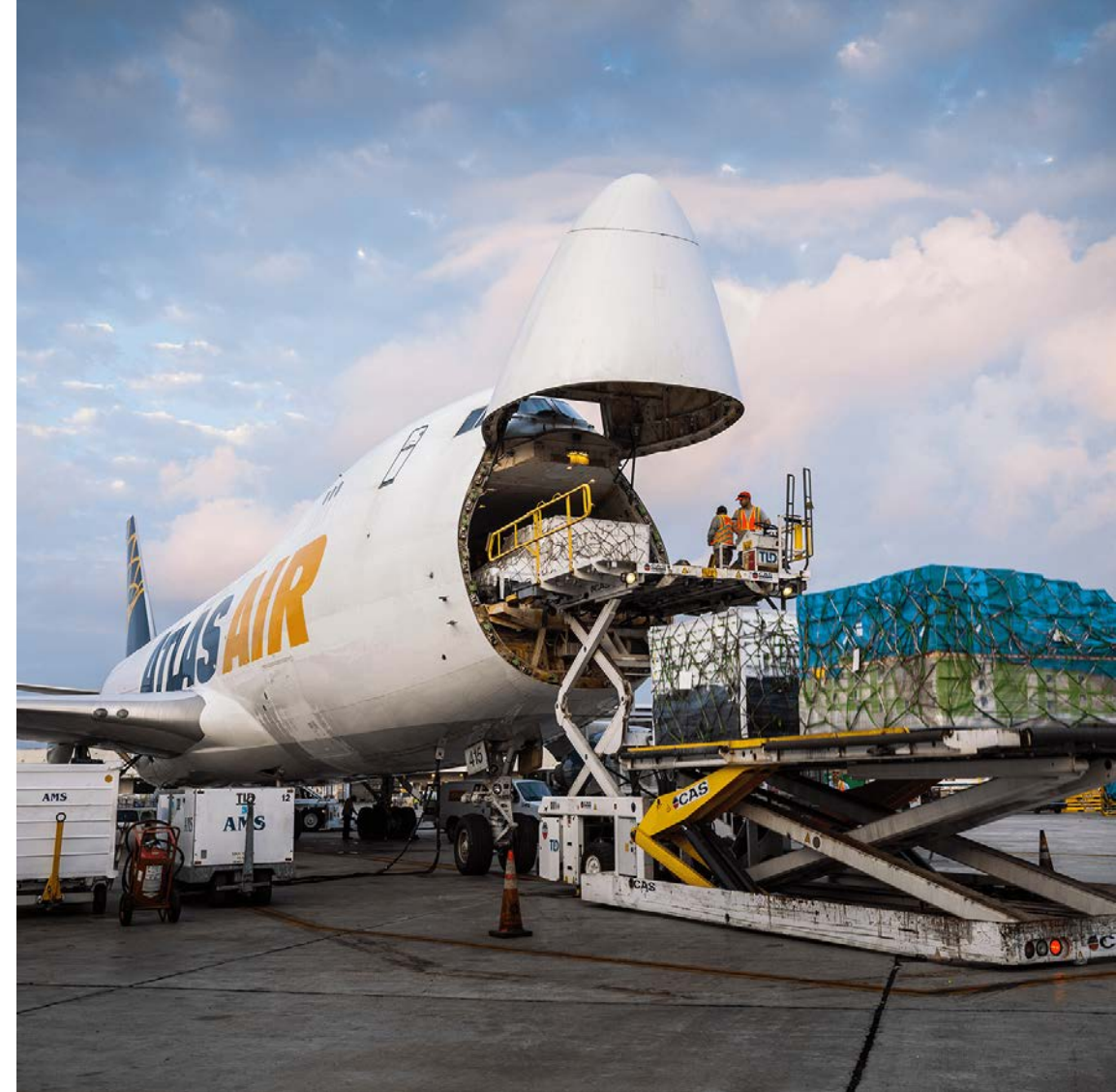
Committed to **express, e-Commerce, U.S. military** and **fast-growing markets**

**Capitalizing on initiatives** to drive value and benefit for customers, employees and shareholders



# Key Objectives

- Deliver **superior service quality**
- Committed to **safe, secure, compliant operation**
- Maximize **business opportunities**
- Capitalize on **fleet development**
- Realize **continuous improvement**
- Maintain **solid balance sheet**



**Continued Growth and Innovation**

# 4Q21 Highlights

## RECORD RESULTS

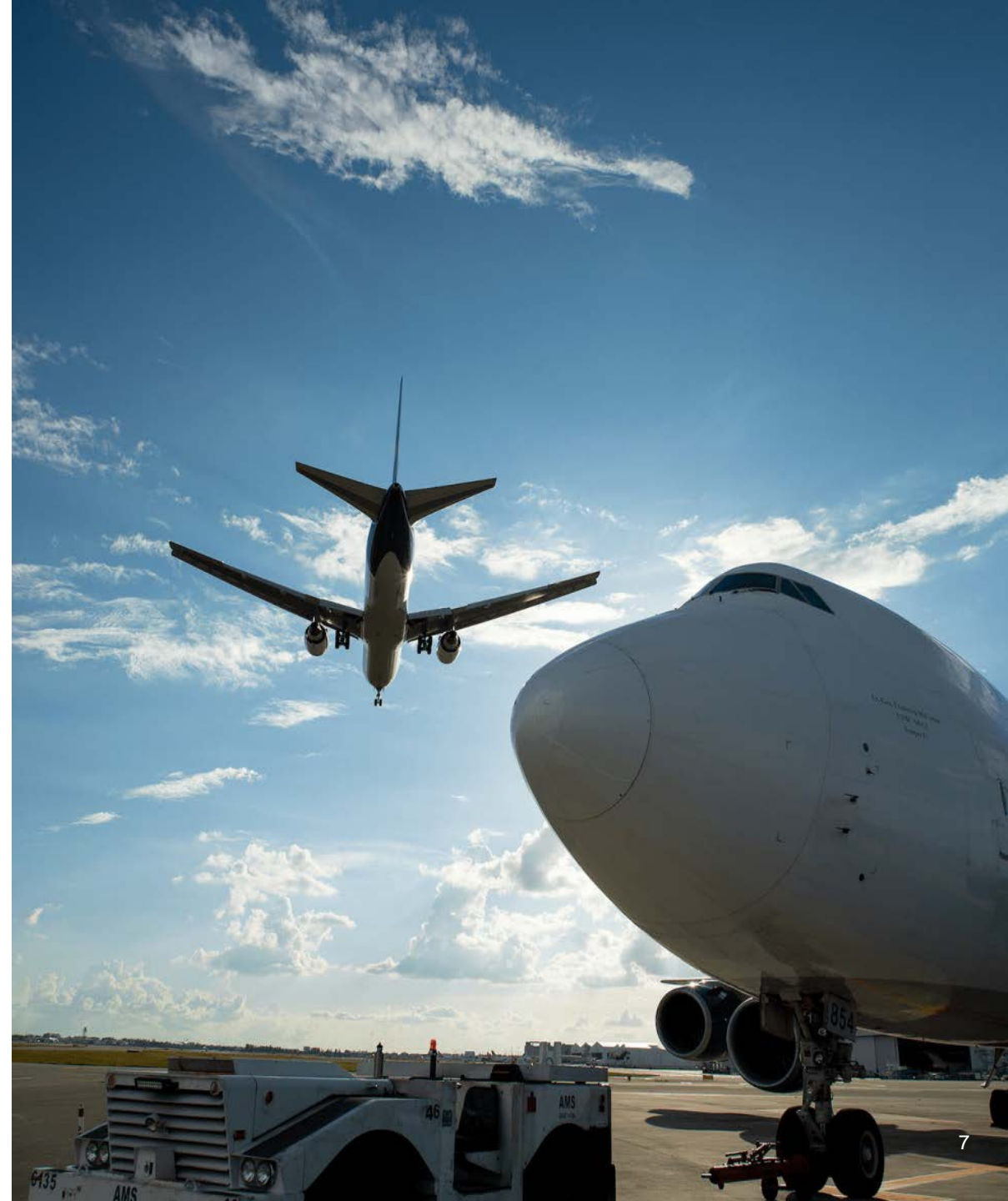
- Strong demand for our aircraft and services
- Ongoing reduction of available capacity in the market
- Continued disruption of global supply chains

## BENEFITED FROM

- Higher yields
- Increased aircraft utilization
- New and extended long-term customer contracts
- Operating one 747-400F reactivated in 4Q20
- Lower heavy maintenance expense

## RESULTS REFLECTED

- Higher pilot costs driven by new JCBA
- New competitive pay rates effective September 1, 2021



# 2021 Summary

BLOCK HOURS <b>364,061</b>	REVENUE <b>\$4.0B</b>
ADJ. EBITDA* <b>\$1.1B</b>	DIRECT CONTRIBUTION <b>\$1.1B</b>

ADJUSTED NET INCOME\*

**\$551.0 million**

REPORTED NET INCOME

**\$493.3 million**

\*See February 17, 2022 press release for Non-GAAP reconciliations



# Outlook and Capital Allocation

## 1Q22 OUTLOOK

### Revenue

~\$1.0 billion

### Adj. EBITDA

Similar to 1Q21

adj. EBITDA  
of \$181.3 million

### Adj. Net Income

Similar to 1Q21

adj. net income  
of \$72.2 million

### Block Hours

~85,000

### Maintenance Expense

~\$130 million

## 2022 COMMENTARY / KEY ITEMS

**Strong airfreight environment and demand for our assets and services**

**Anticipate capacity on key long-haul cargo trade lanes to remain subdued**

**Supply chain bottlenecks are driving more airfreight demand**

**Monitoring developments related to COVID-19 and expect continued expenses**

### Maintenance Expense

Similar to 2021

### Depreciation/Amortization

~\$300 million

### Core Capex

~\$135 to \$145 million

## CAPITAL ALLOCATION STRATEGY

**Balanced approach**

**Maintain strong balance sheet**

**Invest in our business**

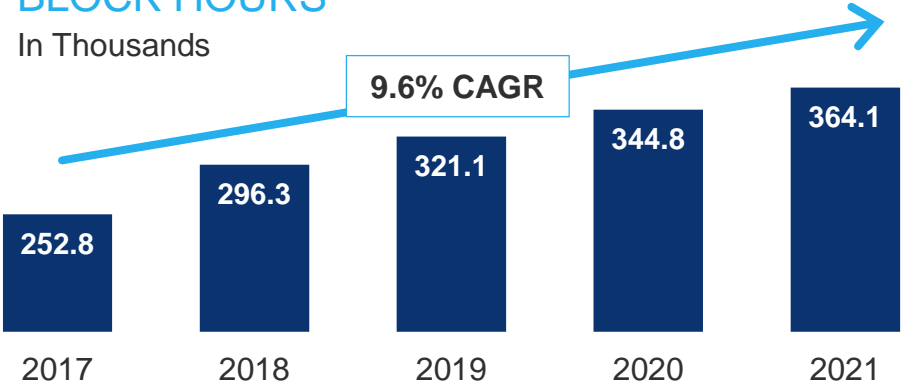
**Return capital to shareholders**

**New \$200 million share repurchase authorization, including \$100 million in accelerated share repurchases**

# Financial and Operating Trends

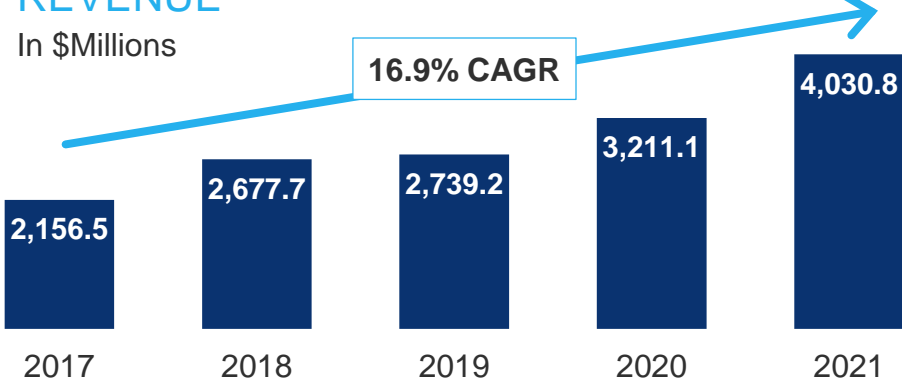
## BLOCK HOURS

In Thousands



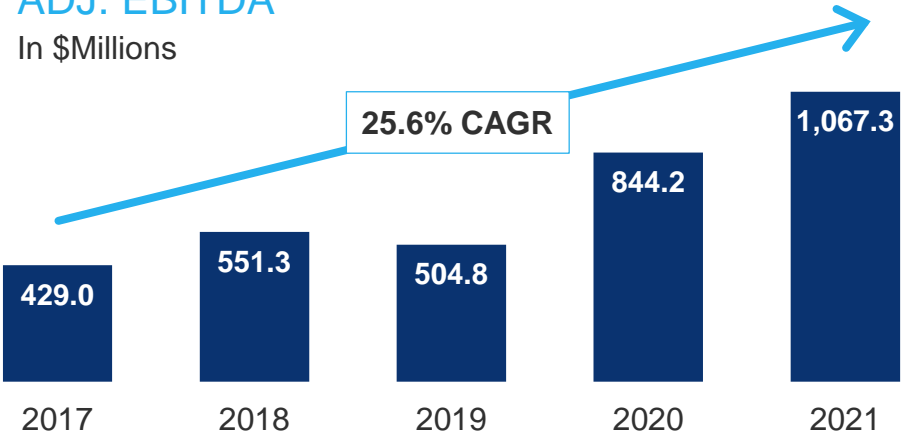
## REVENUE

In \$Millions



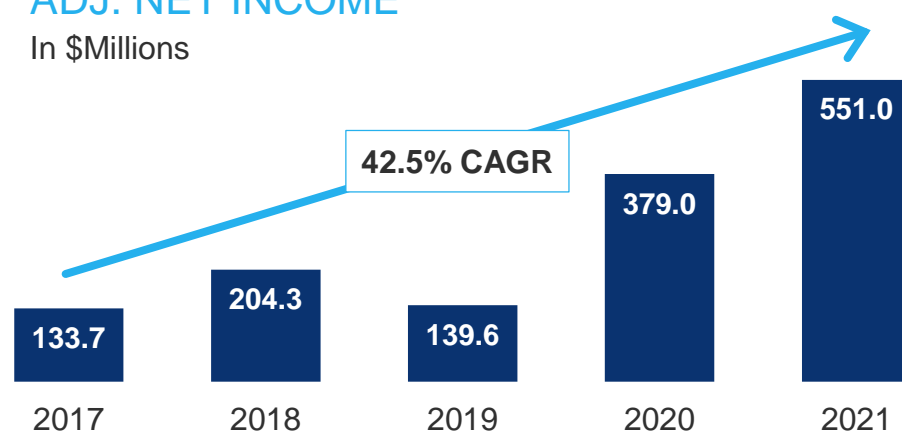
## ADJ. EBITDA\*

In \$Millions



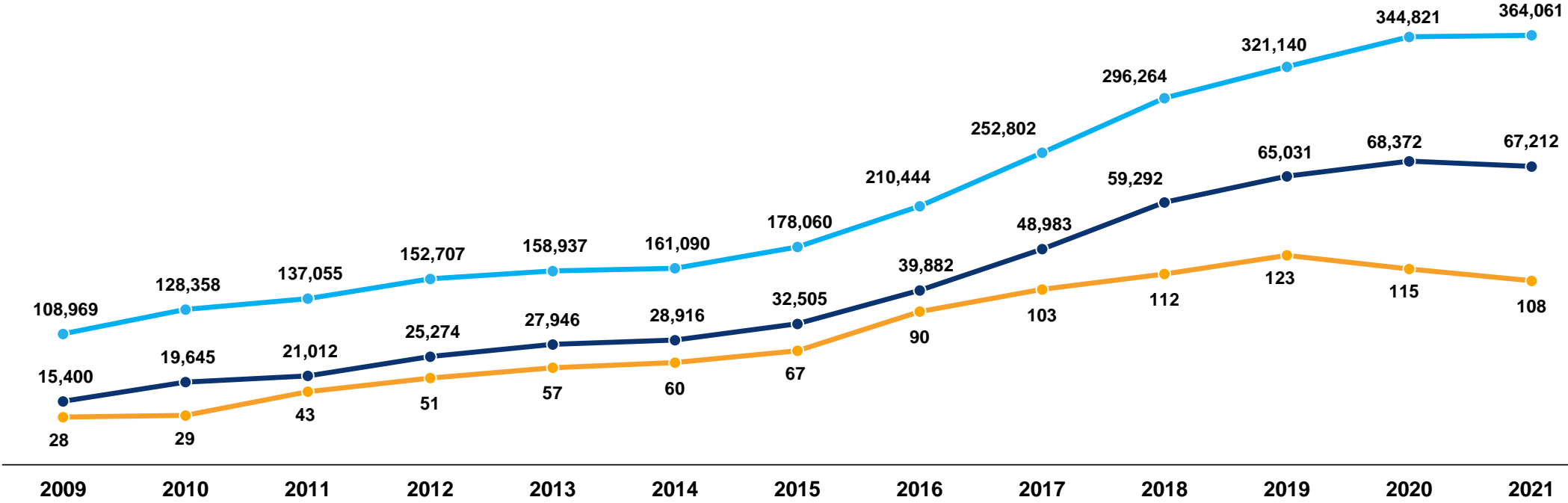
## ADJ. NET INCOME\*

In \$Millions



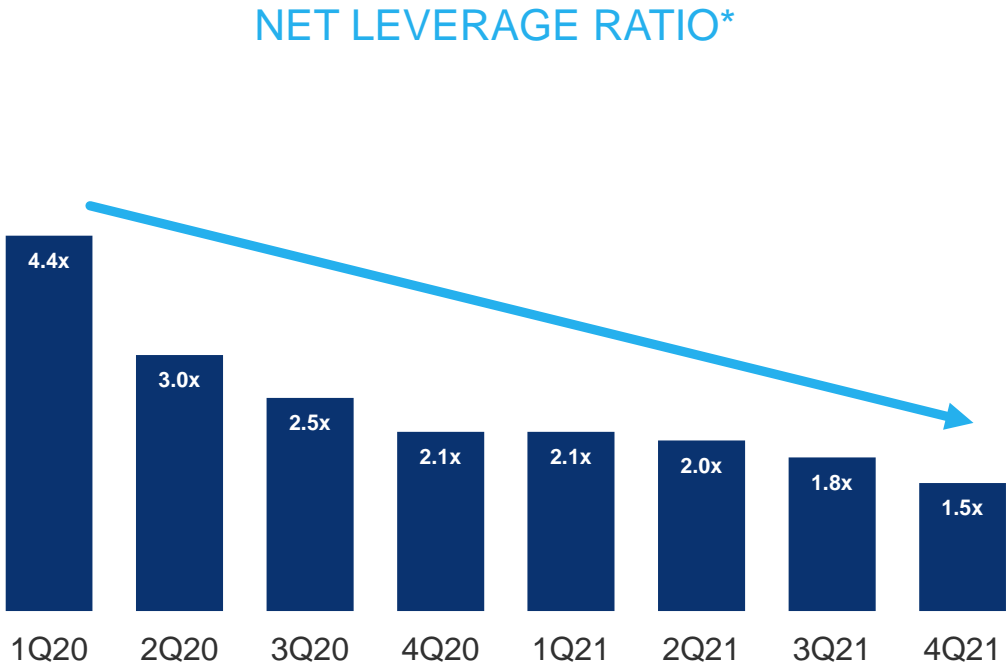
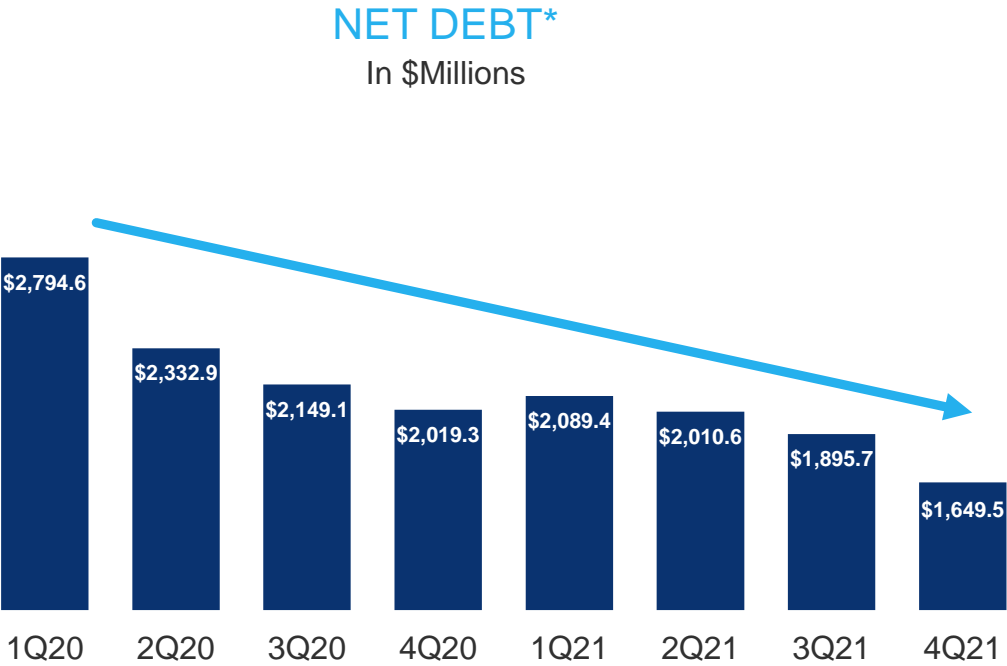
\*See February 17, 2022 press release for Non-GAAP reconciliations

# Growth by Year



■ # Block Hours   
 ■ # Departures   
 ■ Fleet (# AC)

# Net Debt and Net Leverage Ratio



**Debt and finance lease payments of  
~\$100 million per quarter**

\*See Appendix for Non-GAAP reconciliation

# Business Developments – Airline Operations

## ACMI SERVICES & CMI SERVICES

**Strong record of placements and expanded service** for existing customers

**Added customers** include: Asiana, Inditex, Nippon Cargo Airlines, SF Express

Customer interest for both **777F and 747F CMI solutions**

Operating **17 767-300Fs for Amazon**

Operating **eight 737-800Fs for Amazon**

Significant **placements with express operators:** DHL, FedEx and UPS



## CHARTER SERVICES

**World's leading 747 charter operator**

**Expanded long-term charter agreements:** HP Inc., DHL Global Forwarding, Cainiao, APEX Logistics, DB Schenker, Flexport, GEODIS and others...

**High-profile sports, racing, entertainment charters**

**Leading cargo carrier in South America**

**Largest provider of cargo and passenger charters to U.S. military**



# Business Developments – Dry Leasing

**AeroLogic**

**amazon**

 中国邮政航空公司  
China Postal Airlines

**DHL**

**FedEx**

## TITAN AVIATION HOLDINGS

Wholly-owned subsidiary of AAWW

World's 3<sup>rd</sup> largest freighter lessor by value

Added/converted 21 767-300s;  
acquired two additional 777-200Fs

## TITAN AIRCRAFT INVESTMENTS

Formed JV with Bain Capital Credit to develop separate freighter aircraft leasing portfolio with anticipated value of ~\$1 billion

Raised \$650 million in financing facilities

Acquired one 777-200F under sale-leaseback with Atlas Air

Adding/converting two 767-300s for long-term lease to Icelandair

**TITAN** 

 **BainCapital**

**ATLAS AIR** 

**ICELANDAIR**  
GROUP 

**ATLAS AIR**   
WORLDWIDE

# Diversified Customer Base

LONG-TERM, PROFITABLE RELATIONSHIPS

## SHIPPERS



## FORWARDERS



## AIRLINES



## EXPRESS



## SPORTS CHARTERS



## OUR STRENGTHS

- Diversified portfolio of growth-oriented market leaders
- Covering the entire air cargo supply chain
- High degree of customer integration
- Focused on continuous development and growth
- Long-term contractual commitments

# Amazon Service

## SUPPORTING FAST DELIVERIES FOR AMAZON'S CUSTOMERS

**19 B767-300**  
converted freighters on lease;  
17 in CMI

10-year **dry leases**;  
7- to 10-year **CMI**

**Eight 737-800BCFs**;  
7- to 10-year **CMI**

Strategic **long-term** relationship

Amazon granted **rights to acquire AAWW equity**

- Inherent value creation
- Aligns interests, strengthens long-term relationship

Agreements provide for **future growth opportunities**





# Our Fleet

Broad array of aircraft for domestic, regional, international cargo and passenger operations

World's largest fleet of 747 freighters

TOTAL FLEET: 108\*

OPERATING FLEET: 100

DRY LEASE: 8



## 54 Boeing 747s

- 10 747-8Fs
- 35 747-400Fs
- 5 747-400 Passenger
- 4 Boeing Large Cargo Freighters (LCFs)



## 31 Boeing 767s

- 24 767-300Fs
- 5 767-300 Passenger
- 2 767-300 Freighters Titan



## 14 Boeing 777s

- 2 A+CMI 777Fs
- 6 CMI 777Fs
- 1 Charter 777F
- 5 Titan 777Fs

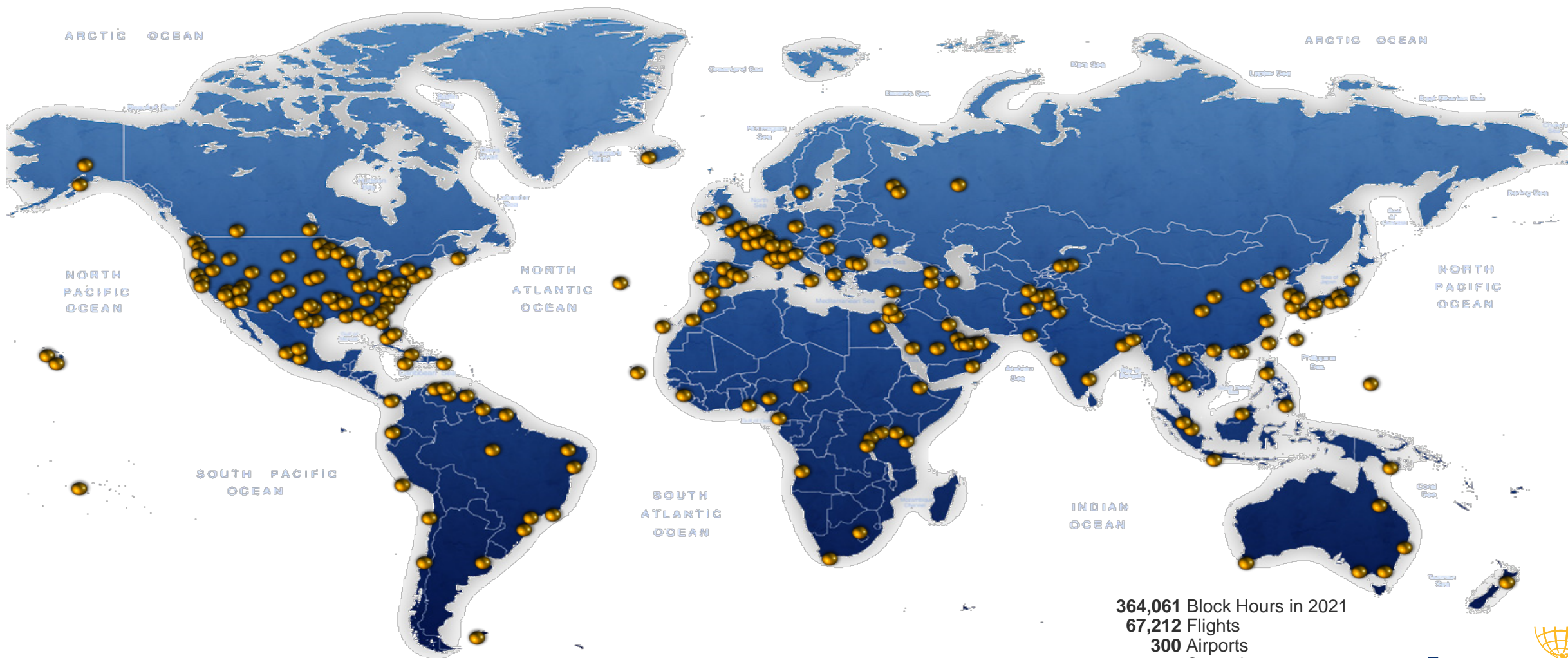


## 9 Boeing 737s

- 8 737-800Fs
- 1 737-300 Freighter Titan

\*As of December 31, 2021

# Global Presence



**364,061** Block Hours in 2021  
**67,212** Flights  
**300** Airports  
**70** Countries

# Delivering a Strong Value Proposition

## TRADITIONAL AIRFREIGHT

- **To grow ~4%** through 2040
- Airfreight: **35% of the value** of world trade
- Airlines seeking **more efficient and flexible freighter solutions**

## EXPRESS

- Strong growth with **~7% CAGR**
- Segment fueled by **strong e-Commerce growth**
- Express carriers require **incremental and flexible asset solutions**

## e-COMMERCE

- Market **growing by ~20%**
- Very **low penetration** globally
- Requires **dedicated freighter networks**

## MULTIPLE...

services  
markets  
fleet types

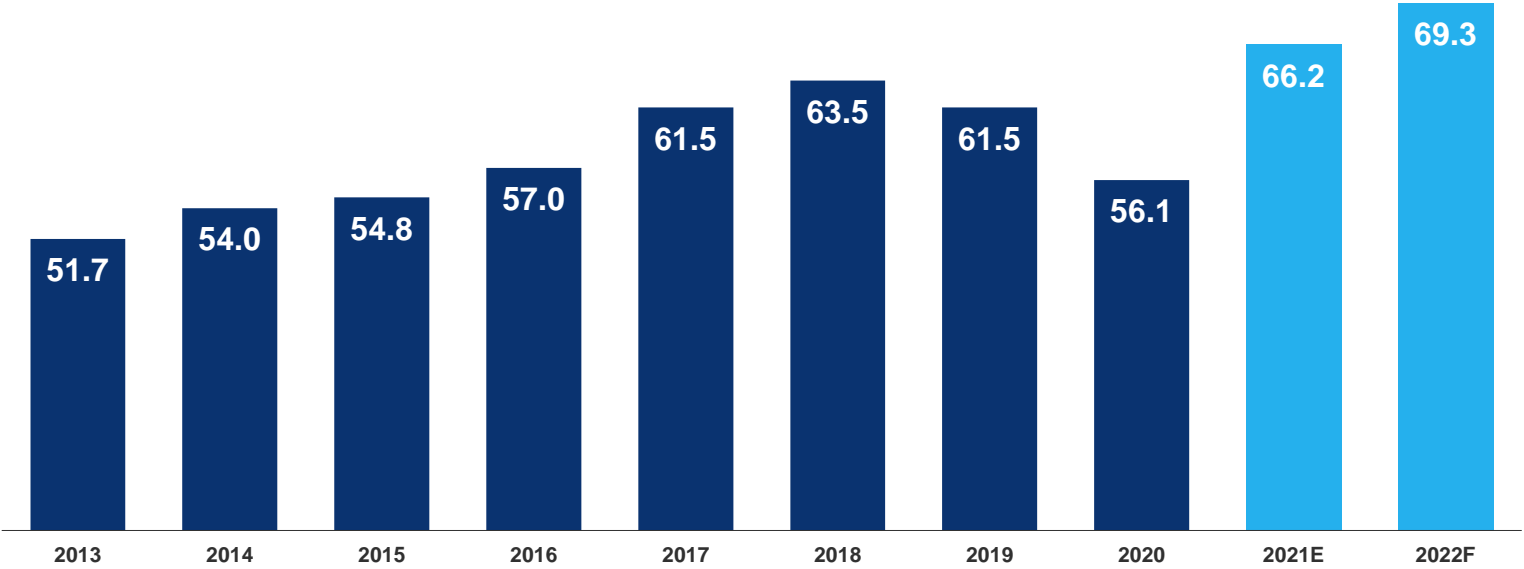
## ATLAS AIR

positioned to  
deliver value  
and growth

# International Global Airfreight – Annual Growth

## IATA REPORTED AIRFREIGHT TONNAGE

(In Millions)



IATA – Airfreight **tonnage** expected to **rise sharply** in 2021

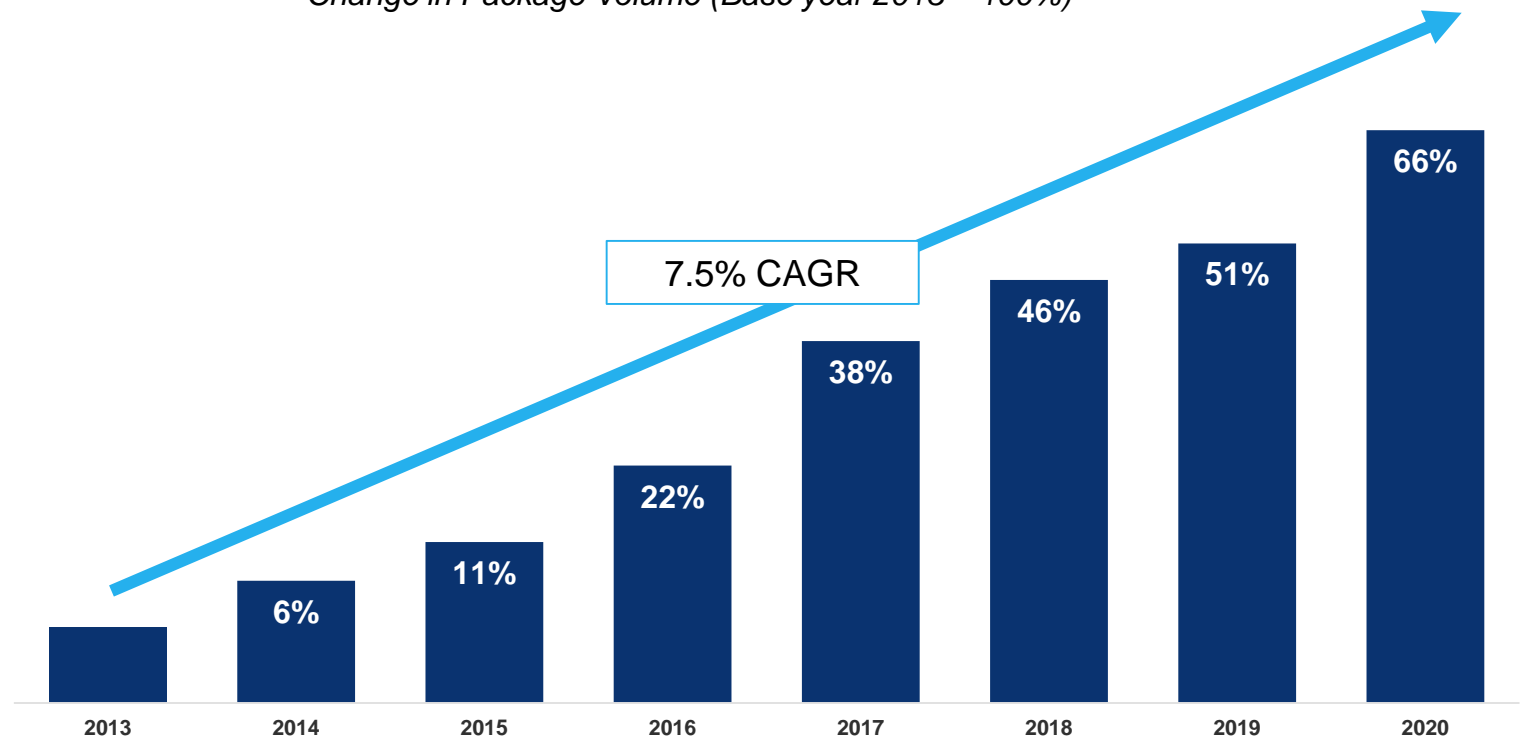
IATA – **COVID-19** disrupting global **supply chains**

# The Key Underlying Express Market is Growing

INTERNATIONAL EXPRESS MARKET – DHL, FedEx and UPS  
Change in Package Volume (Base year 2013 – 100%)

The International Express market is **showing robust growth**

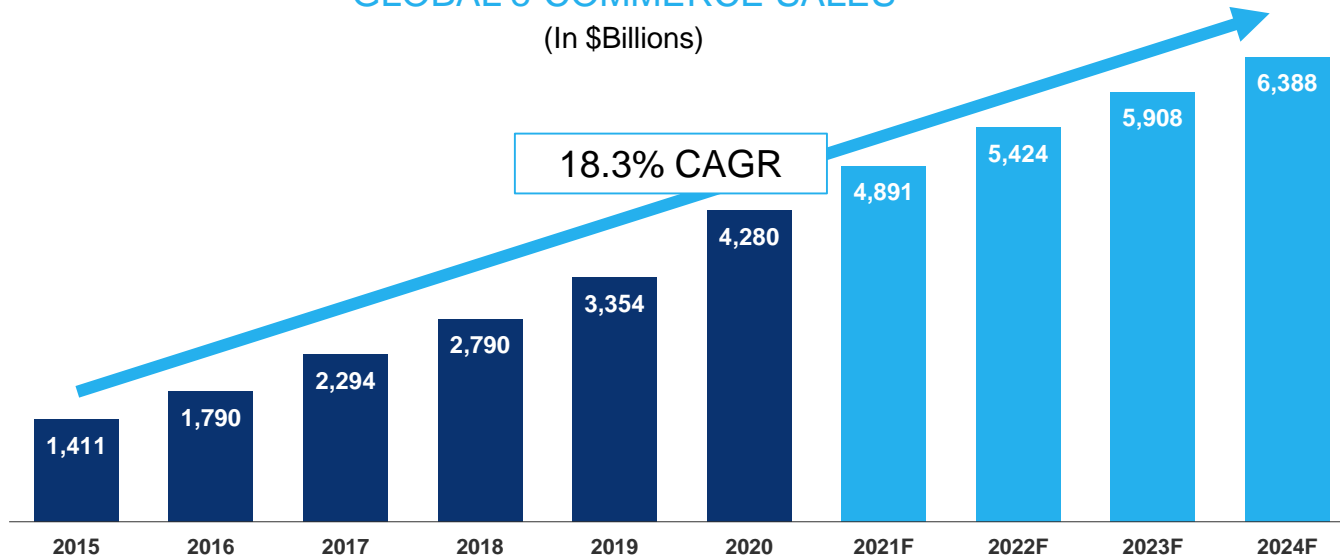
**7.5% CAGR** since 2013, well above the pace of general airfreight



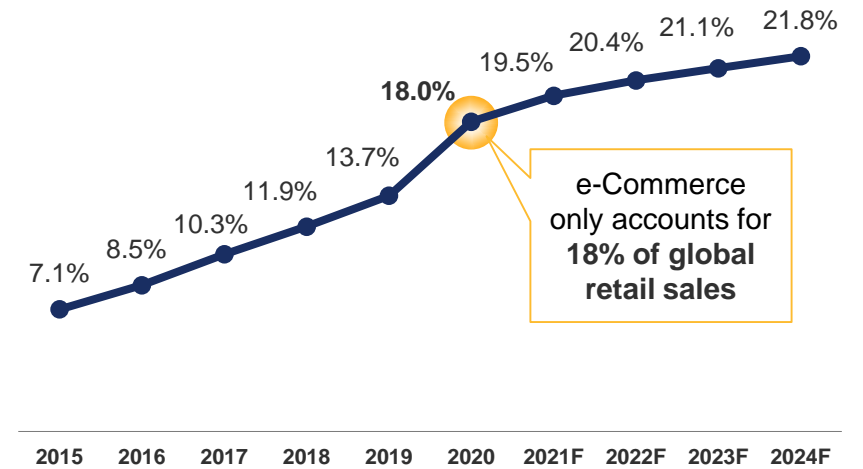
Notes: Weighted average of growth rates in international express package volume reported by these express operators  
Weighting is 50% DHL, 25% UPS and 25% FedEx

# e-Commerce Growth

**GLOBAL e-COMMERCE SALES**  
(In \$Billions)



**e-COMMERCE PENETRATION**  
(as percentage of global retail sales)



**USA** 312M internet users  
83% mobile penetration  
14% e-Commerce penetration



**CHINA** 989M internet users  
74% mobile penetration  
45% e-Commerce penetration



**INDIA** 697M internet users  
64% mobile penetration  
6% e-Commerce penetration



# A Strong Leader in a Vital Industry

## ATLAS

**Modern, reliable, fuel-efficient fleet**

**Diversified fleet solutions:**  
747, 777, 767, 737

Strong portfolio of long-term customers  
**committed to further expansion**

Operating on **five continents**

Serving the **entire air cargo supply chain**

**Unique integrated value proposition**

High degree of **customer collaboration**

**Focused on innovation and  
thought leadership**

## THE INDUSTRY

Airfreight is **vital to global trade growth**

**~\$6.5 trillion** of goods airfreighted annually;  
**~35% of total world trade**

Higher-growth e-Commerce and express  
markets **demand dedicated freighter services**

Significant growth in **U.S. domestic** air markets

High-value, time-sensitive inventories  
**demand airfreight-based supply chain**

Airfreight provides **a compelling value  
proposition**







# Atlas Air Worldwide



- We manage **diverse, complex and time-definite global networks**
- We **deliver superior performance and value-added solutions** across our business segments
- We manage a **world-class fleet** to service **multiple market segments**
- We are **strategically positioned in a long-term growth market** and focused on opportunities to **continue to deliver future growth**

## OUR VISION

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To be our customers' first choice and most valued partner

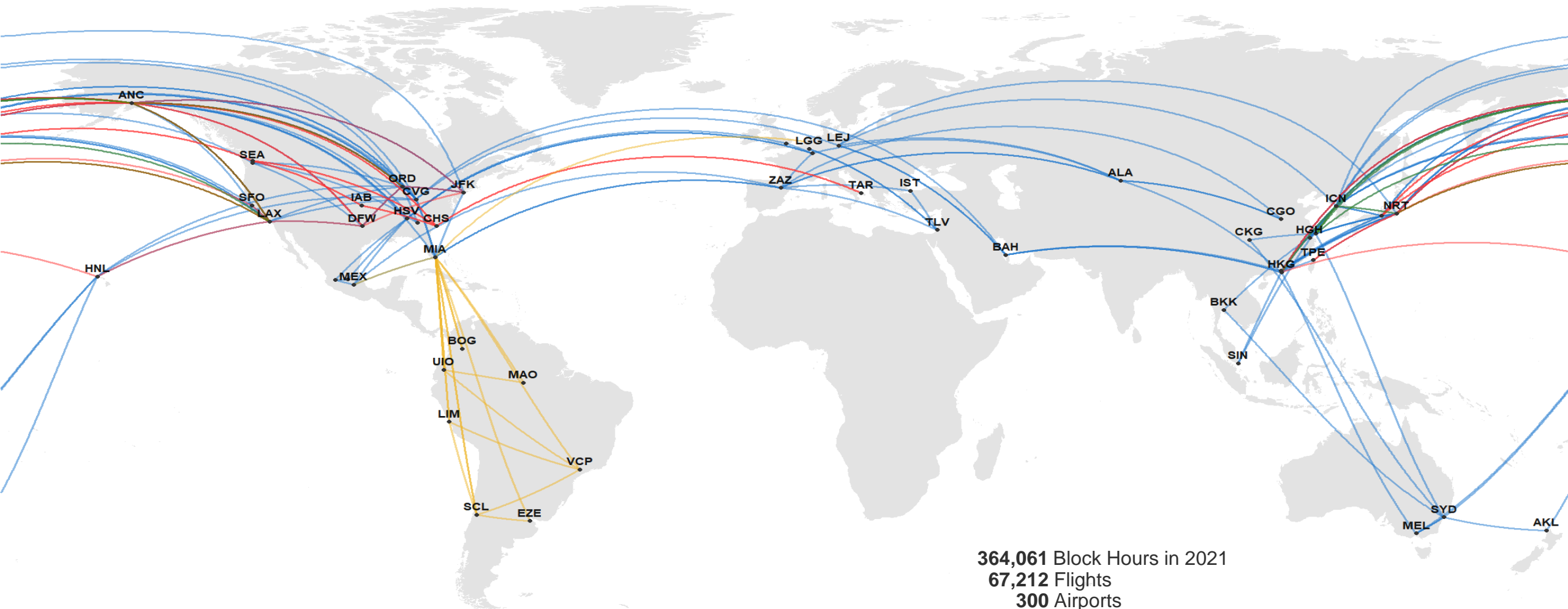
## OUR MISSION

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To leverage our core competencies and organizational capabilities

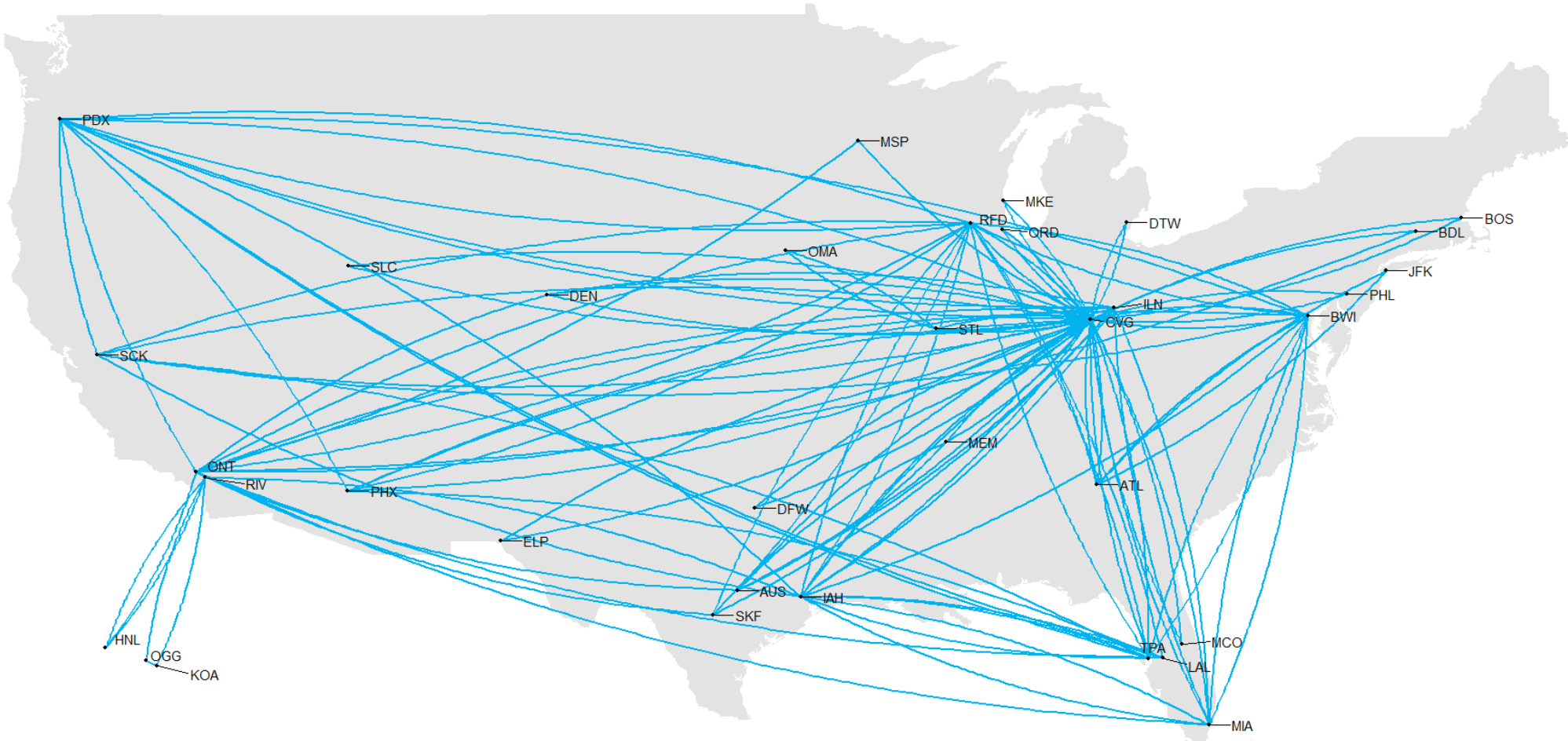


# Global Operating Network



**364,061** Block Hours in 2021  
**67,212** Flights  
**300** Airports  
**70** Countries

# North America Operating Network



# CARES Act Payroll Support Grant

- **Aggregate amount of \$406.8 million received by AAWW (closed on June 1, 2020)**
  - \$364.9 million attributable to Atlas Air
  - \$41.9 million attributable to Southern Air
- **Comprised of:**
  - Cash grants in the aggregate amount of approximately \$207.0 million
  - \$199.8 million in the form of a 10-year unsecured non-amortizing low interest promissory note
  - Warrant for up to 625,452 shares of AAWW common stock (exercise price of \$31.95)
- **U.S. Treasury determined that American taxpayers will be repaid through direct benefits** (in the form of short and expected longer-term job retention and related economic activity, avoided unemployment, payroll and income taxes paid, etc.), **the warrant and the company's repayment of the promissory note**
- **Included, among other things, restrictions on:**
  - Executive compensation
  - Reductions in employment levels and rates
  - Share repurchases and the payment of dividends

# Tailoring Airfreight Networks for e-Commerce

CUSTOMERS REQUIRE TAILORED SOLUTIONS,  
AND ATLAS PROVIDES:

- Customized air networks supported by an unparalleled range of freighters
- Global scale to operate domestic, regional and international networks

We match each customer with the **right assets**, the **most efficient networks** and **value-adding solutions**



# Global Airfreight Drivers

## MARKET SIZE

Airfreight share:  
~1% global trade  
volume; ~35%  
global trade value

## PRODUCTS

High-value,  
time-sensitive items;  
items with short  
shelf lives

## STRATEGIC CHOICE

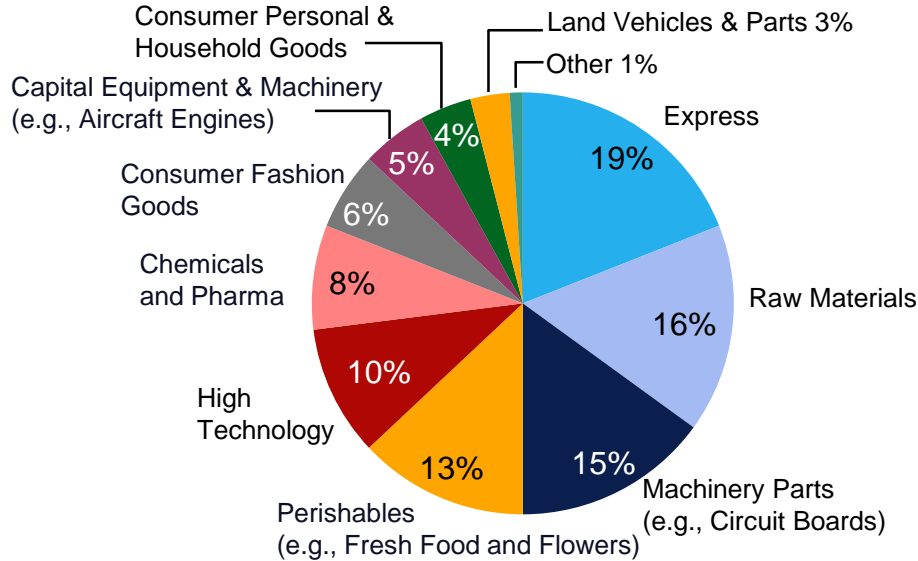
Products/supply  
chains with  
just-in-time delivery  
requirements

## SPECIALTY CONSIDERATION

Products with  
significant security  
considerations

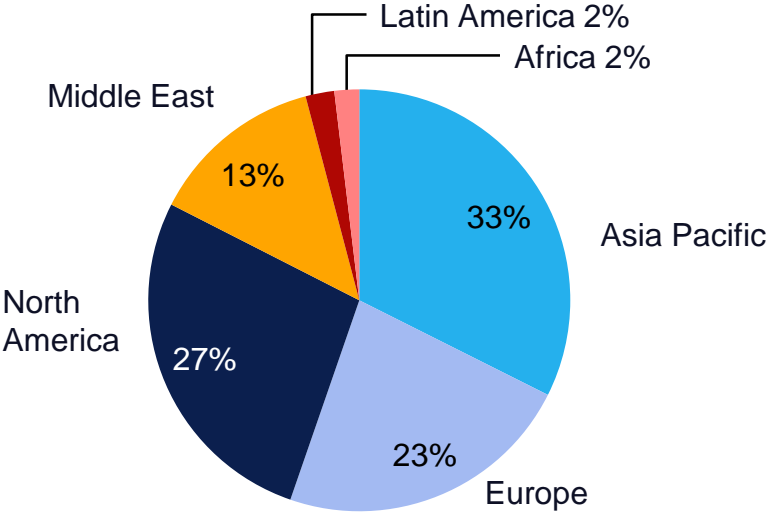
### BY SECTOR

Industry Sectors Served by AAWW Customers



### BY REGION

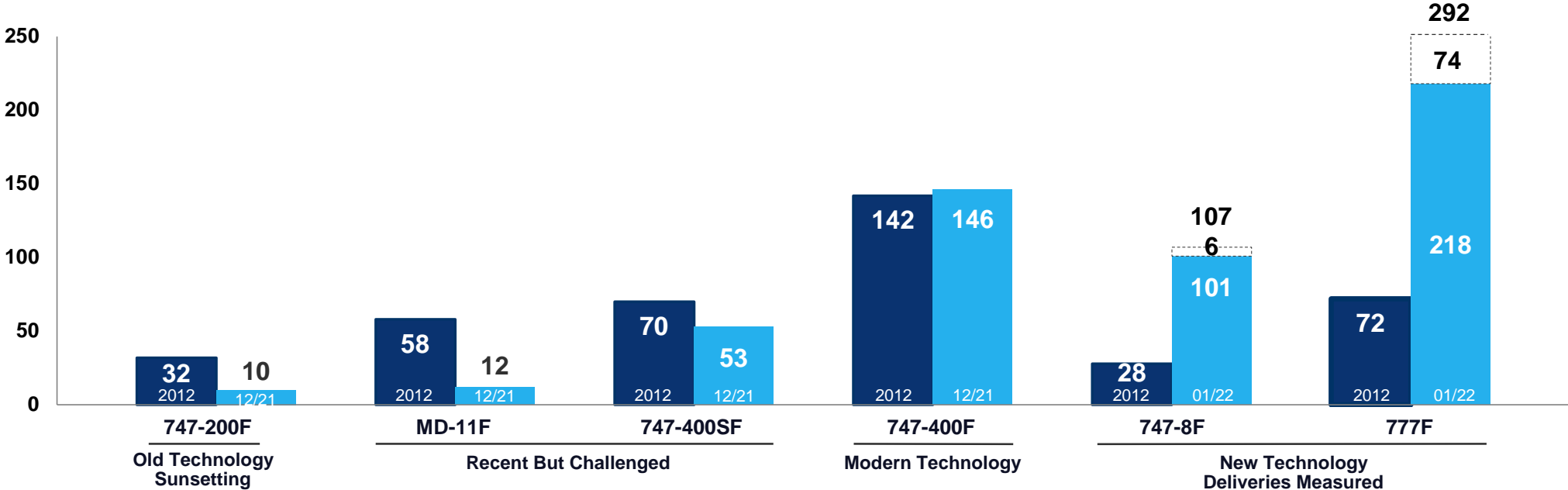
Percent of International Cargo Tonne Kilometers (CTKs)



By Sectors Chart Source: Seabury  
By Region Chart Source: International Air Transport Association – December 2021

# Large Freighter Supply Trends

- Fleet expected to grow <1% annually; forecast long-term demand growth of ~4%
- Older technology is nearly gone
- MD-11F and 747-400 converted freighter fleets are shrinking
- Large widebody freighters will continue to dominate the major trade lanes
- Belly capacity cannot displace freighters

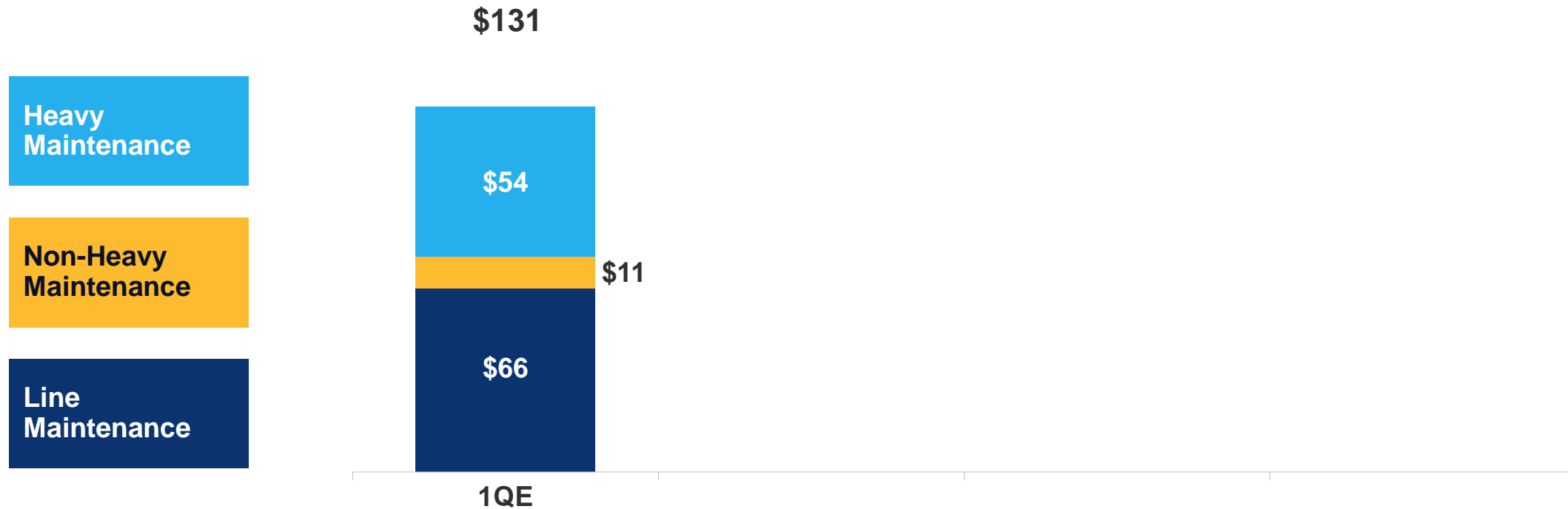


Sources: Atlas (December 2021), Ascend (December 2021), Boeing (January 2022), company reports  
 Notes: Excludes parked aircraft, aircraft in Express operations, combis and tankers; 747-200F total includes -100s and -300s



# 2022 Maintenance Expense

(In \$Millions)



- **Line maintenance** expense increases commensurate with additional block hour flying
- **Non-heavy maintenance** includes discrete events such as APU, thrust reverser, and landing gear overhauls

Note: Figures subject to rounding

# Reconciliation to Non-GAAP Measures

(In \$Millions)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
FACE VALUE OF DEBT	\$ 2,530.0	\$ 2,606.4	\$ 2,457.9	\$ 2,399.0	\$ 2,370.6	\$ 2,456.4	\$ 2,431.5	\$ 2,349.1
PLUS: PRESENT VALUE OF OPERATING LEASES	500.2	465.7	420.5	476.6	432.8	314.7	248.3	221.4
TOTAL DEBT	\$ 3,030.2	\$ 3,072.1	\$ 2,878.4	\$ 2,875.6	\$ 2,803.4	\$ 2,771.1	\$ 2,679.8	\$ 2,570.5
LESS: CASH AND EQUIVALENTS	\$ 235.6	\$ 739.2	\$ 729.3	\$ 856.3	\$ 714.0	\$ 760.5	\$ 784.1	\$ 921.0
NET DEBT	\$ 2,794.6	\$ 2,332.9	\$ 2,149.1	\$ 2,019.3	\$ 2,089.4	\$ 2,010.6	\$ 1,895.7	\$ 1,649.5
LTM EBITDAR	\$ 642.2	\$ 789.5	\$ 874.9	\$ 941.1	\$ 998.0	\$ 988.1	\$1,063.6	\$1,135.1
NET LEVERAGE RATIO	4.4x	3.0x	2.5x	2.1x	2.1x	2.0x	1.8x	1.5x

Present Value of Operating Leases: As of January 1, 2019, operating leases are recognized on the consolidated balance sheet.

EBITDAR: Earnings before interest, taxes, depreciation and amortization, aircraft rent expense, customer incentive asset amortization, CARES Act grant income, loss (gain) on disposal of aircraft, special charge, costs associated with the Payroll Support Program, costs associated with a customer transaction with warrants, costs associated with our acquisition of an airline, accrual for legal matters and professional fees, loss on early extinguishment of debt, leadership transition costs, certain contract start-up costs, adjustments to JCBA paid time-off benefits and unrealized loss (gain) on financial instruments, as applicable.



**ATLAS AIR**  
WORLDWIDE



Thank You