



## Fact Sheet

### Our Business

Atlas Air Worldwide Holdings, Inc. (Nasdaq: AAWW) is a global leader in innovative, outsourced aviation services, delivering added value, reliability and superior performance to our customers.

Whether for express and e-commerce delivery providers, leading international airlines, freight forwarders, charter customers or others, we offer an unmatched operational platform with access to the most modern equipment and an array of integrated service solutions.

Atlas Air Worldwide is the parent company of Atlas Air, Inc., Southern Air Holdings, Inc., majority owner and controlling shareholder of Polar Air Cargo Worldwide, Inc., and owner of Titan Aviation Holdings, Inc., which leases aircraft worldwide.

### Innovative Services and Solutions

Atlas Air Worldwide delivers value. Every day of the year. In every corner of the world. Through an array of innovative services and solutions.

We empower our express and e-commerce delivery, airline, freight forwarder and charter customers to increase fleet flexibility and network efficiency, drive an expanded global presence, and more quickly capitalize on market-growth opportunities.

Our **ACMI** (Aircraft, Crew, Maintenance and Insurance) customers receive a 747-8 or 747-400 freighter crewed, maintained and insured by us. Our complementary **CMI** (Crew, Maintenance, Insurance) service crews, maintains, and insures freighter and passenger 747, 777, 767 and 737 aircraft supplied by our customers (which they may lease from us).

Leading global shippers, freight forwarders, manufacturers and the U.S. military rely on our **Charters** and our modern 747 freighter fleet to carry their cargo safely, efficiently and cost-effectively. Airlines, charter brokers, sports teams and fans, entertainers and the U.S. military also depend on our reliable 747 and 767 passenger service.

Titan offers global customers the added benefits of **Dry Leasing**, a solution that provides access to efficient aircraft, such as our 777 and 767 freighters, and engines through lease rather than purchase.

We also provide related aviation services, including **Flight-Crew Training** for pilots selected to fly Air Force One and the E-4B National Airborne Operations Center; schedule analysis and management; and route- and traffic-rights management.

### History

#### From idea to industry leader

Our founder, the late Michael Chowdry, observed in the early 1990s that passenger airlines were losing money and parking aircraft while the limited number of high-gross-weight, long-haul freighters were all fully utilized.

At the time, freight hauling was largely an afterthought in the passenger airline industry. Most airlines sold belly capacity for air cargo in the baggage holds of passenger planes operated on passenger routes. Mr. Chowdry saw an opportunity in the air cargo sector and founded Atlas Air, which began by leasing freighter aircraft to other airlines on an Aircraft, Crew, Maintenance and Insurance (ACMI) contract basis.

Atlas began operations in 1993 with one aircraft, a Boeing 747-200. During the 1990s, Atlas experienced substantial growth as customers realized the benefits of long-term leasing to meet their demands.

In 1997, Atlas placed an order for 10 new, more advanced Boeing 747-400 freighters, with an option to purchase up to 10 more. By 1998, demand for its services was so strong that Atlas increased its order to 12 Boeing 747-400s. By the end of 2000, the Atlas fleet had grown to a total of 36 aircraft.

In February 2001, Atlas Air Worldwide formed its current holding company structure with Atlas Air as a wholly owned subsidiary. In November of that year, Atlas Air Worldwide acquired Polar Air Cargo, Inc., an all-cargo, scheduled-service carrier, from GE Capital Aviation Services (GECAS).

After restructuring in 2004, the company began trading on NASDAQ as AAWW in 2006 and was also named to the Russell 2000 Index. In September 2006, the company launched a generational re-fleeting initiative by entering an order for new-technology Boeing 747-8 freighters.

In 2007, Polar Air Cargo Worldwide closed on a strategic transaction with DHL Express that gives DHL a 49% equity interest, including a 25% voting interest, in Polar, which operates a high-quality, time-definite, international express air cargo network. This landmark transaction, in turn, provides DHL Express guaranteed capacity on key trade lanes while Atlas Air Worldwide gains a valuable long-term customer, securing a strong revenue stream and further reducing both fuel and commercial risks through a long-term ACMI agreement.

In 2011, Atlas Air took delivery of its first three next-generation Boeing 747-8 freighters. We also initiated a new 767 passenger- and cargo-aircraft operating platform, expanding our operations into an attractive gauge of aircraft.

In January 2012, Atlas Air secured extremely attractive Ex-Im Bank-backed financing for six additional 747-8Fs—financing that provided significant savings in its ownership cost for these assets. Atlas took delivery of four of these 747-8Fs in 2012 and two in 2013.

Atlas Air Worldwide also joined the S&P SmallCap 600 Index in 2013. In addition, our Titan dry leasing subsidiary acquired the company's first three Boeing 777 freighters, and added three more 777s to its fleet in early 2014.

Reflecting the demand for the company's aircraft and services, Atlas Air acquired its tenth 747-8 freighter from Boeing in November 2015. In addition, Titan expanded its Dry Leasing portfolio by acquiring its first two Boeing 767 aircraft. Following their conversion from passenger to freighter configuration, these aircraft were both dry leased to DHL Express and operated for them under separate CMI agreements.

In April 2016, we completed the acquisition of Southern Air, Inc., a premier provider of intercontinental and domestic CMI services with five 777 and five 737 freighters. The strategically compelling, highly complementary combination provided Atlas immediate entry into 777 and 737 aircraft operating platforms with opportunities for additional growth.

In May 2016, we announced a strategic, long-term relationship with Amazon to provide and operate 20 Boeing 767-300 converted freighters in support of the continuing expansion of Amazon's e-commerce business and the enhancement of its customer delivery capabilities. In line with the schedule we announced in 2016, we placed and began operating our 20<sup>th</sup> aircraft for Amazon in November 2018, ahead of the peak holiday season.

As part of the inherent value creation, and to align interests and strengthen our long-term relationship, we granted Amazon warrants (Warrant A) to acquire up to 20% (after the issuance) of AAWW's common shares at a price of \$37.50 per share exercisable through May 4, 2021. Warrant A has vested in full in accordance with its existing terms.

The agreements also provide for future growth of the relationship as Amazon may increase its business with us. We have granted Amazon warrants (Warrant B) to acquire up to an additional 10% (after the issuance) of AAWW's common shares at the same exercise price, exercisable through May 4, 2023, with vesting tied to payments made by Amazon in connection with incremental new business beyond the leasing or operation of the 20 767-300s that vested Warrant A.

In March 2019, we expanded our relationship with Amazon. We are scheduled to begin operating five Boeing 737-800 converted freighters on a CMI basis in 2019, with an opportunity to operate up to 15 more by May 2021.

Similar to our May 2016 agreement, we have granted Amazon warrants (Warrant C) to acquire up to an additional 9.9% (after the issuance) of AAWW's common shares as Amazon may increase its business with us. This new tranche of warrants has a strike price of \$52.90 per share exercisable through March 27, 2026, with vesting tied to payments made by Amazon in connection with incremental new business beyond the leasing or operation of the 20 767-300s that vested Warrant A.

The 737-800 CMI flying, as well as additional future growth of the relationship, will contribute toward the vesting of Warrant B and Warrant C. While there is no guarantee as to the future revenue that may be generated, full vesting of these warrants would require \$1.42 billion in future incremental revenue from Amazon.

Recognizing the quality and depth of our leadership and the significance of our achievements, *Airline Economics* named Atlas Air Worldwide 2016's "Airline Management Team of the Year." Also in 2017, Atlas was voted "Leasing Provider of the Year" for the fifth consecutive year in an industry survey by *Payload Asia* magazine. The survey added Atlas as "Charter Operator of the Year" for the fifth straight time as well.

Today, Atlas Air Worldwide is the leading global provider of outsourced aircraft and aviation operating services. We are proud to be the world's largest operator of Boeing 747 freighter aircraft and the only outsource provider of Boeing's 747-8F. We are also proud to provide customers a broad array of 747, 777, 767, 757 and 737 freighter and passenger aircraft for domestic, regional and international ACMI, CMI, charter and dry lease operations.

With a focus on faster-growing express, e-commerce and global markets, our transformed business model, diversified business mix, expanding CMI and passenger-charter operations, Continuous Improvement productivity gains and initiatives, and strong balance sheet position us to deliver value to our customers and drive future revenues, earnings, and cash flow for our shareholders.

### **Financials**

In 2018, reported income from continuing operations, net of taxes, totaled \$270.6 million, or \$5.22 per diluted share, on revenues of \$2.7 billion. Our reported results included an unrealized gain on financial instruments of \$123.1 million related to outstanding warrants.

On an adjusted basis, EBITDA totaled \$540.6 million, while income from continuing operations, net of taxes, totaled \$204.3 million, or \$7.27 per diluted share. (See February 19, 2019 press release at [www.atlasairworldwide.com](http://www.atlasairworldwide.com) for Non-GAAP reconciliation.)

For the six months ended June 30, 2019, reported results reflected income from continuing operations, net of taxes, of \$57.2 million, or \$2.21 per diluted share. Our reported results included \$59.8 million of tax benefits related to the favorable completion of an IRS examination of our 2015 income tax return, as well as an unrealized loss of \$4.3 million on outstanding warrants.

On an adjusted basis, EBITDA totaled \$204.0 million, while income from continuing operations, net of taxes, during the period totaled \$31.8 million, or \$1.16 per diluted share. (See August 1, 2019 press release at [www.atlasairworldwide.com](http://www.atlasairworldwide.com) for Non-GAAP reconciliation.)

## Management Team

Atlas Air Worldwide's strong management team has extensive airline, transportation, and logistics experience.

**William J. Flynn**, Chairman and Chief Executive Officer

**John W. Dietrich**, President and Chief Operating Officer

**Adam R. Kokas**, Executive Vice President, General Counsel and Secretary

**Spencer Schwartz**, Executive Vice President and Chief Financial Officer

**Michael T. Steen**, Executive Vice President and Chief Commercial Officer

**Patricia Goodwin-Peters**, Senior Vice President Human Resources

## Key Customers

Customers include some of the world's leading airlines, express and e-commerce providers – AeroLogic, Amazon, Asiana Cargo, Cathay Pacific Cargo, Inditex, Qantas, DHL Express, FedEx, SF Express and UPS; air charter specialist Chapman Freeborn; as well as governments, nongovernment organizations and major freight forwarders – DHL Global Forwarding, Agility, CEVA, Expeditors, Hellmann, Kuehne+Nagel, Nippon Express, Panalpina, DB Schenker, and UPS SCS, among others. CMI customers include Amazon, Boeing, DHL Express, MLW Air and Nippon Cargo Airlines.

**Total Fleet: 123\***

**Operating Fleet: 107**

**Dry Lease: 11**

**In Pipeline: 5\***

### 55 Boeing 747s:

- 10 747-8Fs
- 36 747-400Fs\*
- 5 747-400 Passenger\*
- 4 Large Cargo Freighters (LCFs)

### 42 Boeing 767/757s:

- 33 767-200/300Fs
- 6 767-200/300 Passenger
- 2 767-300 Freighters Titan
- 1 757-200 Freighter Titan

### 14 Boeing 777s:

- 2 A+CMI 777Fs
- 6 CMI 777Fs
- 6 Titan 777Fs

### 12 Boeing 737s:

- 10 737-400/800Fs\*
- 1 737-300 Freighter Titan
- 1 737-800 Passenger Titan

*\*118 aircraft at June 30, 2019 (includes one 767-300 in conversion); pipeline includes two 747-400Fs, one 747-400 Passenger and two 737-800Fs to be added in 2019*

## Cities served:

Atlas Air Worldwide's companies manage and operate for customers around the world, including to any city capable of handling a Boeing 747. In 2018, we operated more than 59,290 flights, serving 382 destinations in 89 countries.

## Headquarters:

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