



AAWW Investor Slides
JUNE 2020



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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 20 and May 7, 2020, which are posted at www.atlasairworldwide.com.

Continuing Leadership

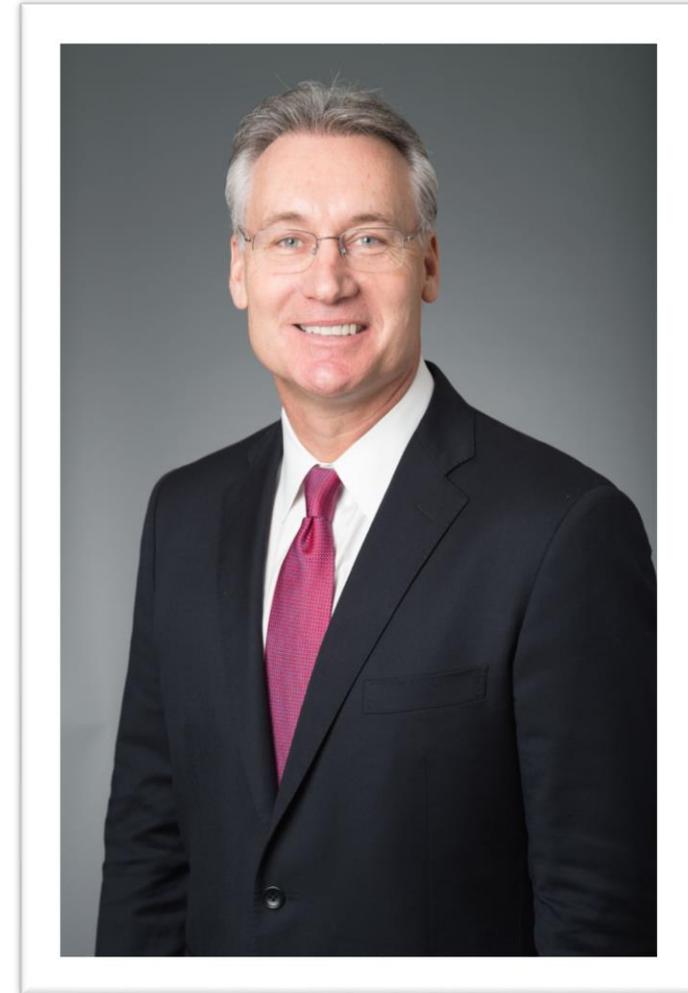
■ John Dietrich became President and CEO on January 1, 2020; joined Board of Directors as well

■ Bill Flynn retired as CEO on December 31, 2019; remains Chairman of the Board

■ Gen. Duncan McNabb, USAF, Ret. to continue as Lead Independent Director

■ John Dietrich

- 30+ years in aviation; 13 with United Airlines; 20+ with Atlas
- Atlas COO for 13 years prior to becoming CEO
- Visionary leader with industry expertise
- Key member of senior leadership team
- Unparalleled commitment to company, customers and employees



Operating a Vital Business

SAFETY IS OUR TOP PRIORITY

Focused on supporting our pilots and ground staff

PLAYING A VITAL ROLE BY KEEPING GOODS MOVING

Supporting our customers and the global economy

GRATEFUL TO PROVIDE RELIEF TO FIGHT COVID-19

- Donated services to transport personal protective equipment
 - Made charitable contributions to help those in need
-

AIRFREIGHT PROVIDES UNRIVALED DELIVERY SPEED

Particularly important in times of need

CLOSE CONTACT WITH CUSTOMERS AND GOVERNMENTS

To ensure airfreight continues operating to deliver goods globally



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



2020 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

1Q20 Highlights

SLOW START

- Traditionally slow part of the year for airfreight
 - COVID-19 extended Lunar New Year holiday in China
 - Customers cancelled flights in January and February
-

ENDED ABOVE OUR EXPECTATIONS

- Cargo charter demand and yields improved significantly in March
 - Benefiting from flying CMI aircraft added in 2019
 - Lower aircraft rent and depreciation
-

RESULTS IMPACTED BY

- Higher costs related to COVID-19
 - Premium pay for crews
 - Additional cleaning and protection measures
- Lower AMC passenger demand
- Lower 747 Dreamlifter flying for Boeing



1Q20 Summary

BLOCK HOURS

73,247

REVENUE

\$643.5M

ADJ. EBITDA*

\$121.2M

DIRECT CONTRIBUTION

\$113.8M

ADJUSTED NET INCOME*

\$29.9 million

REPORTED NET INCOME

\$23.4 million

*See May 7, 2020 press release for Non-GAAP reconciliations

Outlook

2Q20 OUTLOOK

Block Hours

~80,000

Revenue

~\$770 million

Adj. EBITDA

~\$165 million

Adj. Net Income

- To grow ~40% to 50% compared with 1Q20 adj. net income of \$29.9 million
 - Excluding ~\$25 million (after tax) benefit from refund of excess aircraft rent
- To more than double compared with 1Q20 adj. net income of \$29.9 million
 - Including ~\$25 million (after tax) benefit from refund of excess aircraft rent

2020 COMMENTARY

Expect positive trends to continue

Evolving and uncertain environment related to COVID-19

FY20 guidance provided on February 20, 2020 no longer applies

Expect majority of earnings to occur in 2H20

2020 KEY ITEMS

Maintenance Expense

~\$390 million

Depreciation/Amortization

~\$250 million

Core Capex

~\$85 to \$95 million

Adj. Effective Income Tax Rate

~22%

Business Developments

ACMI/CMI

Strong record of placements and expanded service for existing customers

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

Customer interest for both
777F and 747F CMI solutions

Operating
17 767-300Fs for Amazon

Operating
five 737-800Fs for Amazon

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



Business Developments



CHARTER

World's leading 747 charter operator

High-profile sports, racing, entertainment charters: NFL, FC Barcelona, Manchester United, Formula One, Taylor Swift and more

Expanded our network as the **leading operator in South America** market

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

DRY LEASING

World's 3rd largest freighter lessor by value

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

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

AeroLogic

amazon

中国邮政航空公司
China Postal Airlines

DHL

FedEx

CARES Act Payroll Support Grant

- **Aggregate amount of \$406.8 million payable to AAWW (closed on June 1)**
 - \$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 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**
- **Includes, among other things, restrictions on:**
 - Executive compensation
 - Reductions in employment levels and rates
 - Share repurchases and the payment of dividends

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**

Five 737-800BCFs in 2019;
Potential for additional aircraft

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**



Diversified Customer Base

LONG-TERM, PROFITABLE RELATIONSHIPS

SHIPPERS



INDITEX

FORWARDERS



KUEHNE+NAGEL

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

Our Fleet

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

World's largest fleet of 747 freighters

TOTAL FLEET: 119*

OPERATING FLEET: 111

DRY LEASE: 8



53 Boeing 747s

- 10 747-8Fs
- 34 747-400Fs
- 5 747-400 Passenger
- 4 Boeing Large Cargo Freighters (LCFs)



41 Boeing 767s

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



14 Boeing 777s

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



11 Boeing 737s

- 5 737-800Fs
- 5 737-400Fs
- 1 737-300 Freighter Titan

*As of May 2020

Global Presence



321,140 Block Hours in 2019
65,031 Flights
400 Airports
90 Countries

Delivering a Strong Value Proposition

TRADITIONAL AIRFREIGHT

- **To grow ~4%** through 2038
- 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

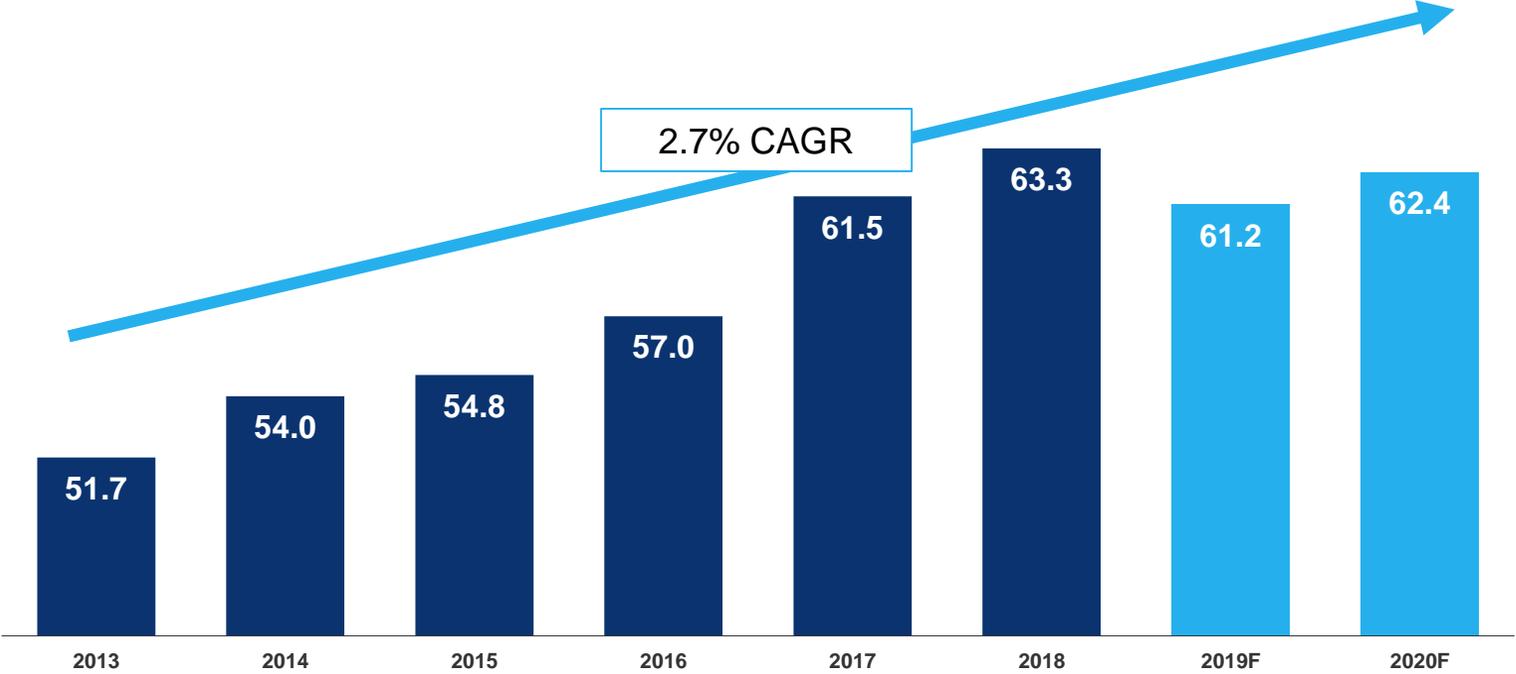
ATLAS AIR

positioned to
deliver value
and growth

International Global Airfreight – Annual Growth

IATA REPORTED AIRFREIGHT TONNAGE NEAR RECORD LEVELS

(In Millions)



IATA – Global airfreight tonnage near record levels

IATA – COVID-19 disrupting global supply chains

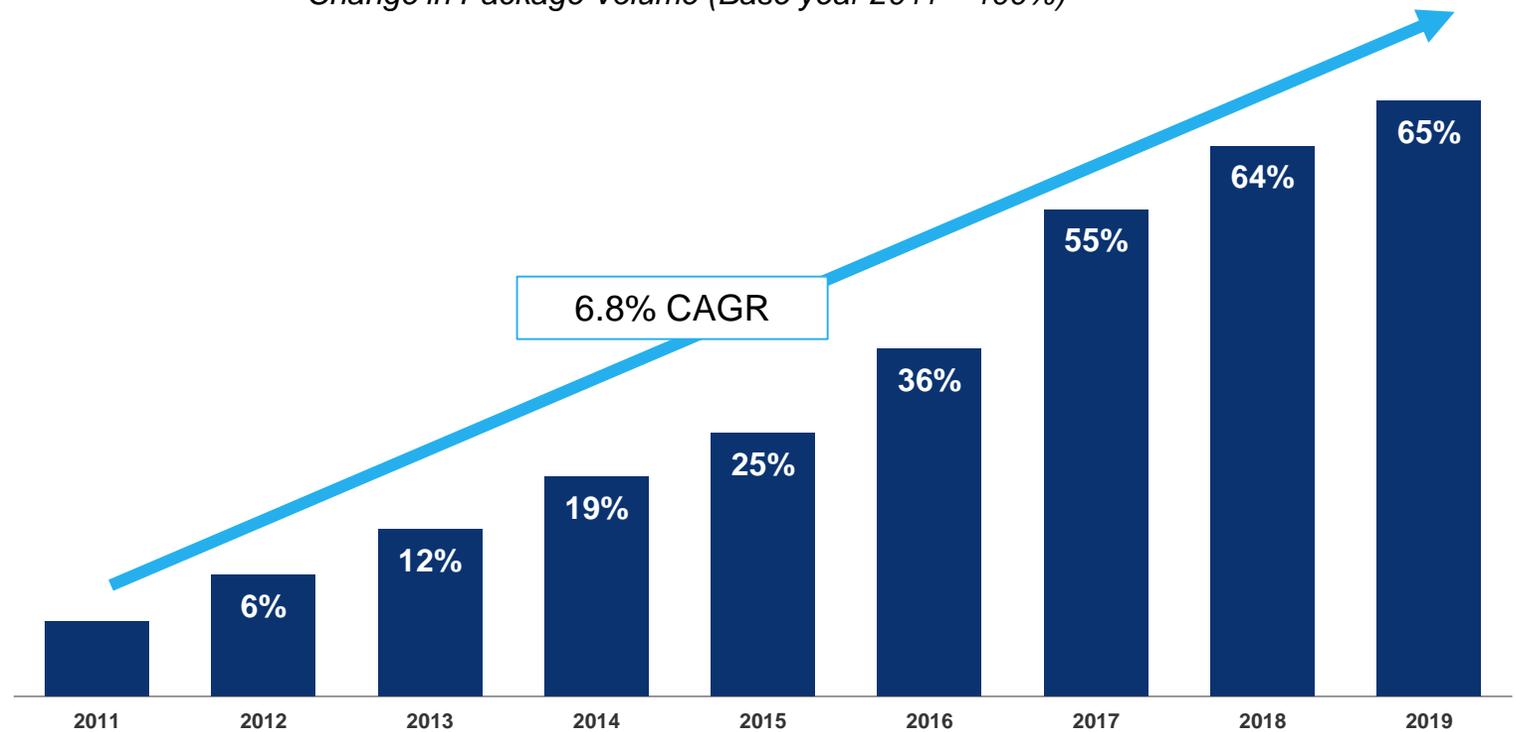
Total Global Airfreight Tonnage: IATA (December 2019)

The Key Underlying Express Market is Growing

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

6.8% CAGR since 2011, well above the pace of general airfreight

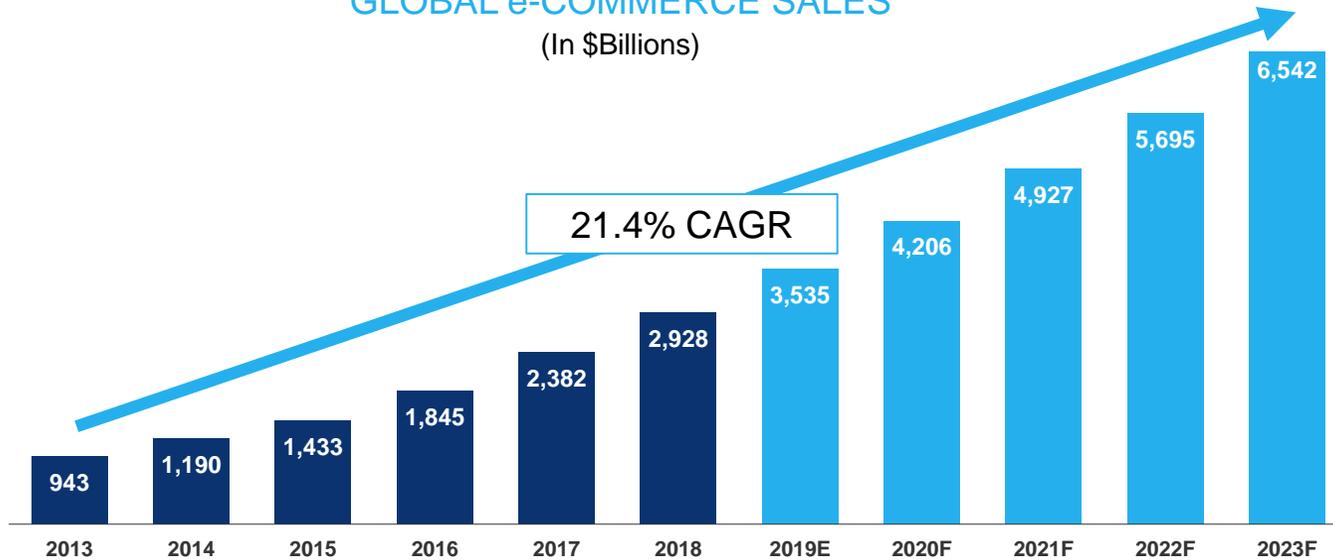
INTERNATIONAL EXPRESS MARKET – DHL, FedEx and UPS
Change in Package Volume (Base year 2011 – 100%)



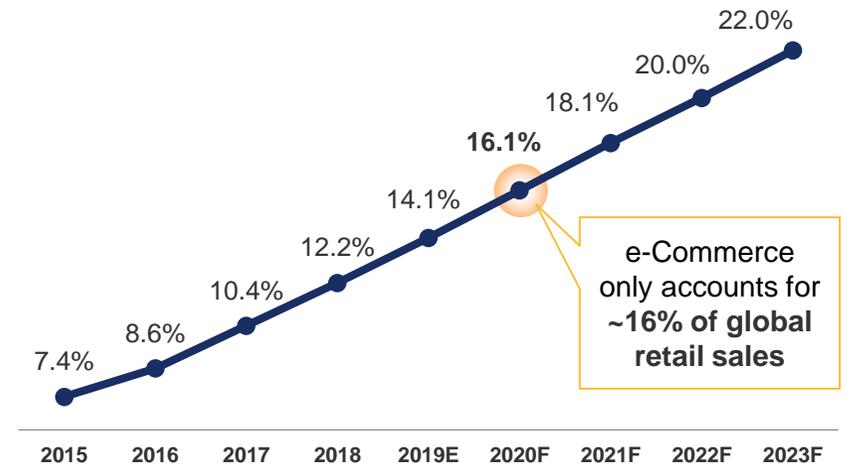
Notes: Weighted average of growth rates in international express package volume reported by these express operators
Weighting is 50% DHL, 25% UPS and 25% FedEx. 2016-2017 FedEx reported data reflects beneficial impact of TNT acquisition

e-Commerce Growth

GLOBAL e-COMMERCE SALES
(In \$Billions)



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



USA 237M internet users
73% mobile penetration
9% e-Commerce penetration



CHINA 700M internet users
50% mobile penetration
10% e-Commerce penetration



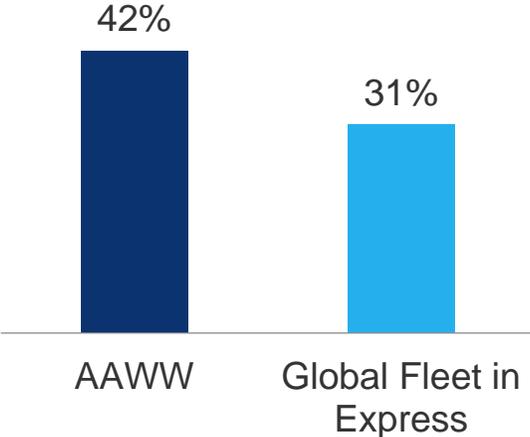
INDIA 300M internet users
25% mobile penetration
2% e-Commerce penetration



Fleet Aligned with Express and e-Commerce

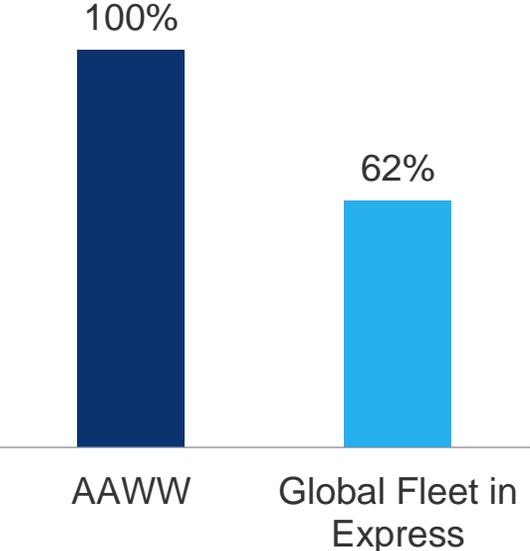
Atlas Fleet
in Express/
e-Commerce
Compared with
Global Fleet

LARGE WIDEBODY



565 Total global large widebody freighters (747s, 777s, MD-11s, DC-10-30s/40s)

MEDIUM WIDEBODY



544 Total global medium widebody freighters (767s, A300-600s/B4s, A330-200s, A310-200s/300s, DC-10-10s)

A Strong Leader in a Vital Industry

ATLAS

Modern, reliable, fuel-efficient fleet

Differentiated 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**

~\$6.8 trillion of goods airfreighted annually;
~35% of total world trade

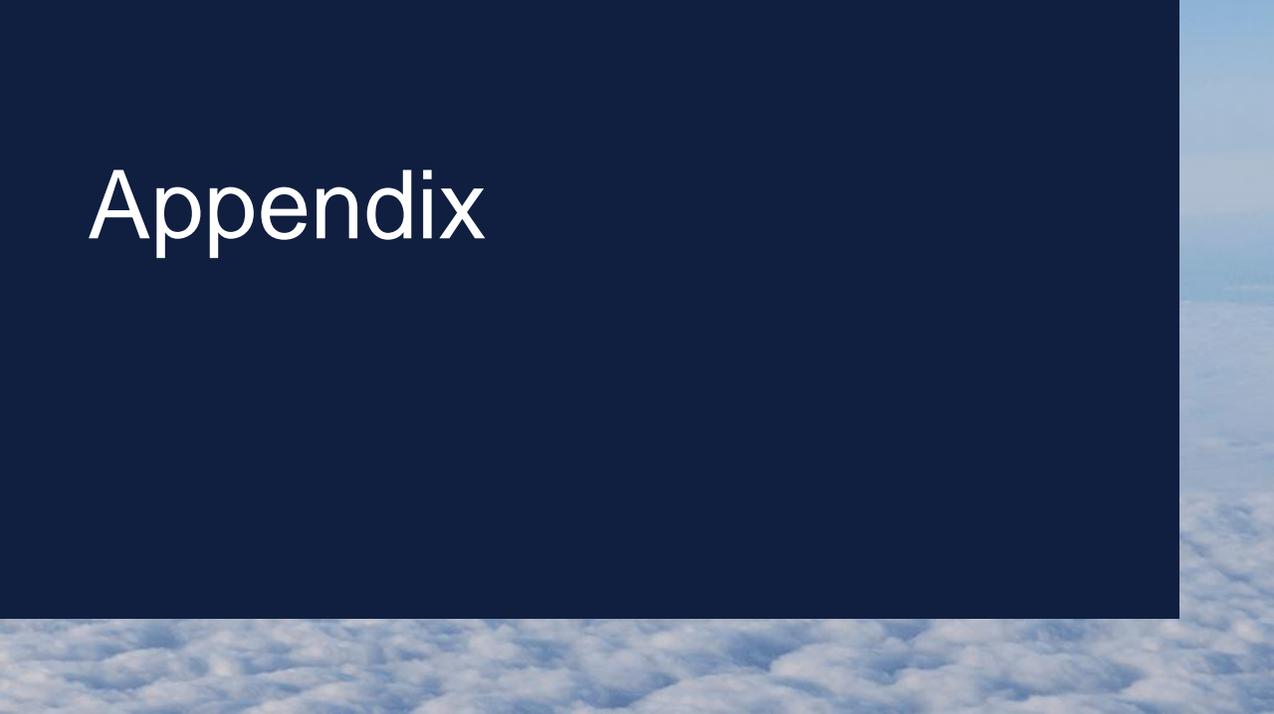
Higher-growth e-Commerce and express
markets **demand dedicated freighter services**

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

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

Airfreight provides **a compelling value
proposition**





Appendix

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

To be our customers'
most trusted partner



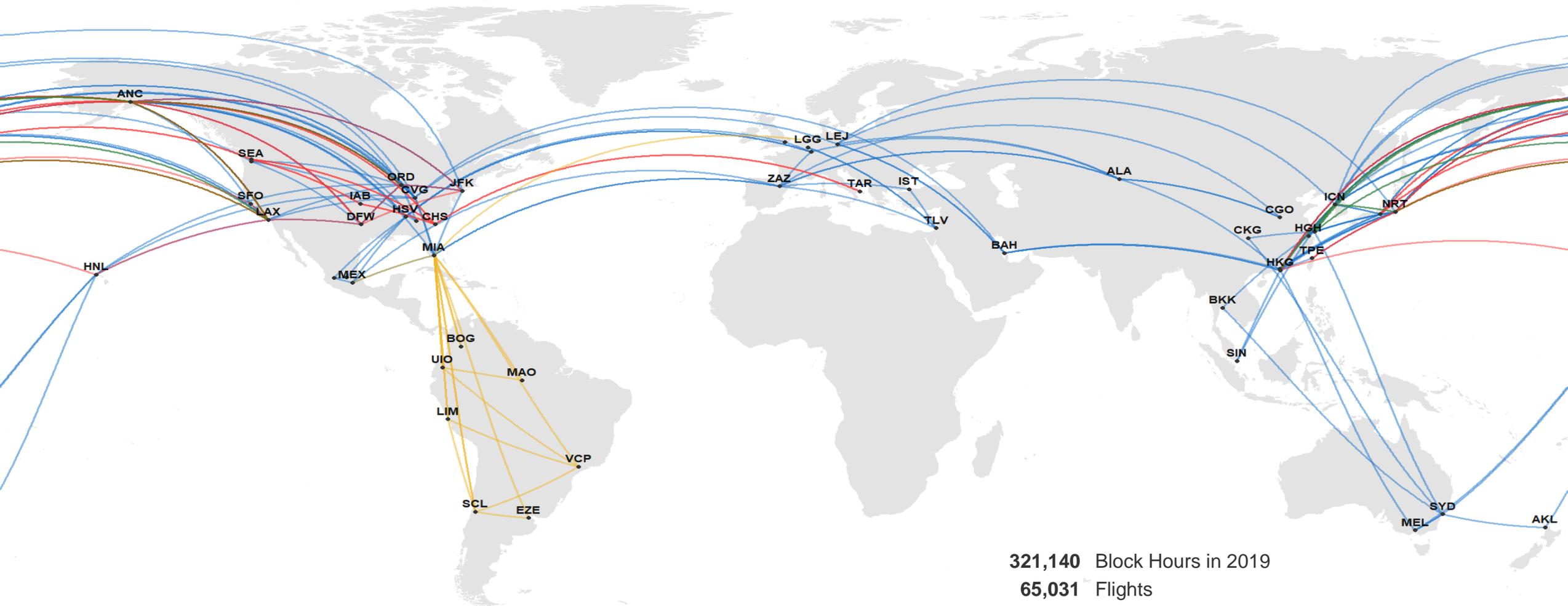
OUR MISSION

To leverage our core
competencies and
organizational capabilities

Executing Strategic Plan



Global Operating Network



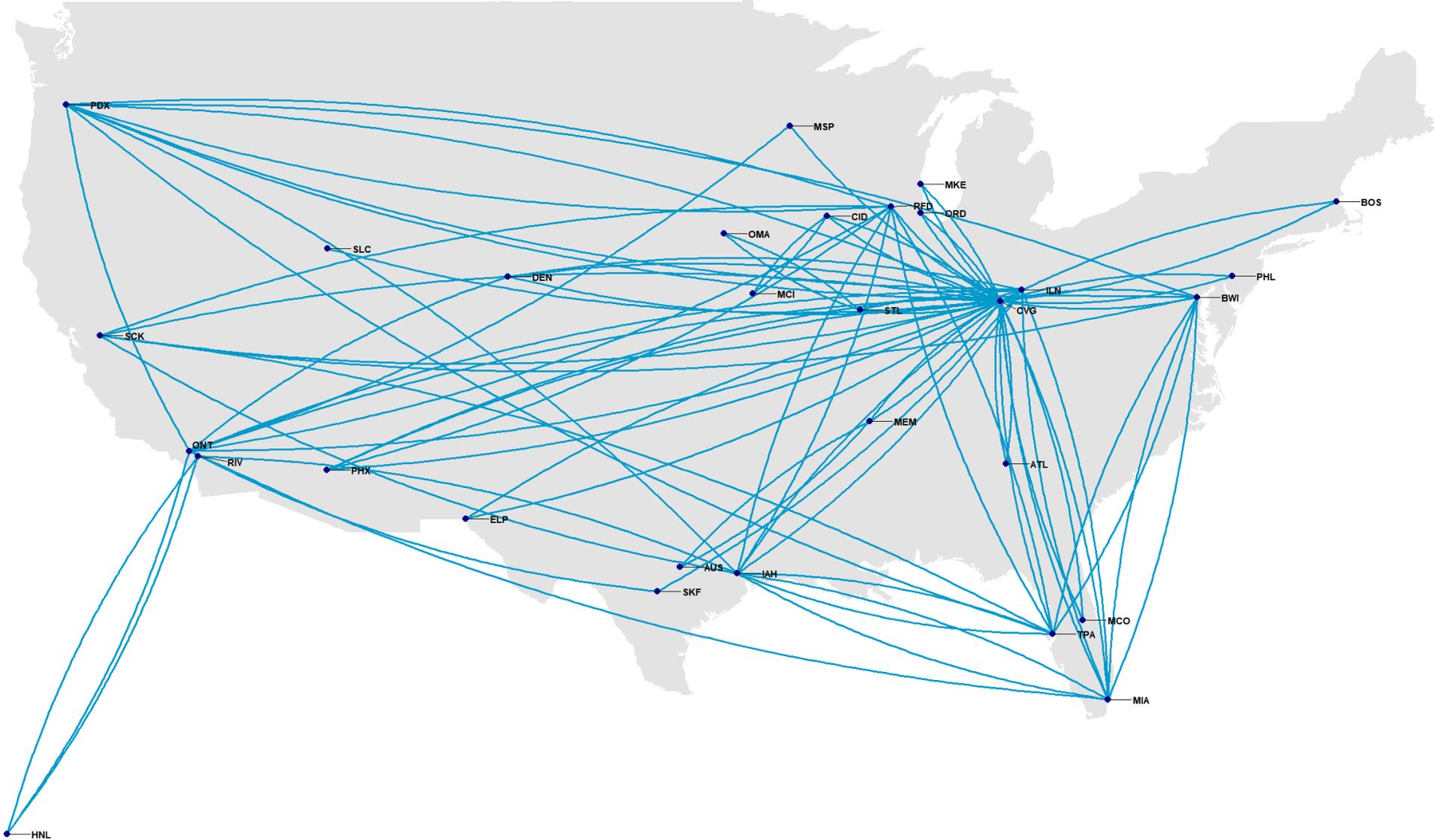
321,140 Block Hours in 2019

65,031 Flights

400 Airports

90 Countries

North America Operating Network



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: 1.5-2.5% global volume, 35% global value

PRODUCTS

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

STRATEGIC CHOICE

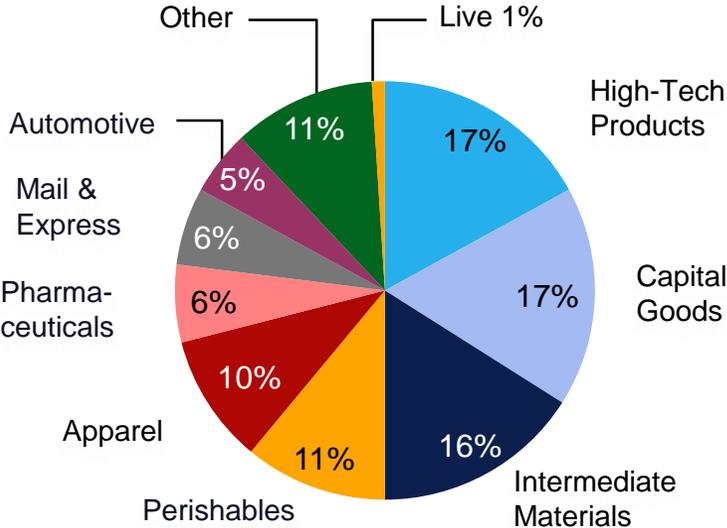
Products/supply chains with just-in-time delivery requirements

SPECIALTY CONSIDERATION

Products with significant security considerations

BY SECTOR

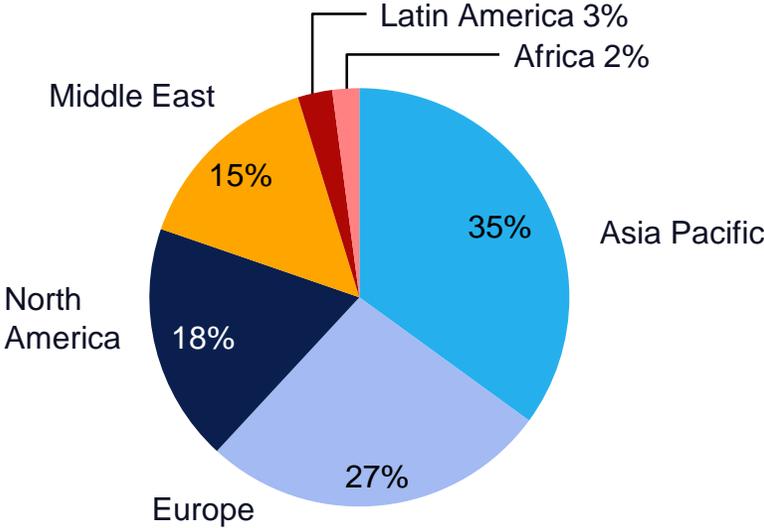
Industry Sectors Served by AAWW Customers



By Sectors Chart Source: Atlas research
By Region Chart Source: International Air Transport Association – April 2020

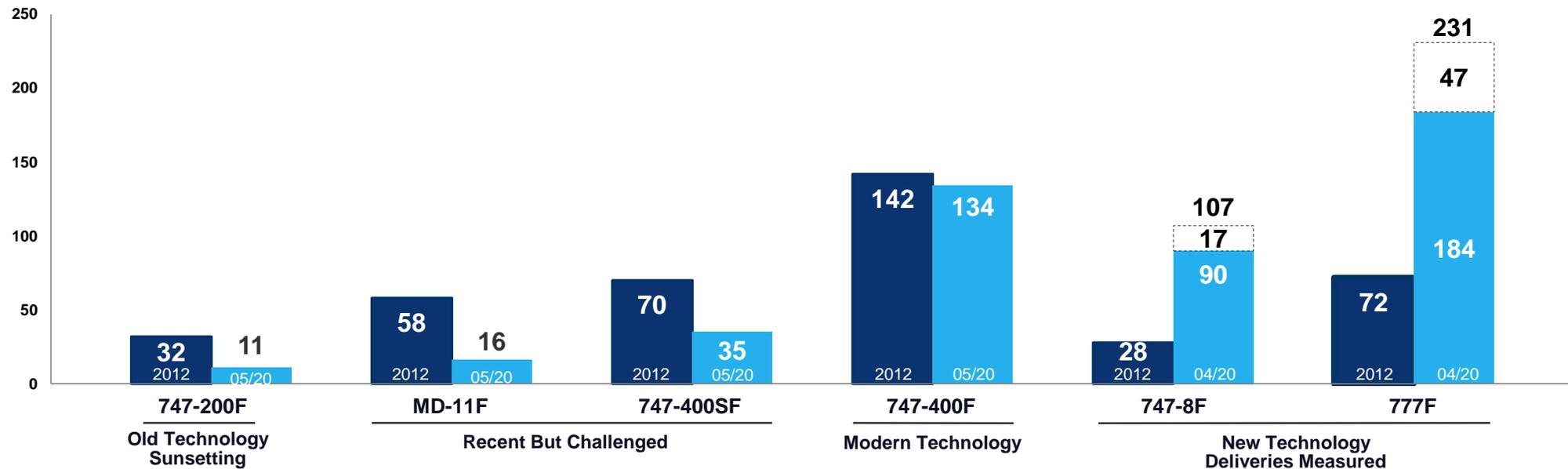
BY REGION

Percent of International Freight Tonne Kilometers (FTKs)



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 wide-body freighters will continue to dominate the major trade lanes
- Belly capacity cannot displace freighters



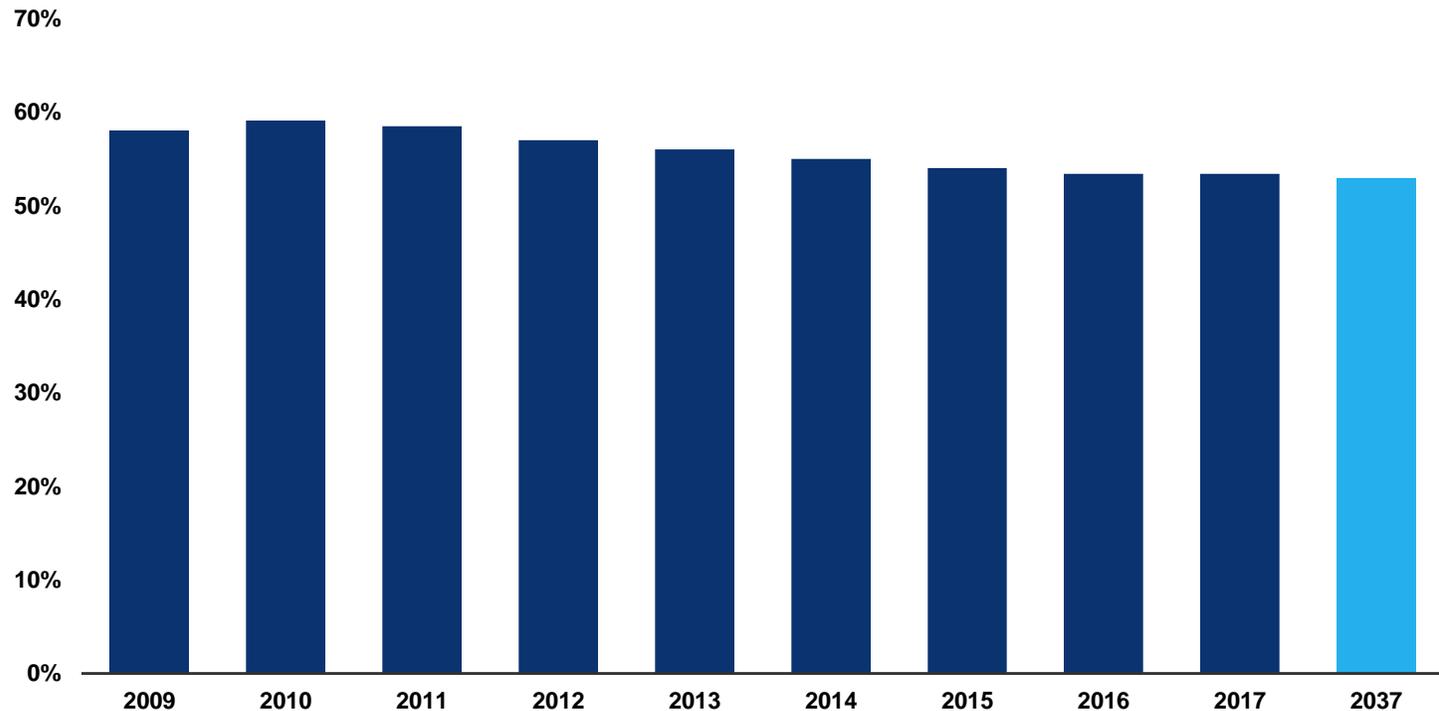
Sources: Atlas (May 2020), Ascend (May 2020), Boeing (April 2020), company reports. Excludes parked aircraft, aircraft in Express operations, combis and tankers; 747-200F total includes -100s and -300s. Boeing April 2020 777F total includes 69 with express operators (43 with FedEx, 14 AeroLogic/DHL, and 12 for DHL Express)

Main Deck to Belly?

KEY CONSIDERATIONS

- 10% shift of Trans-Pac market from main deck to Pax belly requires 50 incremental aircraft
- Limitations on slot and route availability; not enough passenger demand; limited access to aircraft
- Global average capacity availability on a 777-300ER is 18-20 tonnes*
- New Pax 787s fly point-to-point, e.g., London to Phoenix; good for passengers, not cargo

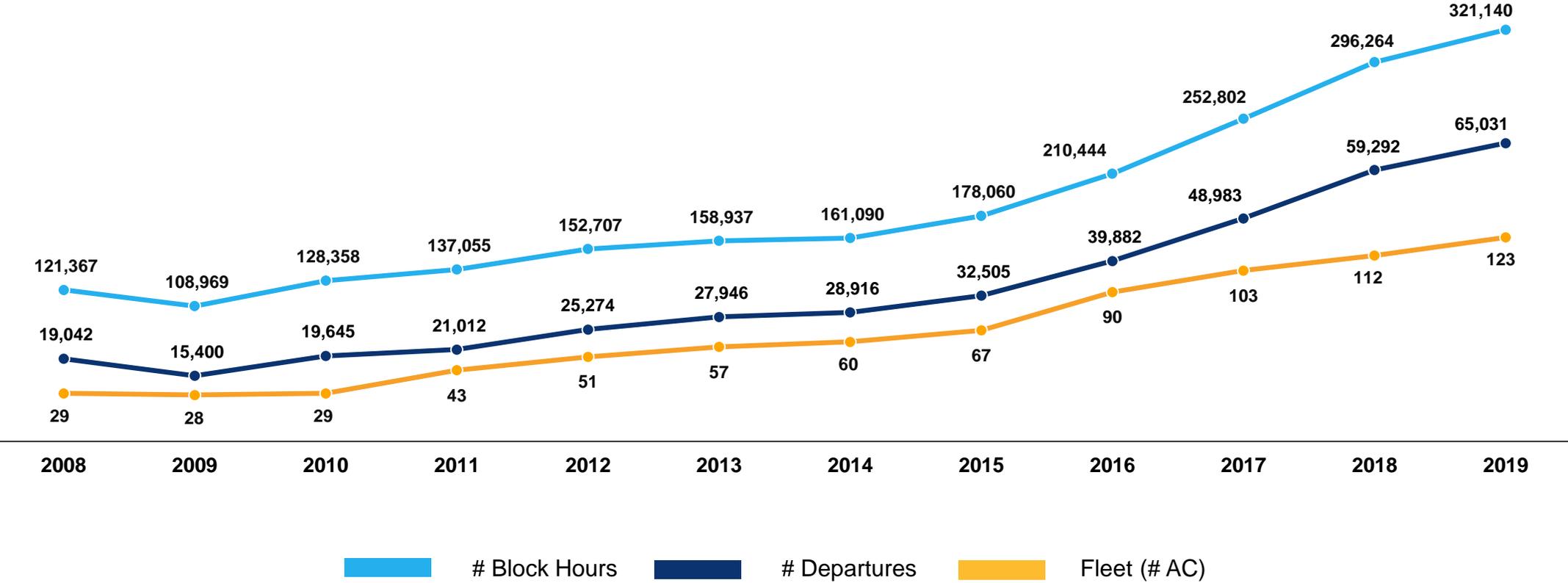
PERCENTAGE OF WORLD RTKs CARRIED ON FREIGHTERS



DEDICATED FREIGHTERS WILL CONTINUE TO CARRY MORE THAN HALF OF AIR CARGO TRAFFIC

*Considering 28 tonnes max structural cargo capacity available after allocating capacity to bags carried
Sources: Atlas, Boeing

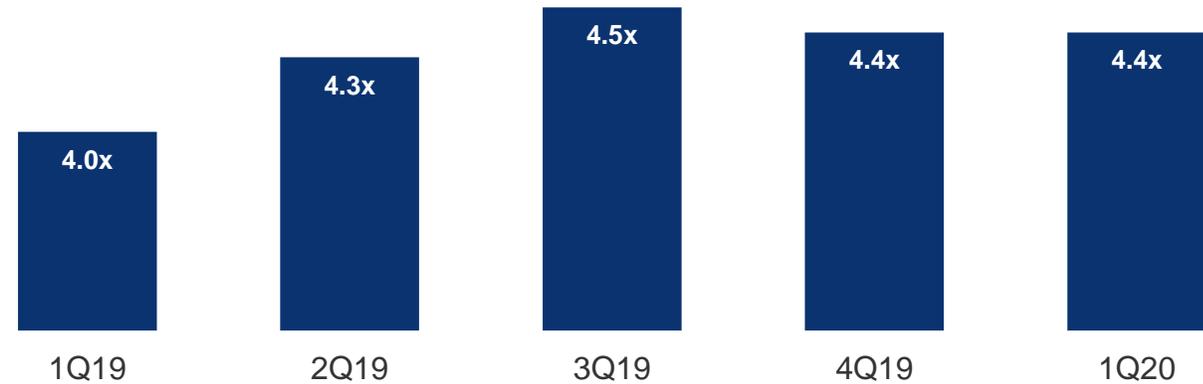
Growth by Year



Net Leverage Ratio

Maintaining debt repayments of ~\$70 million per quarter

NET LEVERAGE RATIO*



*See Appendix for Non-GAAP reconciliation

Financial and Operating Trends

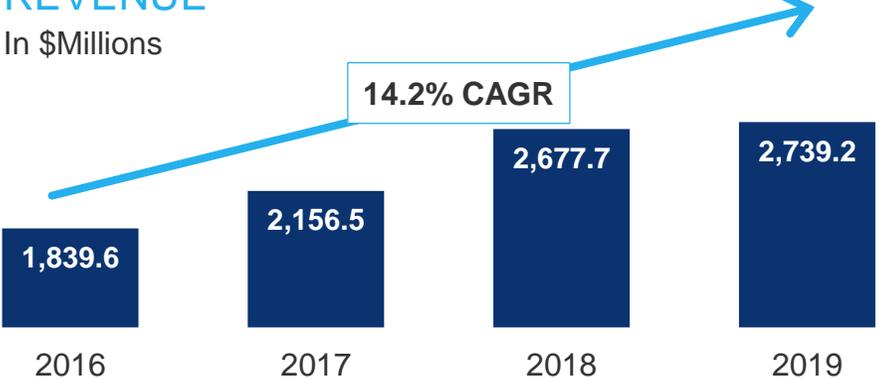
BLOCK HOURS

In Thousands



REVENUE

In \$Millions



ADJ. EBITDA*

In \$Millions



ADJ. NET INCOME*

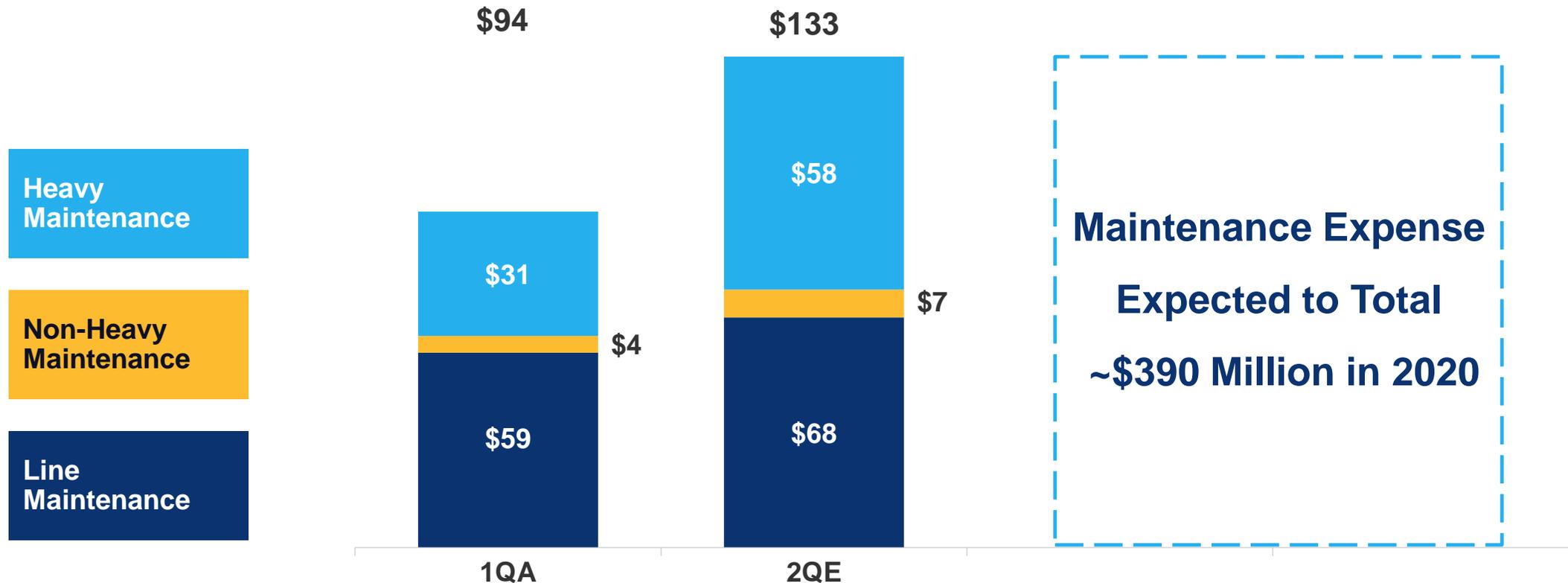
In \$Millions



*See February 20, 2020 press release for Non-GAAP reconciliations

2020 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)	1Q19	2Q19	3Q19	4Q19	1Q20
FACE VALUE OF DEBT	\$ 2,530.4	\$ 2,511.4	\$ 2,483.4	\$ 2,484.4	\$ 2,530.0
PLUS: PRESENT VALUE OF OPERATING LEASES	621.8	591.9	568.8	536.2	500.2
TOTAL DEBT	\$ 3,152.2	\$ 3,103.3	\$ 3,052.3	\$ 3,020.6	\$ 3,030.2
<hr/>					
LESS: CASH AND EQUIVALENTS	\$ 164.5	\$ 120.8	\$ 80.7	\$ 113.4	\$ 235.6
LESS: EETC ASSET	11.4	7.2	2.1	0.9	0.0
<hr/>					
LTM EBITDAR	\$ 736.3	\$ 687.7	\$ 659.6	\$ 658.8	\$ 642.2
NET LEVERAGE RATIO	4.0x	4.3x	4.5x	4.4x	4.4x

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, amortization, aircraft rent expense, U.S. Tax Cuts and Jobs Act special bonus, noncash interest expenses and income, net, loss (gain) on disposal of aircraft, special charge, costs associated with transactions, accrual for legal matters and professional fees, charges associated with refinancing debt, and unrealized loss (gain) on financial instruments, as applicable.



Thank You