



Quarterly Review 3Q 2020

November 5, 2020

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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 release dated November 5, 2020, which is posted at www.atlasairworldwide.com.



Key Takeaways

SAFETY IS OUR TOP PRIORITY

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

NAVIGATING CHALLENGING ENVIRONMENT

- Managing evolving regulatory and operational hurdles
 - Made possible through efforts of our dedicated team
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VITAL COMPONENT OF THE GLOBAL SUPPLY CHAIN

- Committed to moving goods the world needs most
 - Airfreight provides unmatched delivery speed, security and reliability
 - Actively preparing for timely vaccine distribution
-

PROVIDING CUSTOMERS UNMATCHED FLEET CHOICES

- Focused on express, e-commerce and fast-growing markets
- 747s and 777s in demand for long-haul, international flying
- 767s and 737s actively serving regional and domestic markets



3Q20 Highlights

POSITIVE MOMENTUM IN THE THIRD QUARTER

- Higher commercial charter yields
 - Significant demand for airfreight
 - Reduction of available cargo capacity in the market
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LEVERAGING FLEET AND BUSINESS MODEL

- Deepening position in fast-growing markets
 - Added Cainiao and other long-term charter customers
 - Expanded 737 operations for Amazon
 - Reactivating fourth 747 freighter
-

RESULTS ALSO REFLECTED

- Challenging operating environment
- Higher heavy maintenance expense
- Higher pilot costs



Framework

4Q20 OUTLOOK

Revenue

~\$850 million

Adj. EBITDA

~\$215 million

Adj. Net Income

to grow ~25%
compared with 3Q20

FULL-YEAR OUTLOOK

Revenue

~\$3.1 billion

Adj. EBITDA

~\$780 million

OTHER 4Q20 KEY ITEMS

Block Hours

~95,000

~65% of total in ACMI
Balance in Charter

Maintenance Expense

~\$116 million

Depreciation/Amortization

~\$65 million

Core Capex

~\$25 to \$35 million

4Q20 TO BENEFIT FROM...

Continued e-commerce growth

End-of-year airfreight demand

Reduction of available capacity

Reactivating fourth 747 freighter

3Q20 Summary

BLOCK HOURS

90,528

REVENUE

\$809.9M

ADJ. EBITDA*

\$196.3M

DIRECT CONTRIBUTION

\$189.1M

ADJUSTED NET INCOME*

\$82.7 million

REPORTED NET INCOME

\$74.1 million

*See November 5, 2020 press release for Non-GAAP reconciliations.

3Q19 vs. 3Q20 Segment Overview

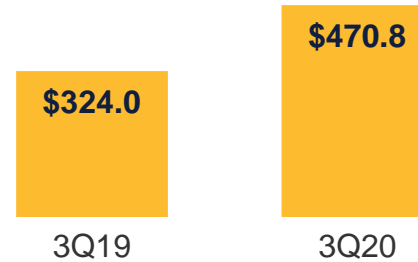
ACMI REVENUE

In \$Millions



CHARTER REVENUE

In \$Millions



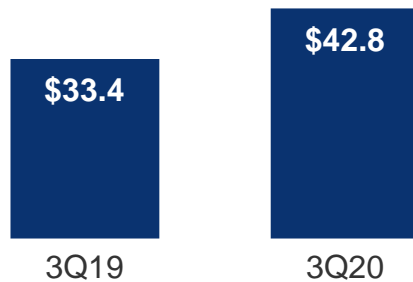
DRY LEASING REVENUE

In \$Millions



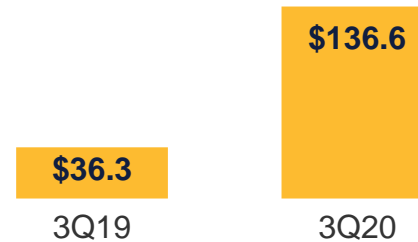
ACMI CONTRIBUTION

In \$Millions



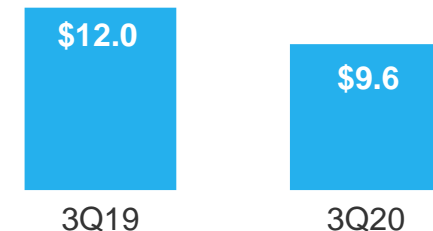
CHARTER CONTRIBUTION

In \$Millions

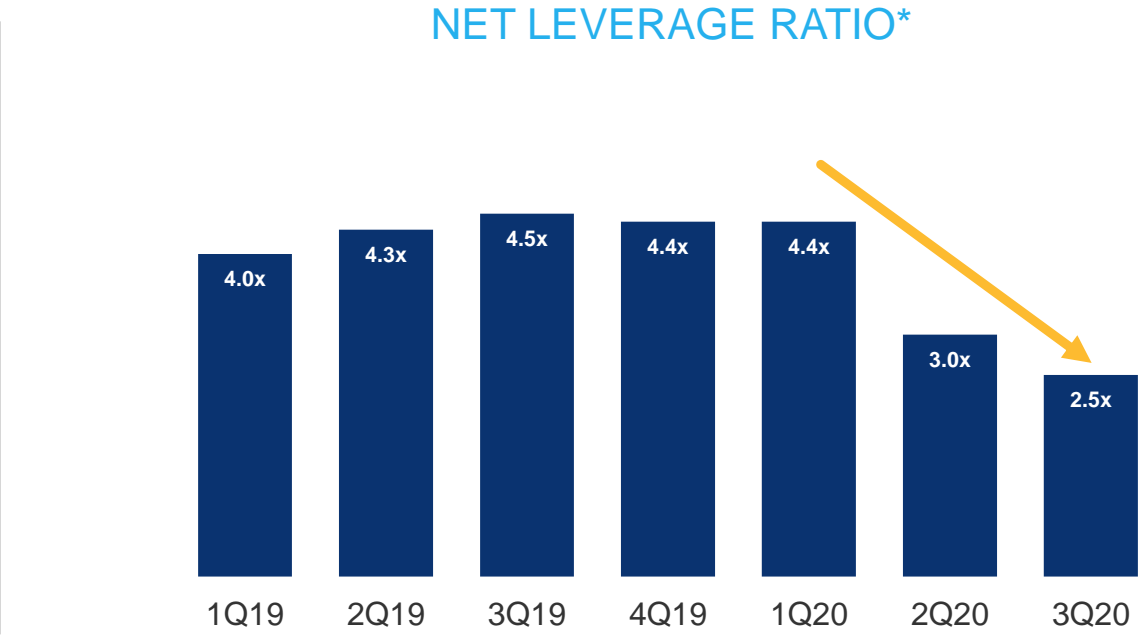
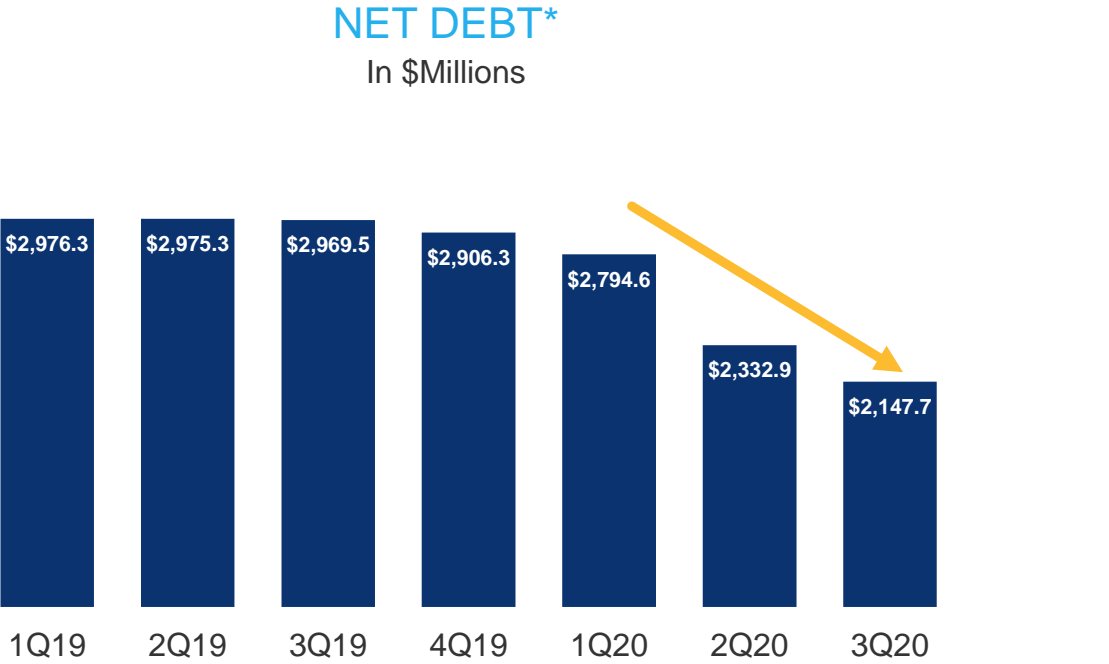


DRY LEASING CONTRIBUTION

In \$Millions



Net Debt and Net Leverage Ratio



Maintaining debt payments of ~\$70 million per quarter

*See Appendix for Non-GAAP reconciliation.

Key Takeaways

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 - Providing safe and high-quality service for our customers
-

ESSENTIAL ROLE IN THE GLOBAL SUPPLY CHAIN

- Committed to moving goods the world needs most
 - Airfreight provides unmatched delivery speed, security and reliability
 - Actively preparing for timely vaccine distribution
-

CAPITALIZING ON MARKET DYNAMICS

- Leveraging the scale of our fleet and global operations
 - Executing on opportunities with new and existing customers
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NAVIGATING THROUGH CHALLENGES OF 2020

- Talented team of employees
- World-class fleet
- Strong balance sheet
- Agile business model

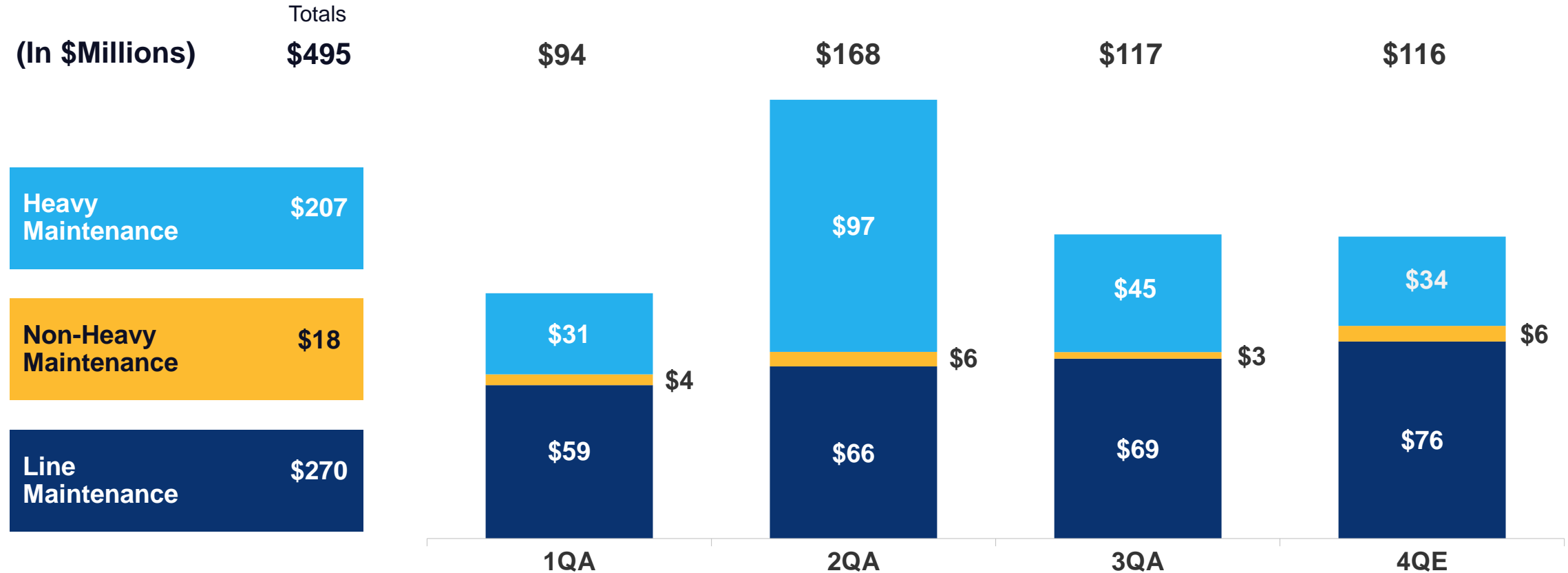




Appendix



2020 Maintenance Expense



- **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	2Q20	3Q20
FACE VALUE OF DEBT	\$ 2,530.4	\$ 2,511.4	\$ 2,483.4	\$ 2,484.4	\$ 2,530.0	\$ 2,606.4	\$ 2,456.5
PLUS: PRESENT VALUE OF OPERATING LEASES	621.8	591.9	568.8	536.2	500.2	465.7	420.5
TOTAL DEBT	\$ 3,152.2	\$ 3,103.3	\$ 3,052.3	\$ 3,020.6	\$ 3,030.2	\$ 3,072.1	\$ 2,877.0
LESS: CASH AND EQUIVALENTS	\$ 164.5	\$ 120.8	\$ 80.7	\$ 113.4	\$ 235.6	\$ 739.2	\$ 729.3
LESS: EETC ASSET	11.4	7.2	2.1	0.9	0.0	0.0	0.0
NET DEBT	\$ 2,976.3	\$ 2,975.3	\$ 2,969.5	\$ 2,906.3	\$ 2,794.6	\$ 2,332.9	\$ 2,147.7
LTM EBITDAR	\$ 736.3	\$ 687.7	\$ 659.6	\$ 658.8	\$ 642.2	\$ 789.5	\$ 874.9
NET LEVERAGE RATIO	4.0x	4.3x	4.5x	4.4x	4.4x	3.0x	2.5x

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 Southern Air, accrual for legal matters and professional fees, charges associated with refinancing debt, leadership transition costs, certain contract start-up costs, net insurance recovery and unrealized loss (gain) on financial instruments, as applicable.



Thank You



SOUTHERN AIR

