



AAWW Investor Slides

AUGUST 2021

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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 18 and August 5, 2021, which are posted at 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 now exceeding pre-pandemic levels
- Favorable economic and supply chain conditions

CAPITALIZING ON MARKET DYNAMICS

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

NAVIGATING CHALLENGING ENVIRONMENT

- Talented team of employees
- Unmatched fleet of aircraft and global network
- Strong balance sheet
- Positioning Atlas for the future



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



2021 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

2Q21 Highlights

BUSINESS MOMENTUM CONTINUING

- Strong demand for our aircraft and services
- Increased aircraft utilization
- Significant reduction of international belly cargo capacity
- Disruption of global supply chains

RESULTS ALSO REFLECTED

- Long-term customer agreements with favorable rates
- Operating five aircraft reactivated in 2020
- Improved passenger flying for the U.S. military
- Lower commercial cargo Charter yields (ex. fuel) vs. exceptionally high rates in April and May 2020

COMPLETING NEW PILOT CONTRACT

- Union provided integrated seniority list
- Arbitration hearings concluded in April
- Both parties submitted post-hearing briefs in June
- Expecting arbitrator's binding decision in late 3Q21



2Q21 Summary

BLOCK HOURS

93,190

REVENUE

\$990.4M

ADJ. EBITDA*

\$243.7M

DIRECT CONTRIBUTION

\$242.6M

ADJUSTED NET INCOME*

\$121.8 million

REPORTED NET INCOME

\$107.1 million

*See August 5, 2021 press release for Non-GAAP reconciliations

Outlook

3Q21 OUTLOOK

Revenue

Nearly \$1.0 billion

Adj. EBITDA

~\$250 million

Adj. Net Income

To grow ~50% compared with 3Q20 adj. net income of \$82.7 million

Block Hours

>90,000

Maintenance Expense

~\$100 million

2021 COMMENTARY

Strong momentum continuing in 3Q21

Economic and supply chain conditions favorable for airfreight

Anticipate capacity on long-haul trade lanes to remain tight

Monitoring developments related to COVID-19 and expect continued expenses

2021 KEY ITEMS

Maintenance Expense

Expected to be lower than 2020

Depreciation/Amortization

~\$275 million

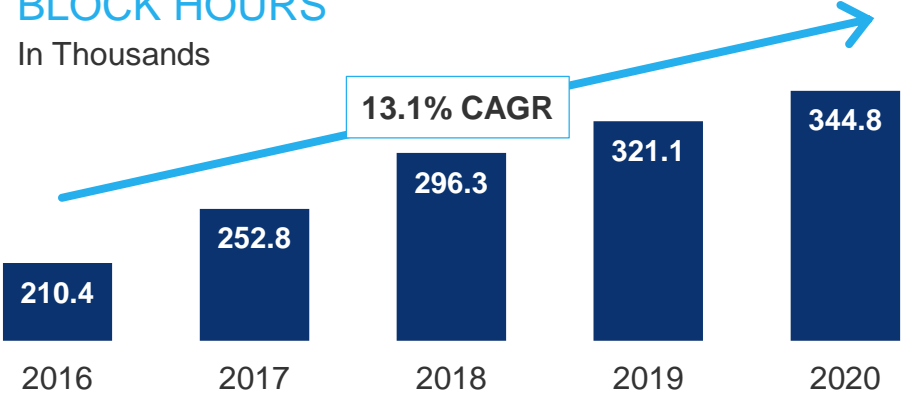
Core Capex

~\$105 to \$115 million

Financial and Operating Trends

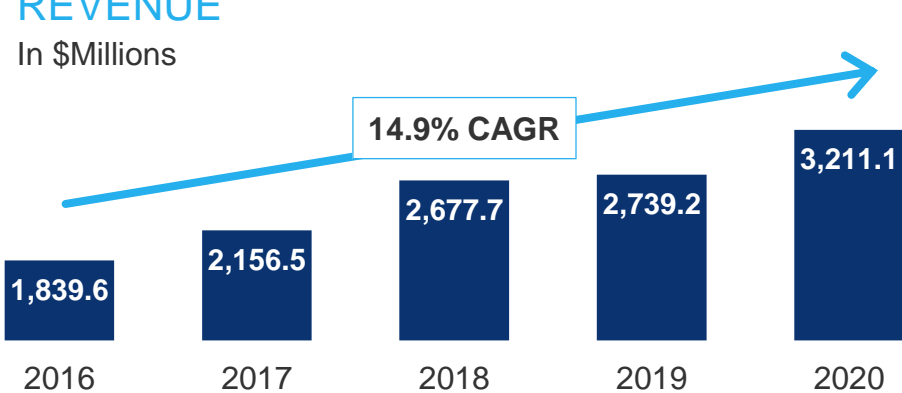
BLOCK HOURS

In Thousands



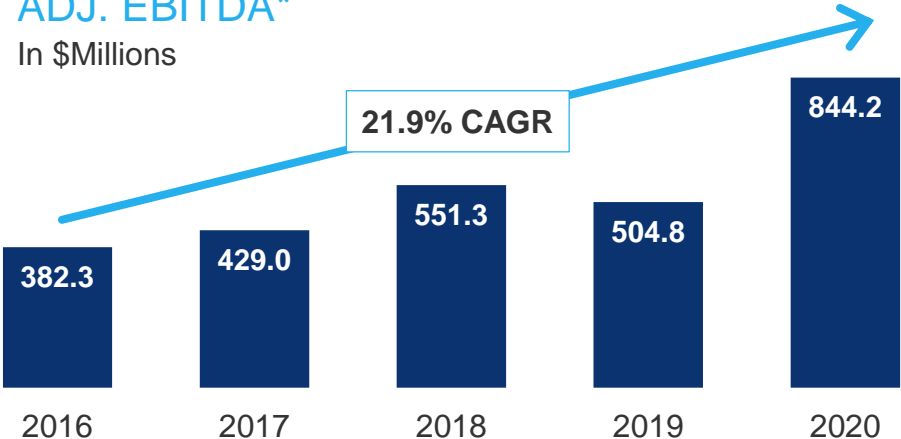
REVENUE

In \$Millions



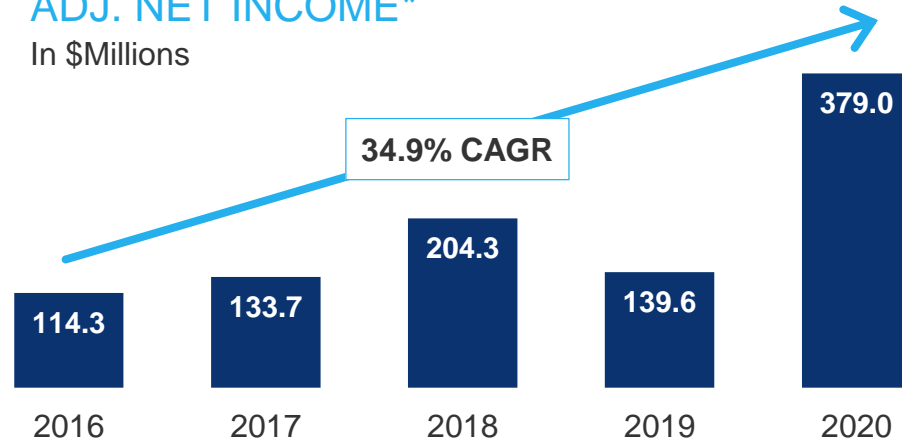
ADJ. EBITDA*

In \$Millions



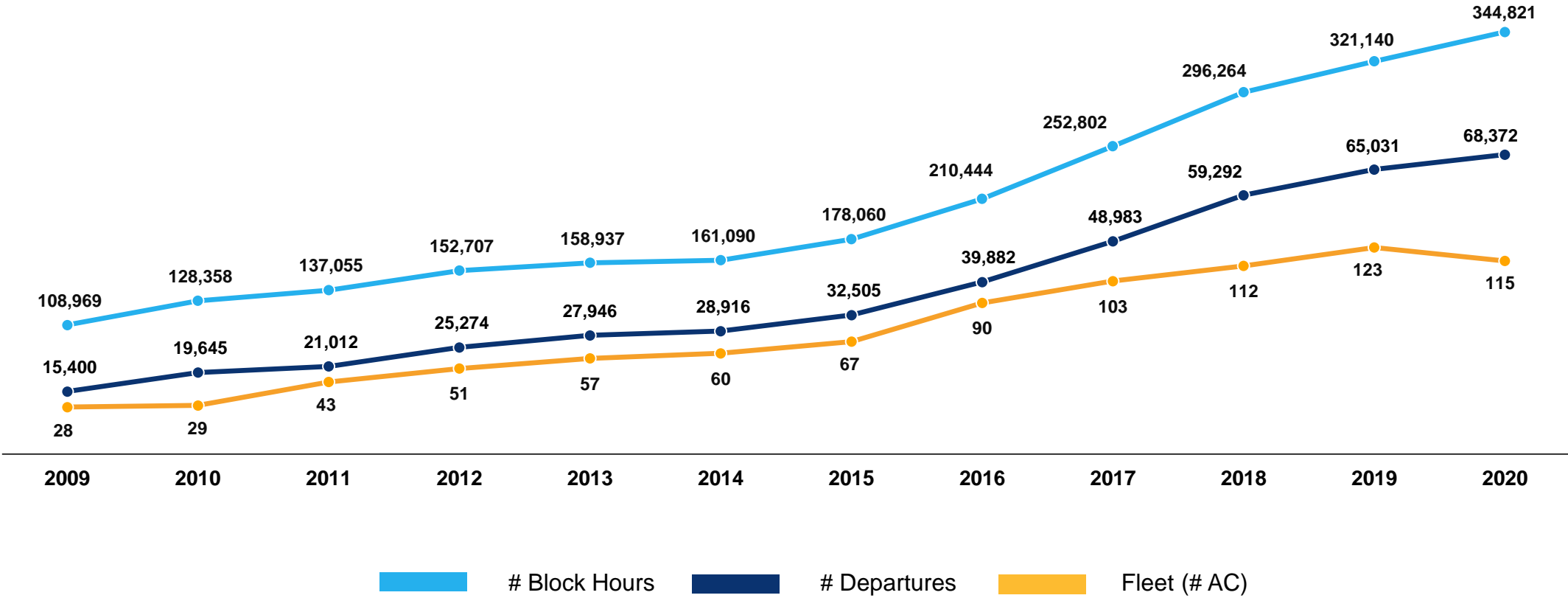
ADJ. NET INCOME*

In \$Millions

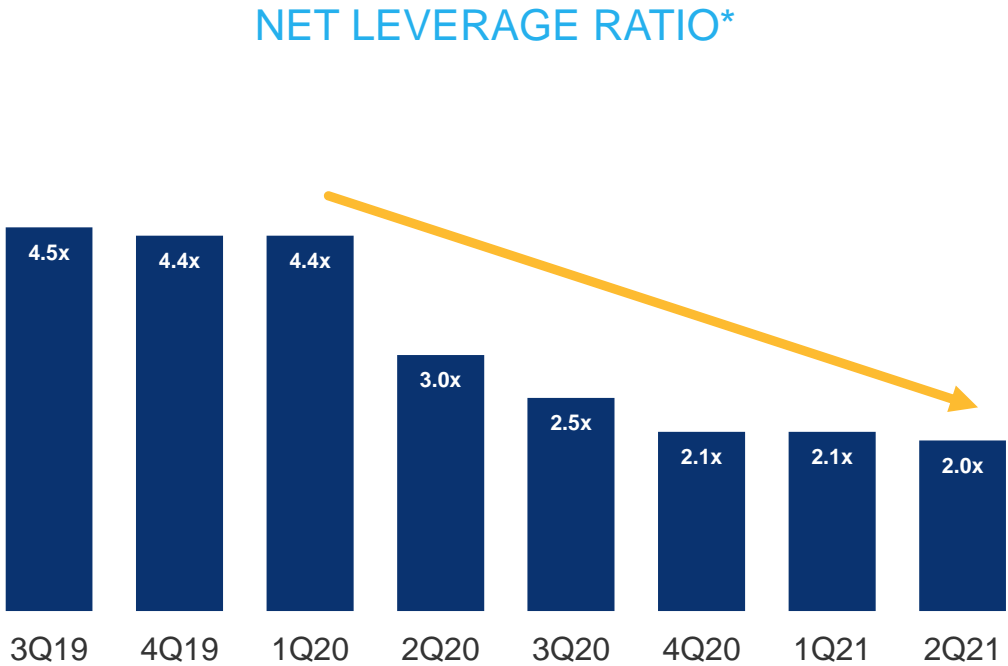
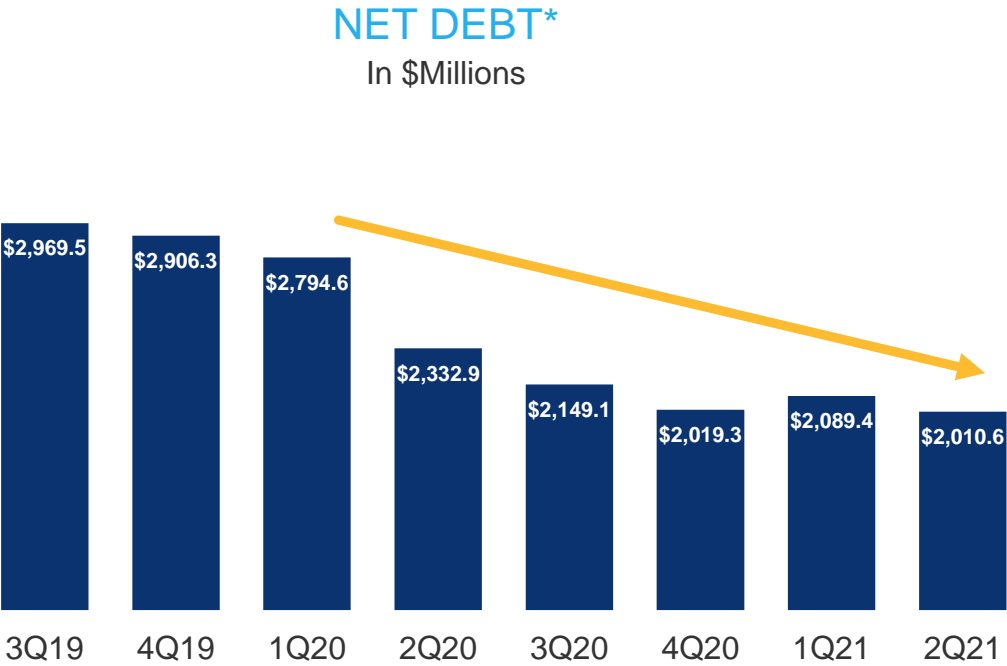


*See February 18, 2021 press release for Non-GAAP reconciliations

Growth by Year



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

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 3rd 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 Southern Air

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

TITAN 

 **BainCapital**

SOUTHERN 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



747 54 Boeing 747s

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



767 31 Boeing 767s

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



777 14 Boeing 777s

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



737 9 Boeing 737s

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

*As of June 30, 2021

Global Presence



344,821 Block Hours in 2020
68,372 Flights
314 Airports
74 Countries

Delivering a Strong Value Proposition

TRADITIONAL AIRFREIGHT

- **To grow ~4%** through 2039
- 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

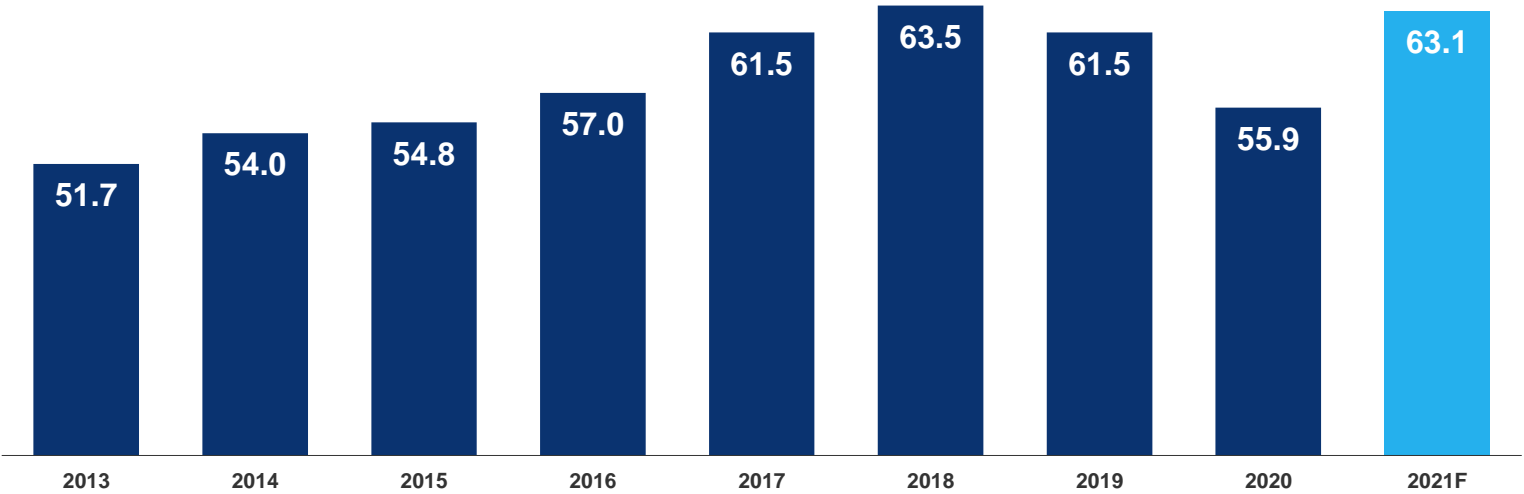
ATLAS AIR

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

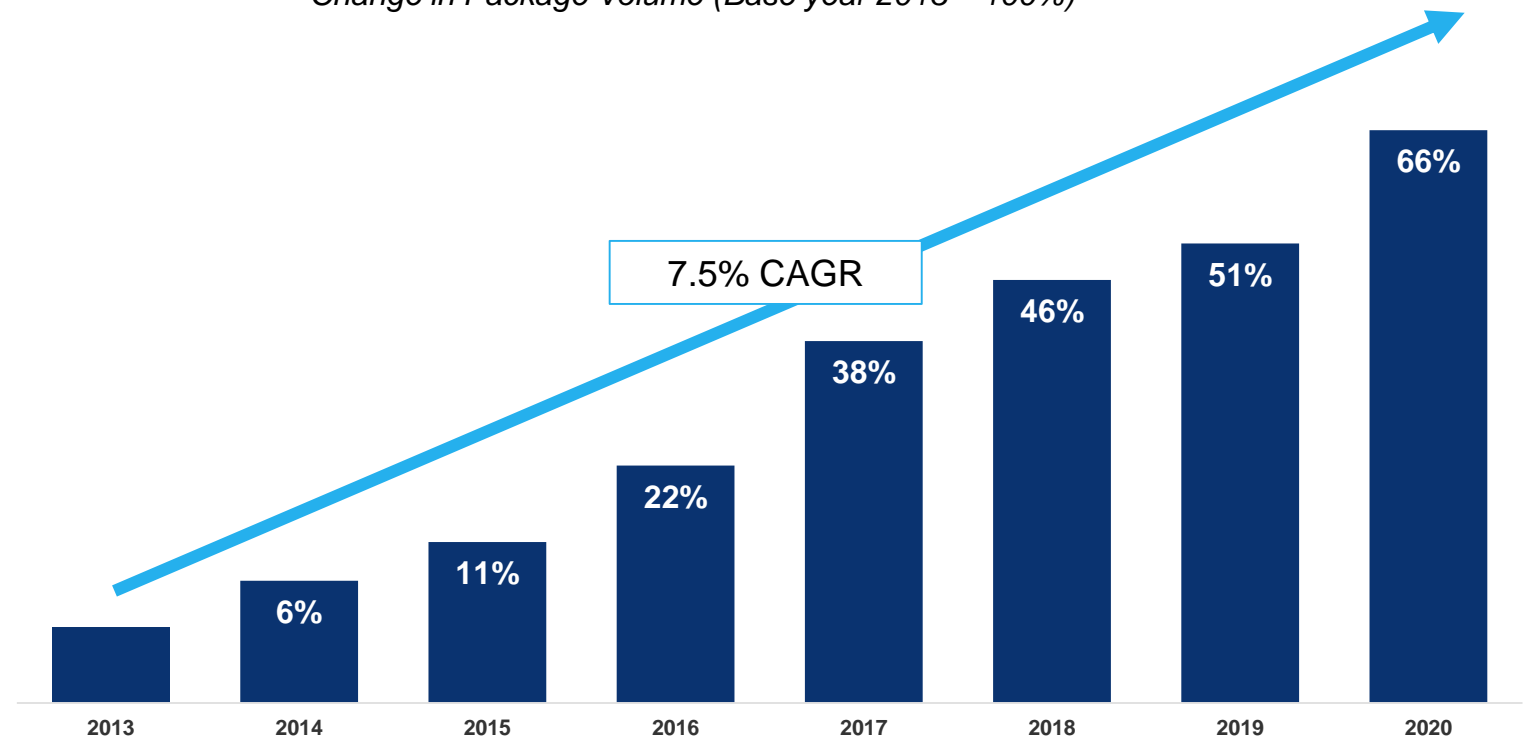
IATA – **COVID-19** disrupting global **supply chains**

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**

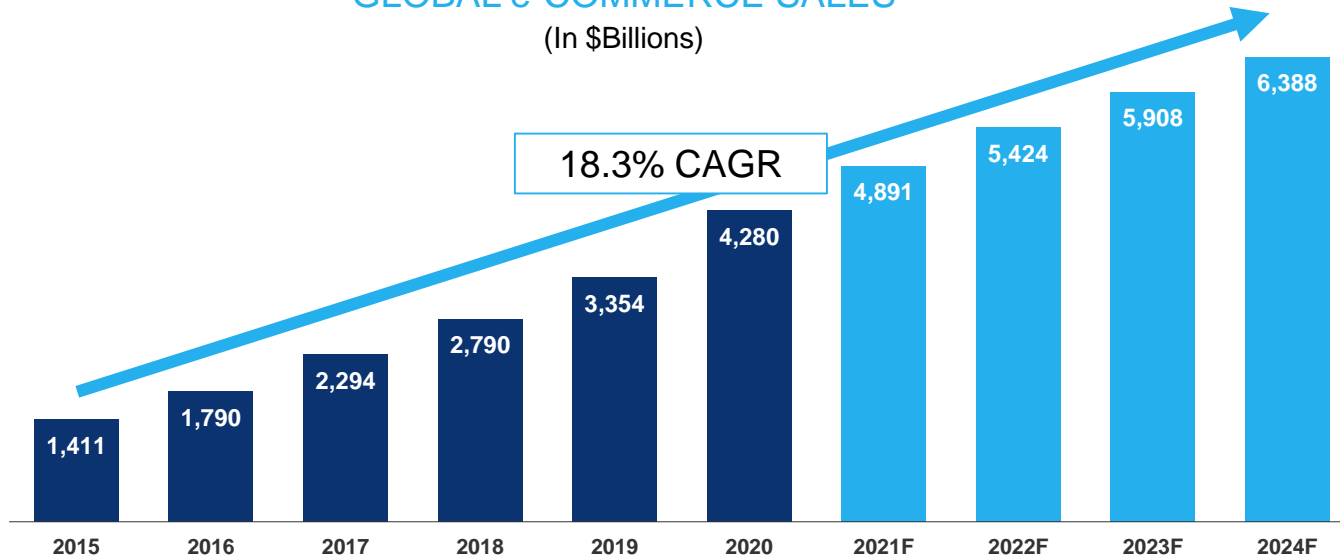
7.5% CAGR since 2013, well above the pace of general airfreight



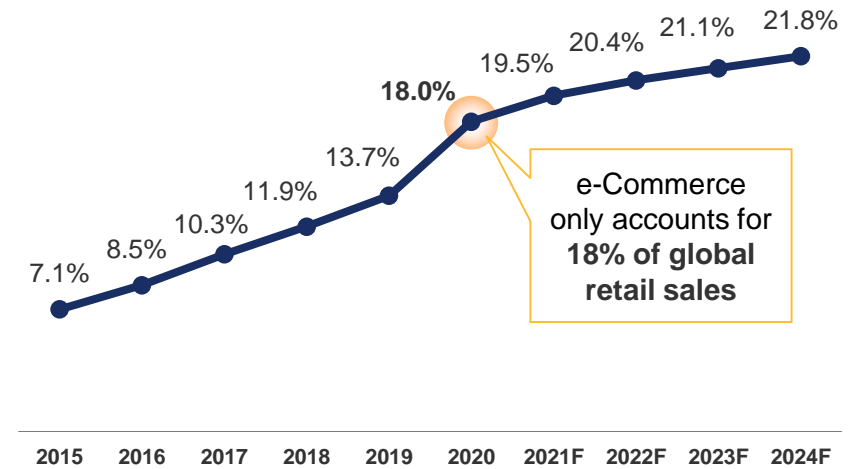
Notes: Weighted average of growth rates in international express package volume reported by these express operators
Weighting is 50% DHL, 25% UPS and 25% FedEx. 2016-2017 FedEx reported data reflects beneficial impact of TNT acquisition

e-Commerce Growth

GLOBAL e-COMMERCE SALES
(In \$Billions)



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



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



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



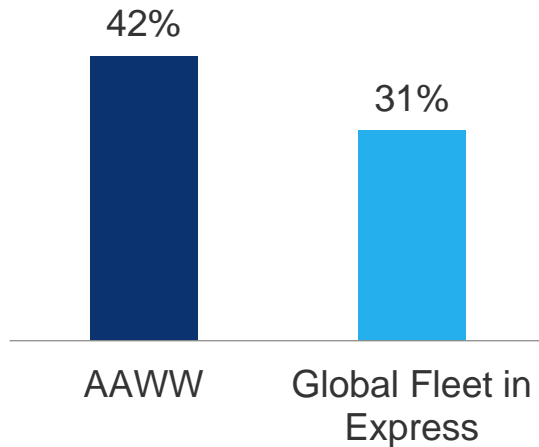
INDIA 697M internet users
64% mobile penetration
6% e-Commerce penetration



Fleet Aligned with Express and e-Commerce

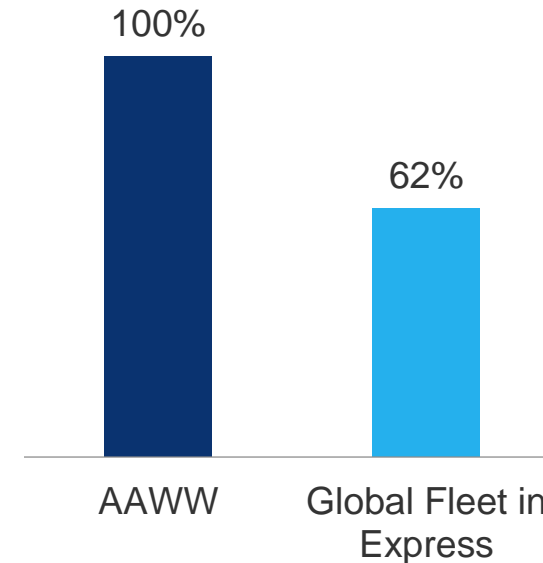
Atlas Fleet
in Express/
e-Commerce
Compared with
Global Fleet

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

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

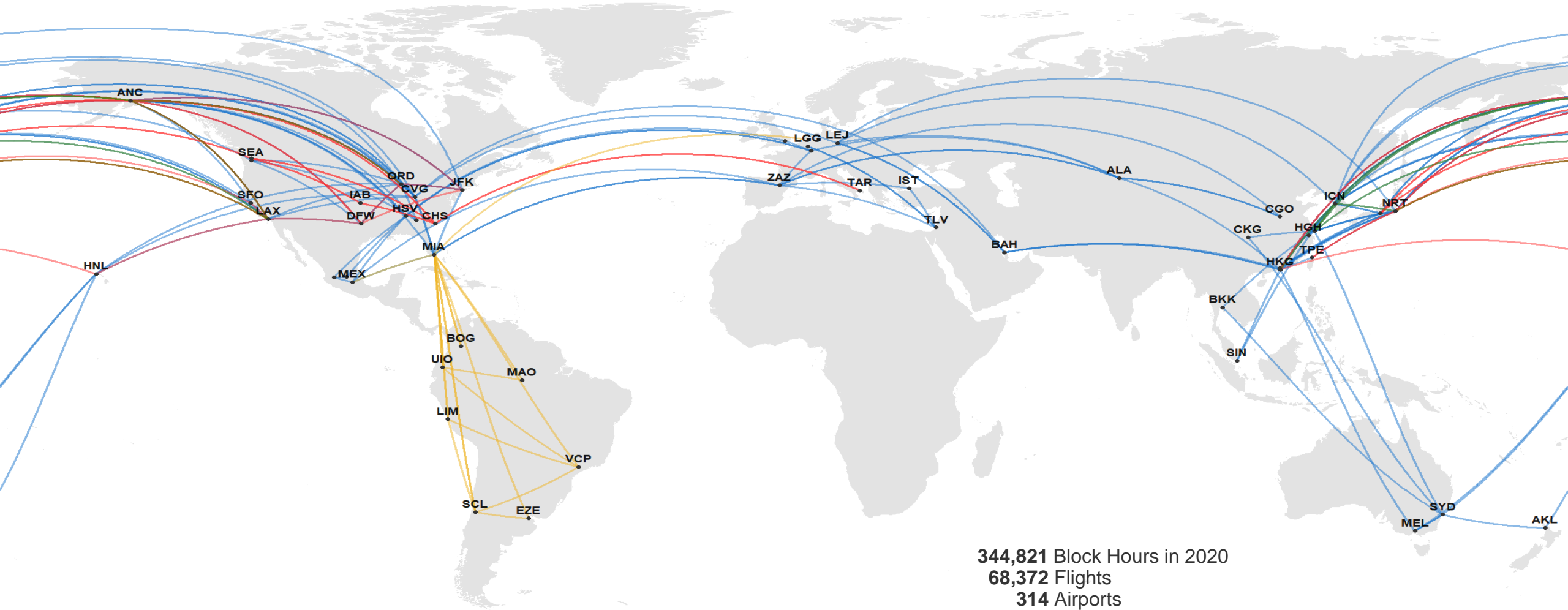
To be our customers' first choice and most valued partner

OUR MISSION

To leverage our core competencies and organizational capabilities

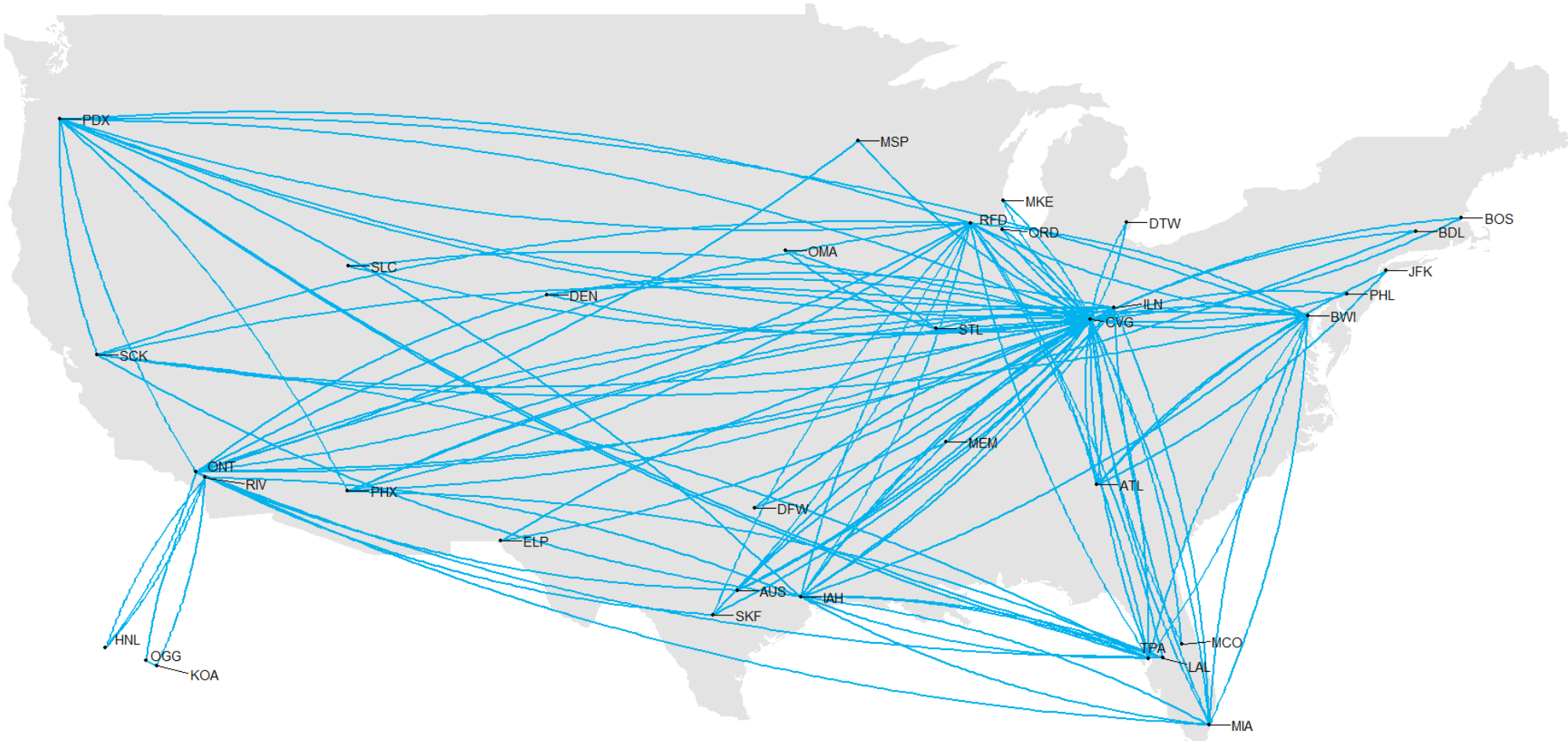


Global Operating Network



344,821 Block Hours in 2020
68,372 Flights
314 Airports
74 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**
- **Includes, 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

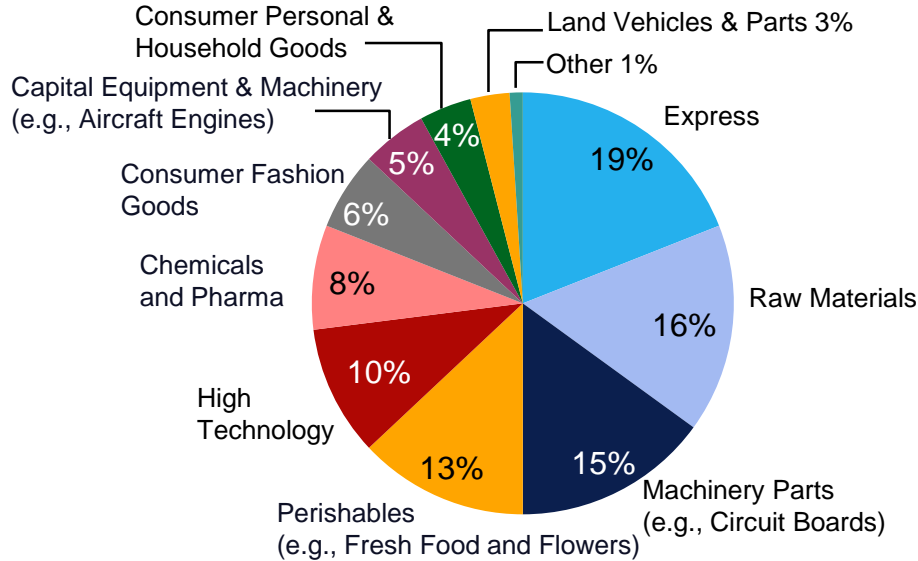
Products/supply chains with just-in-time delivery requirements

SPECIALTY CONSIDERATION

Products with significant security considerations

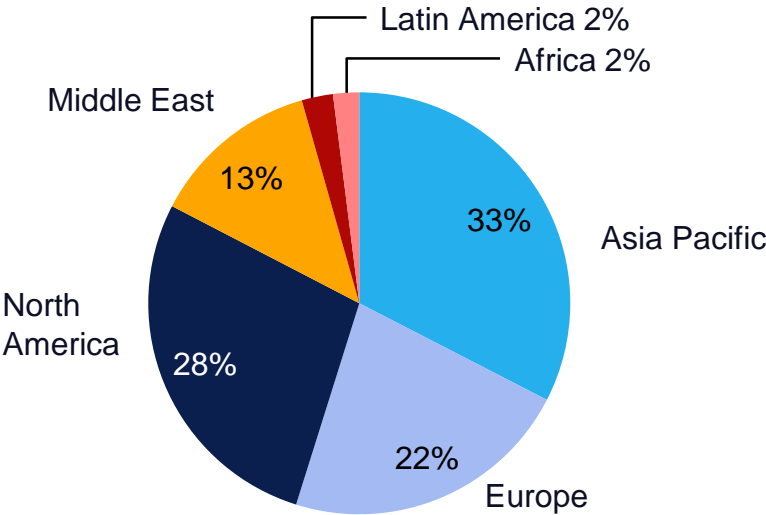
BY SECTOR

Industry Sectors Served by AAWW Customers



BY REGION

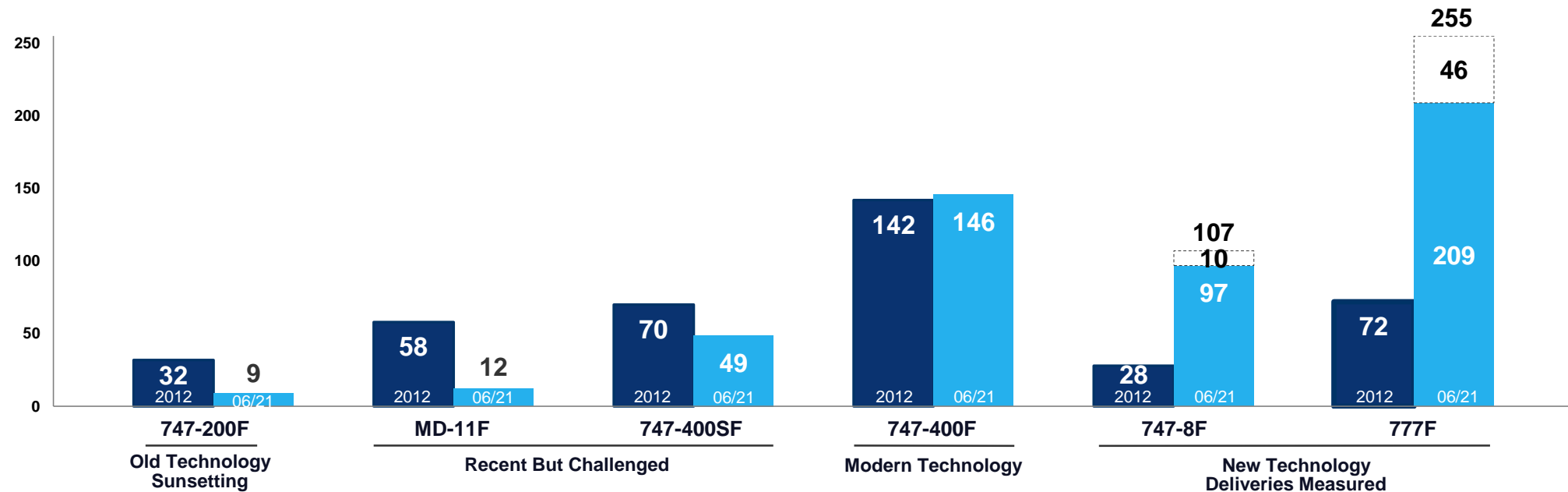
Percent of International Cargo Tonne Kilometers (CTKs)



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

Large Freighter Supply Trends

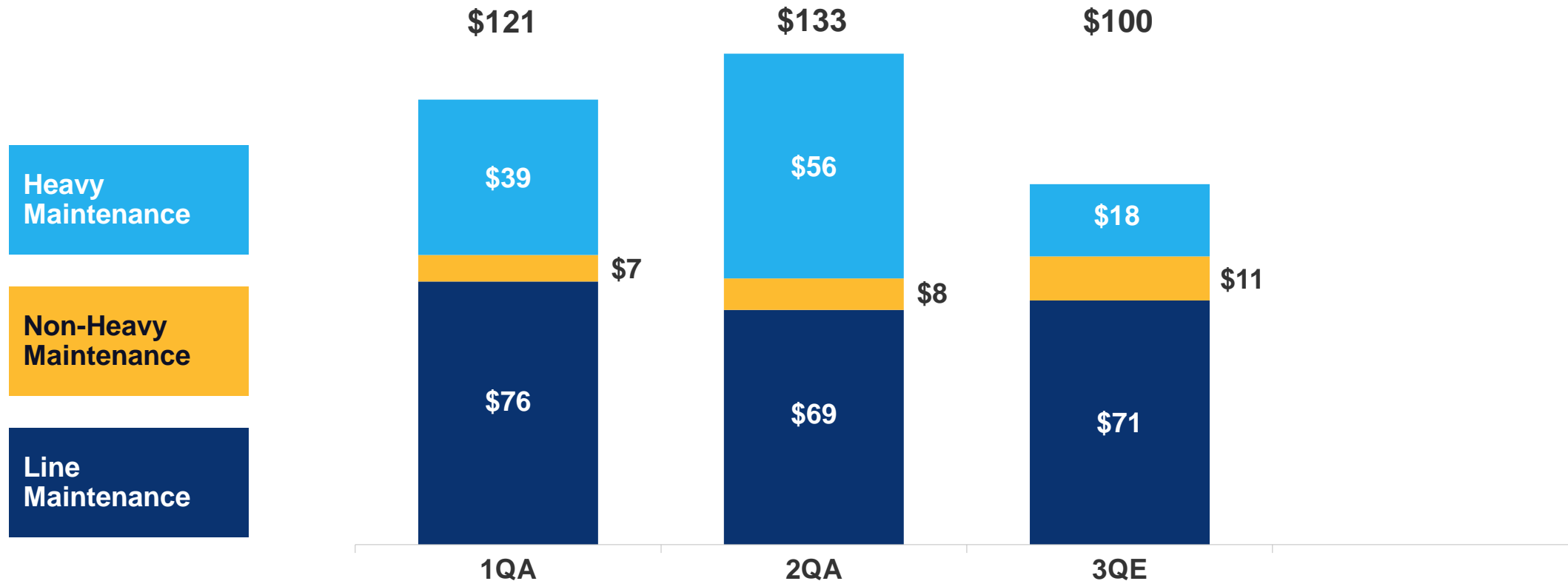
- Fleet expected to grow <1% annually; forecast long-term demand growth of ~4%
- Older technology is nearly gone
- MD-11F and 747-400 converted freighter fleets are shrinking
- Large widebody freighters will continue to dominate the major trade lanes
- Belly capacity cannot displace freighters



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

2021 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)	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
FACE VALUE OF DEBT	\$ 2,483.4	\$ 2,484.4	\$ 2,530.0	\$ 2,606.4	\$ 2,457.9	\$ 2,399.0	\$ 2,370.6	\$ 2,456.4
PLUS: PRESENT VALUE OF OPERATING LEASES	568.8	536.2	500.2	465.7	420.5	476.6	432.8	314.7
TOTAL DEBT	\$ 3,052.3	\$ 3,020.6	\$ 3,030.2	\$ 3,072.1	\$ 2,878.4	\$ 2,875.6	\$ 2,803.4	\$ 2,771.1
LESS: CASH AND EQUIVALENTS	\$ 80.7	\$ 113.4	\$ 235.6	\$ 739.2	\$ 729.3	\$ 856.3	\$ 714.0	\$ 760.5
LESS: EETC ASSET	2.1	0.9	0.0	0.0	0.0	0.0	0.0	0.0
NET DEBT	\$ 2,969.5	\$ 2,906.3	\$ 2,794.6	\$ 2,332.9	\$ 2,149.1	\$ 2,019.3	\$ 2,089.4	\$ 2,010.6
LTM EBITDAR	\$ 659.6	\$ 658.8	\$ 642.2	\$ 789.5	\$ 874.9	\$ 941.1	\$ 998.0	\$ 988.1
NET LEVERAGE RATIO	4.5x	4.4x	4.4x	3.0x	2.5x	2.1x	2.1x	2.0x

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, costs associated with refinancing debt, leadership transition costs, certain contract start-up costs, net insurance recovery and unrealized loss (gain) on financial instruments, as applicable.



ATLAS AIR
WORLDWIDE



Thank You