

QUARTERLY REVIEW
4Q 2017



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February 22, 2018



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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 February 22, 2018, which is posted at www.atlasair.com.



Key Takeaways

2017 an exciting year...

- Record fourth-quarter earnings
- Robust full-year earnings growth

Further business growth in 2018

- Expect to generate higher revenue and earnings

Focus on express, e-commerce and fast-growing Asian markets

Strong airfreight environment – underpinned by global economic growth

Fourth-Quarter Earnings

Revenue

19%
increase

Block Hours

18%
increase

Fleet Capacity

Added

- Six 747-400Fs through operating leases
 - Two entered service in 2017
 - Four will enter service in 2018

Adjusted EBITDA*

14%
increase

Direct Contribution

**Double-digit
% increases**
in all segments

Amazon Ramp-Up on Track

12

- Placed five 767-300 aircraft during the quarter
- Ramping up to 20 aircraft by year-end

2018 Framework

Business

- **Stronger** company
- **Solid demand** for our services

Revenue and Adj. EBITDA

- **Revenue ~\$2.5 billion**
- **Adj. EBITDA ~\$500 million**

1Q18 Outlook

- **Adj. EBITDA ~\$90 million**
- **Adj. net income to be approximately double 1Q17**

Block Hours

- **~19% increase to 300,000**
- ~75% of total in ACMI
- Balance in Charter

Adj. Net Income

To grow by a mid-twenty-percent level compared with 2017

Other 2018 Key Items

- **Maint Exp ~\$315 million**
- **Depr/Amort ~\$220 million**
- **Core Capex ~\$100-110 million**



4Q17 Summary

Adjusted income from continuing ops*
\$66.6 million

Reported income from continuing ops,
\$209.5 million, including

**\$130.0 million benefit due to
U.S. tax reform**

**\$23.7 million unrealized gain on
outstanding warrants**

Benefited from...

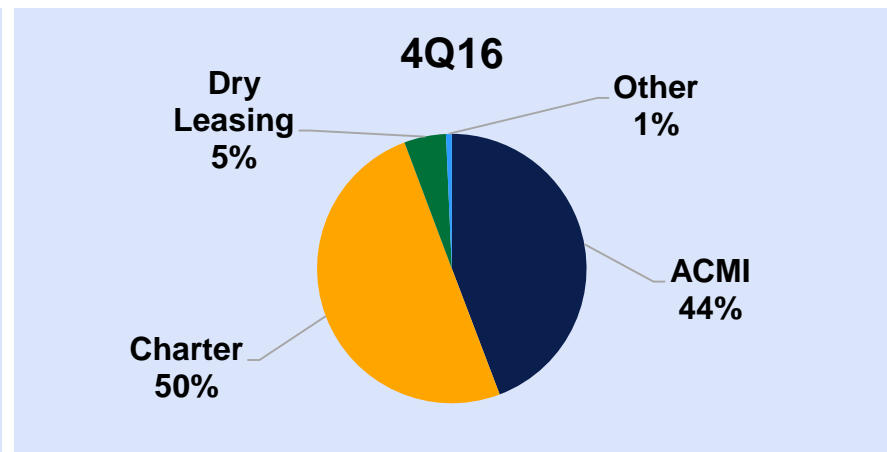
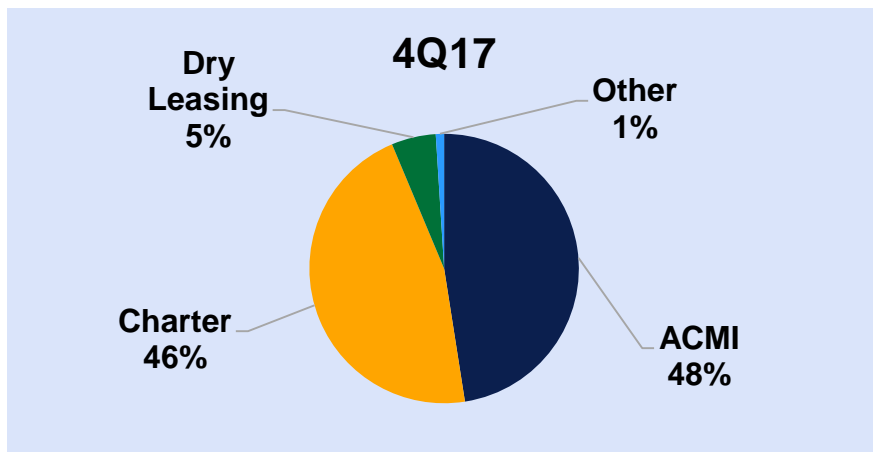
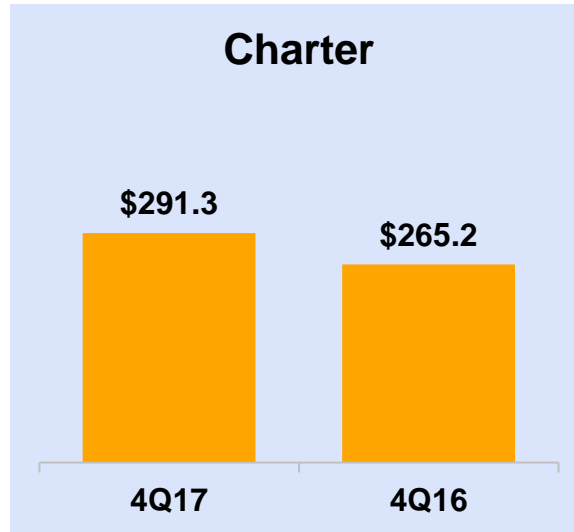
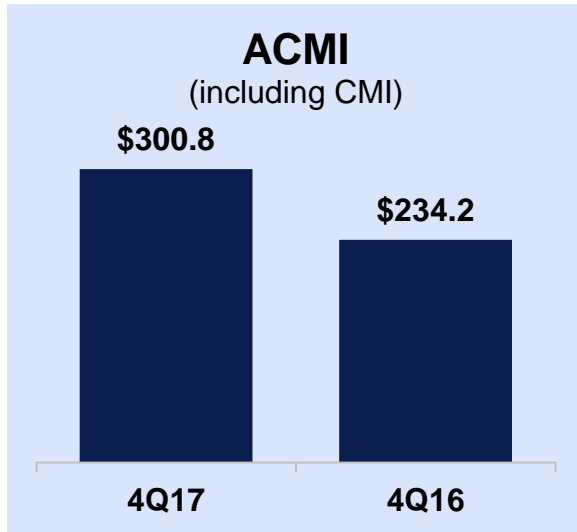
19% increase in revenue	18% increase in block hours	14% increase in adj. EBITDA*
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**Substantially higher
contribution** in all segments

*See February 22, 2018 press release for Non-GAAP reconciliations

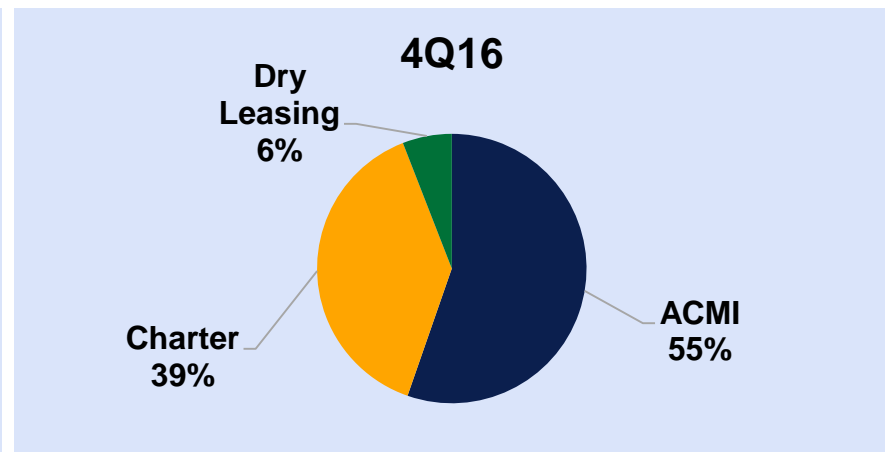
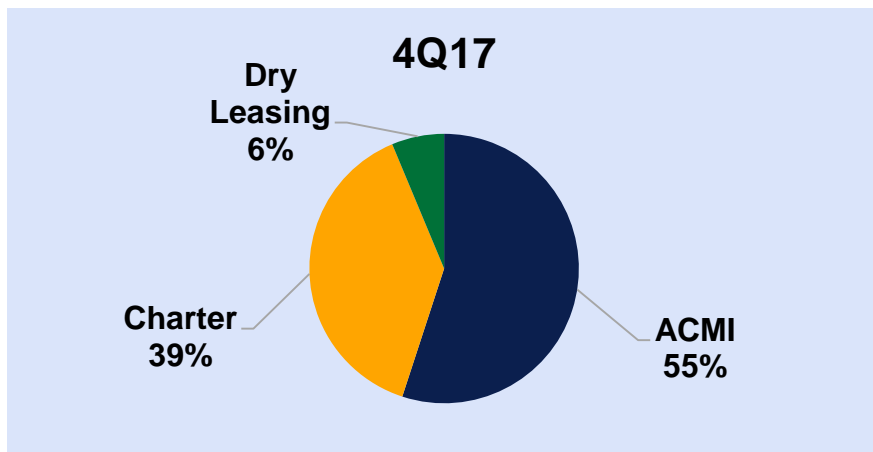
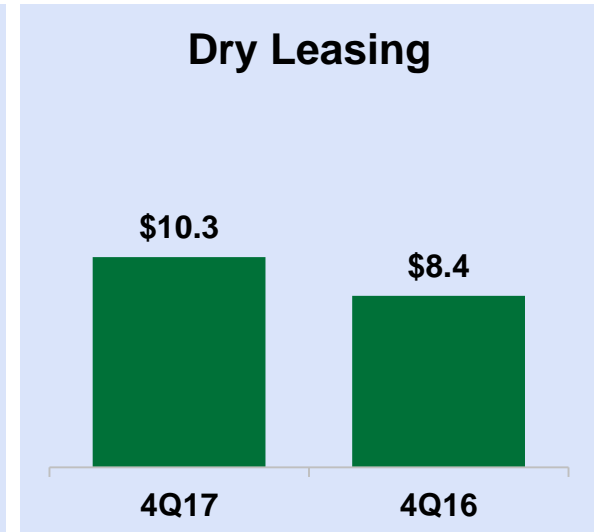
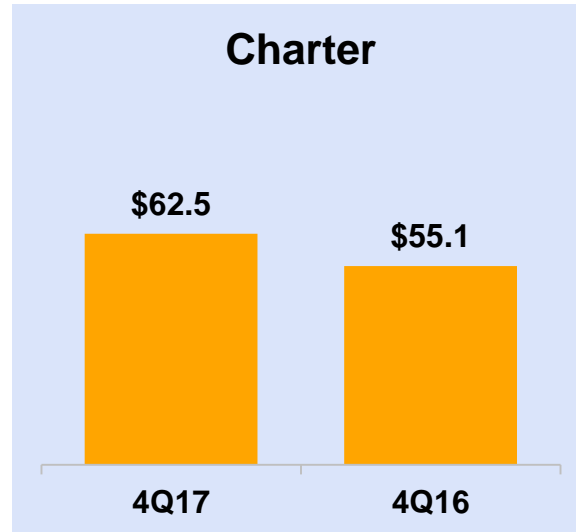
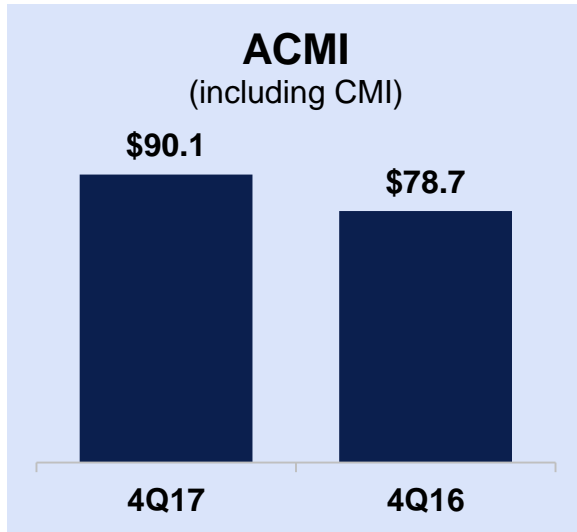
4Q17 vs. 4Q16 Segment Revenue

Revenue (\$MM)



4Q17 vs. 4Q16 Segment Contribution

Direct Contribution (\$MM)



Balance Sheet & Financial Ratios

(In \$Millions)

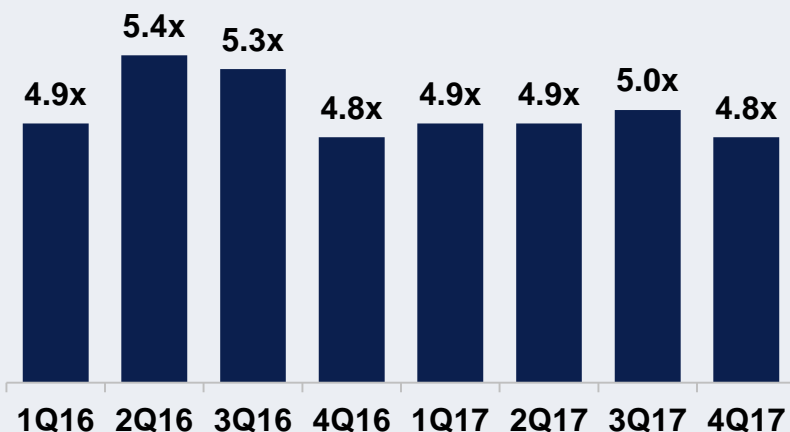
December 31, 2017

December 31, 2016

Cash, Equivalents, S-T Investments & Restricted Cash	305.5	142.6
Total Balance Sheet Debt	2,227.0	1,851.4
Net Leverage Ratio*	4.8x	4.8x

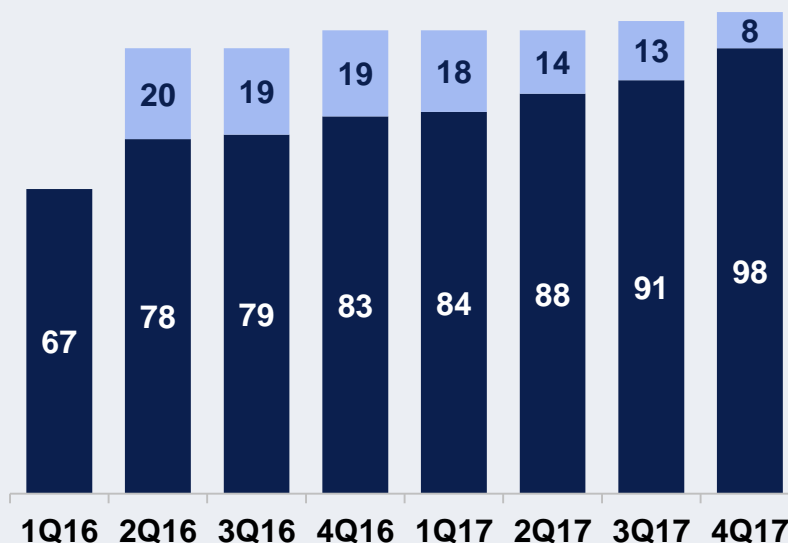
Net Leverage Ratio and Asset Base

Net Leverage Ratio*



Asset Base

■ Remaining Amazon Aircraft ■ Fleet Size



**Expect to pay down
~\$55 to \$60 million
of debt per quarter**



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Appendix

2017 Maintenance Expense

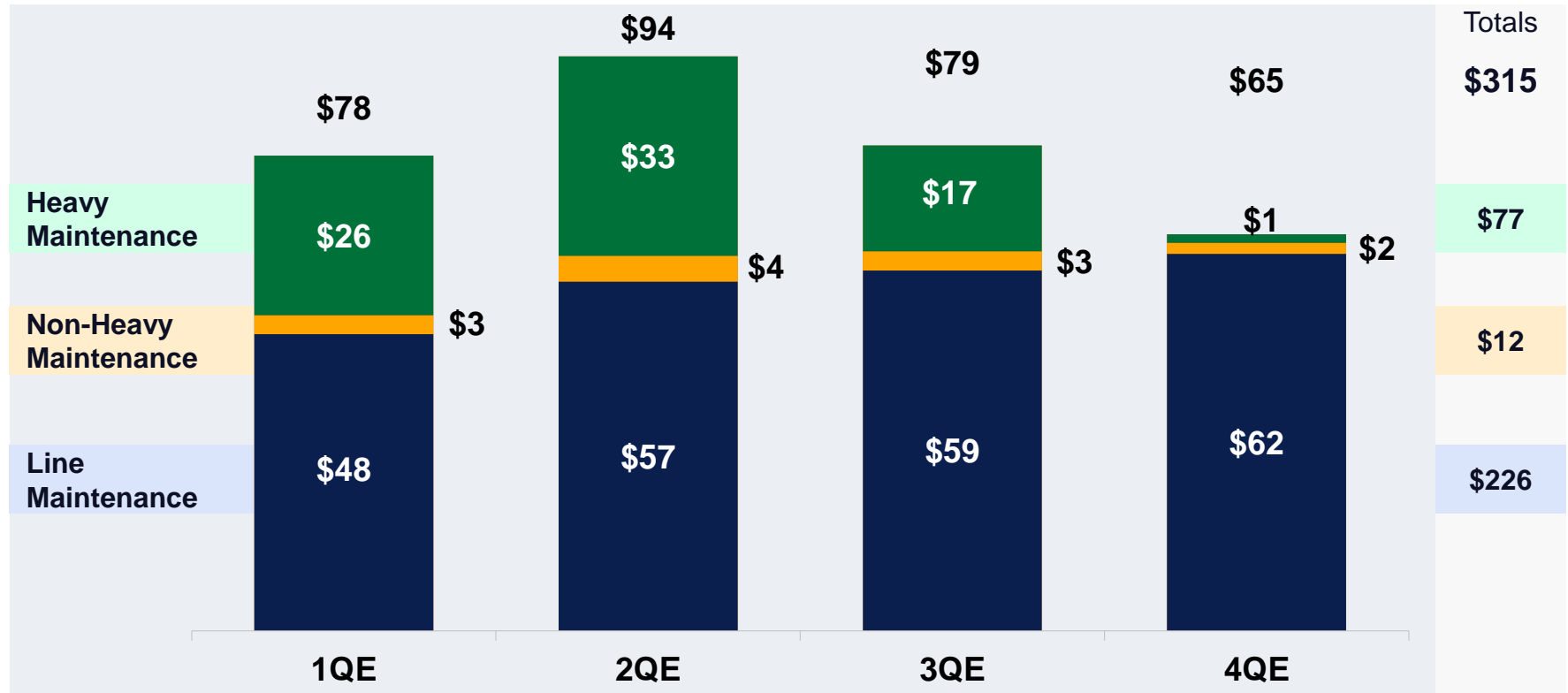
In \$Millions



- Line maintenance expense increases commensurate with additional block hour flying
- Line maintenance expense is approximately \$734 per block hour
- Non-heavy maintenance includes discrete events such as APU, thrust reverser, and landing gear overhauls

2018 Maintenance Expense

In \$Millions



- Line maintenance expense increases commensurate with additional block hour flying
- Line maintenance expense is approximately \$750 per block hour
- Non-heavy maintenance includes discrete events such as APU, thrust reverser, and landing gear overhauls

Reconciliation to Non-GAAP Measures

(In \$Millions)	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
Face Value of Debt	\$ 2,378.8	\$ 2,259.8	\$ 2,307.2	\$ 2,068.1	\$ 1,943.4	\$ 1,967.7	\$ 2,001.7	\$ 1,972.2
Plus: Present Value of Operating Leases	656.6	681.9	661.0	678.6	749.9	774.7	799.4	823.7
Total Debt	3,035.4	2,941.8	2,968.2	2,746.7	2,693.2	2,742.4	2,801.1	2,795.9
Less: Cash and Equivalents	\$ 291.9	\$ 176.3	\$ 282.7	\$ 118.9	\$ 138.3	\$ 115.6	\$ 168.3	\$ 331.9
Less: EETC Asset	29.0	29.9	30.9	31.9	32.3	34.8	35.8	38.1
LTM EBITDAR	\$ 570.4	\$ 546.8	\$ 543.1	\$ 525.6	\$ 526.0	\$ 485.9	\$ 484.7	\$ 496.4
Net Leverage Ratio	4.8x	5.0x	4.9x	4.9x	4.8x	5.3x	5.4x	4.9x



Thank You

