

QUARTERLY REVIEW  
**1Q 2018**



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May 3, 2018



# 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.

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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 May 3, 2018, which is posted at [www.atlasair.com](http://www.atlasair.com).



# Key Takeaways

**A strong start to 2018**

**Significant 1Q18 volume, revenue and earnings growth**

**Increasing FY2018 outlook**

**Strategic execution, strong customer demand driving results and outlook**

**Well-positioned to capitalize on market dynamics to serve customers**

- **Focus on express, e-commerce and fast-growing global markets**
- **Strong airfreight environment and growing global economy**

# First-Quarter Earnings

## Block Hours

**21%**  
increase

## Revenue

**24%**  
increase

## Business Growth

### Acquiring

- Two 777Fs for A+CMI service with DHL Express

### Added

- Second 747-400 ACMI freighter for DHL Global Forwarding

## Adjusted EBITDA\*

**47%**  
increase

## Adjusted Net Income\*

**187%**  
increase

## Amazon Growth on Track

**13**

- Placed thirteenth 767-300 in early April
- 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**

## 2Q18 Outlook

- **Adj. EBITDA >\$100 million**
- **Adj. net income to increase 30% to 35% from 1Q18**

## Block Hours

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

## Adj. Net Income

**To grow by a low- to mid-30% level** compared with 2017

## Other 2018 Key Items

- **Maint Exp** ~\$320 million
- **Depr/Amort** ~\$220 million
- **Core Capex** ~\$100-110 million



# 1Q18 Summary

Adjusted income from continuing ops\*  
**\$23.8 million, up 187%**

Reported income from continuing ops,  
**\$9.6 million, including**

**\$7.7 million unrealized loss on  
outstanding warrants**

Benefited from...

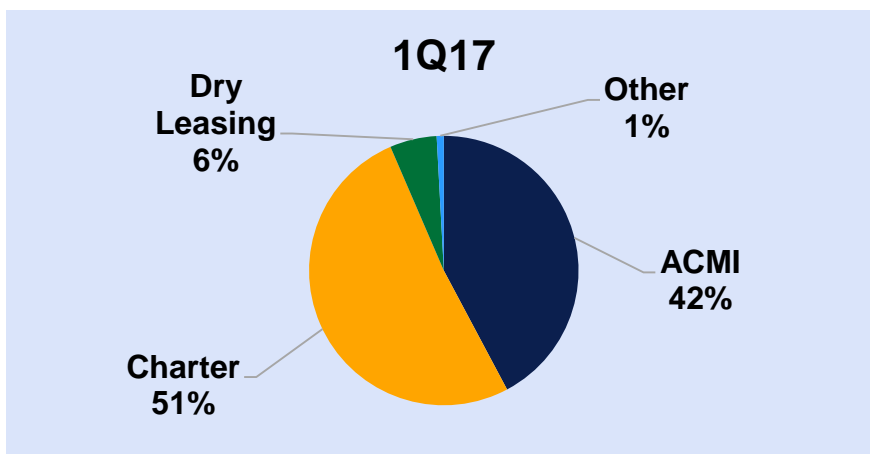
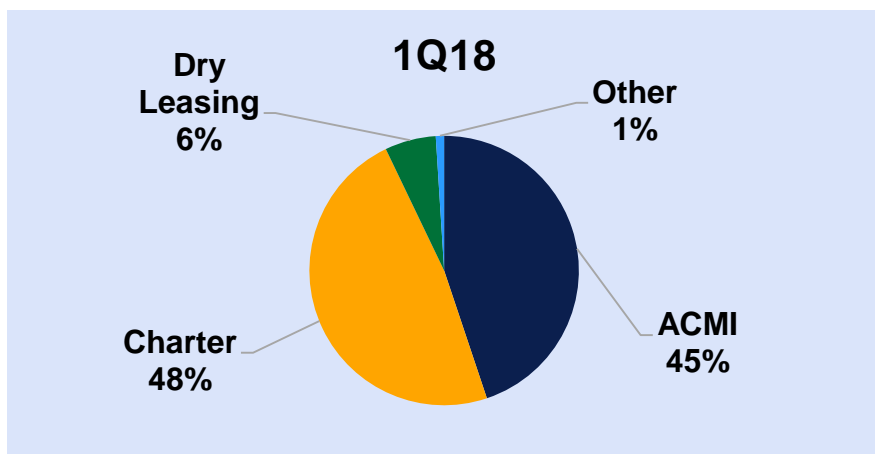
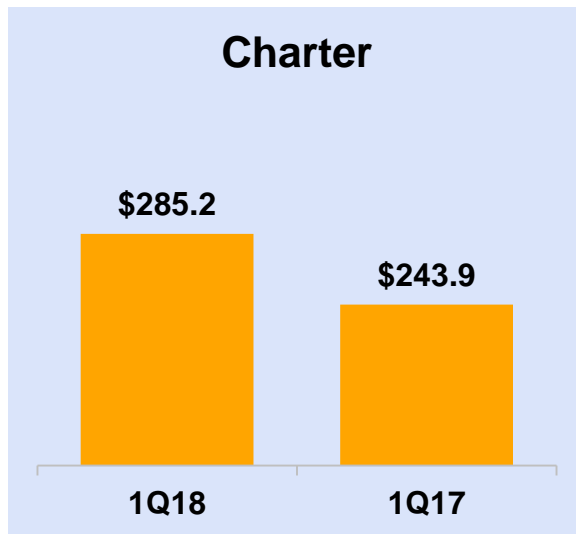
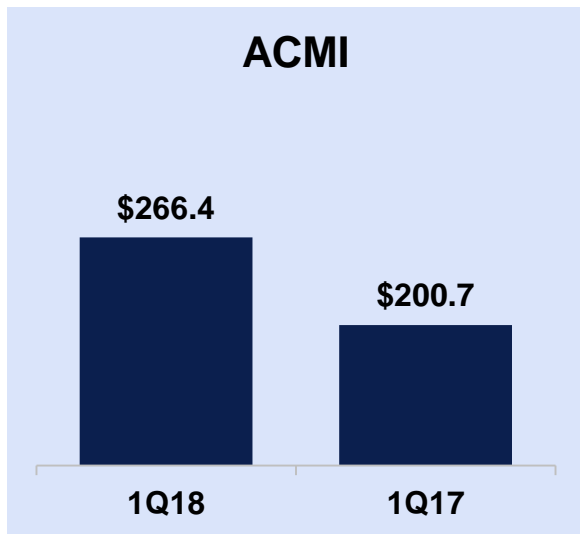
<b>21%</b>	<b>24%</b>	<b>47%</b>
<b>increase</b>	<b>increase</b>	<b>increase</b>
in block hours	in revenue	in adj. EBITDA*

**Substantially higher  
contribution** in all segments

\*See May 3, 2018 press release for Non-GAAP reconciliations

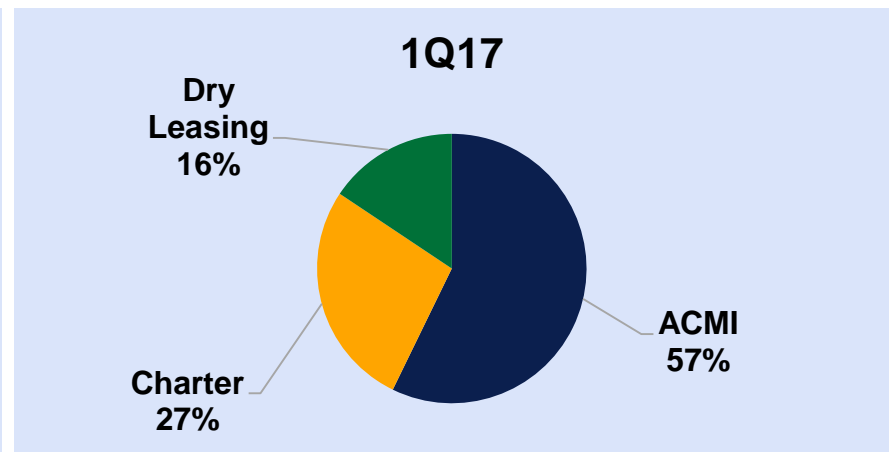
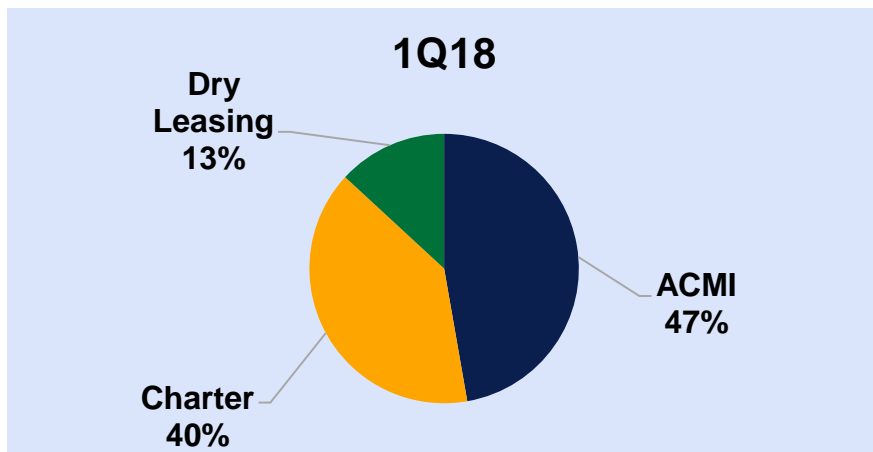
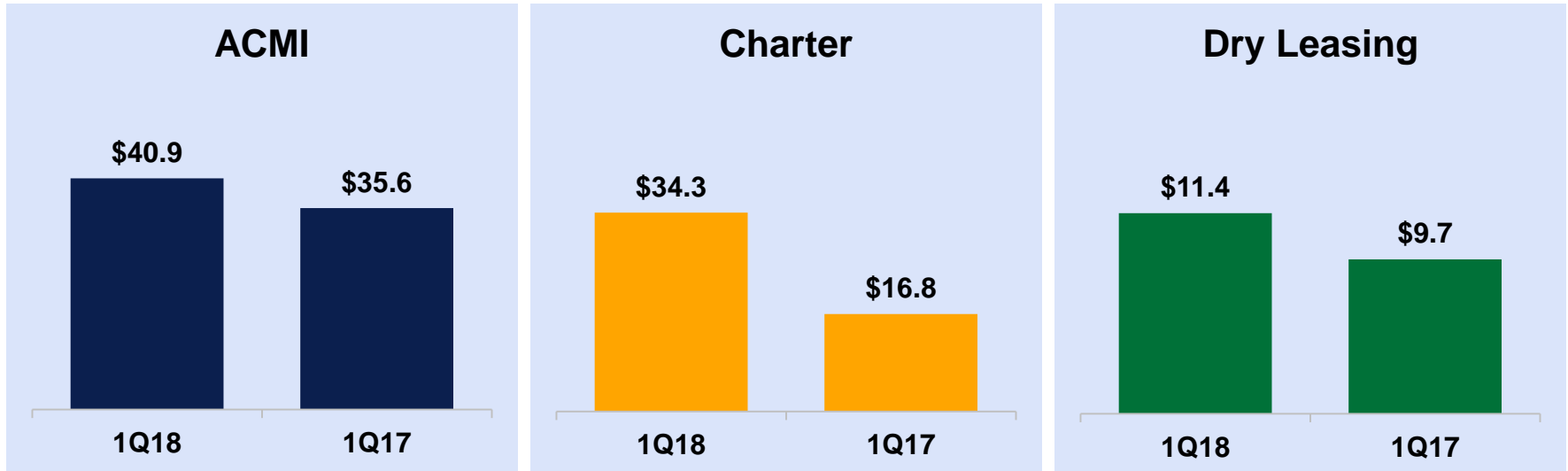
# 1Q18 vs. 1Q17 Segment Revenue

Revenue (\$MM)



# 1Q18 vs. 1Q17 Segment Contribution

Direct Contribution (\$MM)





# Balance Sheet & Financial Ratios

(In \$Millions)

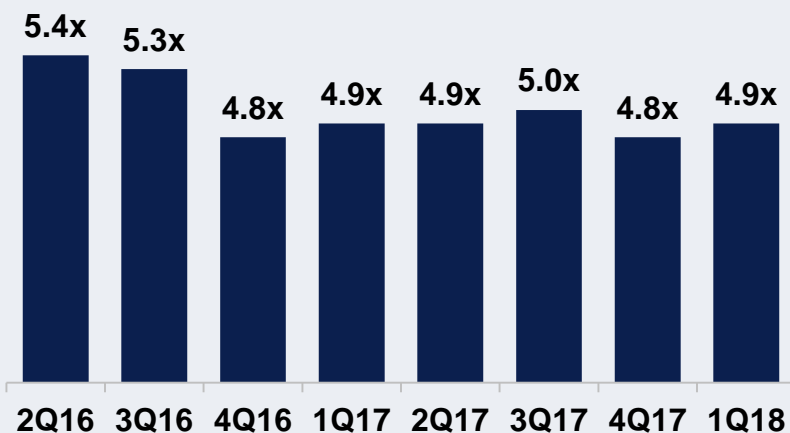
March 31, 2018

December 31, 2017

<b>Cash, Equivalents, S-T Investments &amp; Restricted Cash</b>	<b>147.5</b>	<b>305.5</b>
<b>Total Balance Sheet Debt</b>	<b>2,270.9</b>	<b>2,227.0</b>
<b>Net Leverage Ratio*</b>	<b>4.9x</b>	<b>4.8x</b>

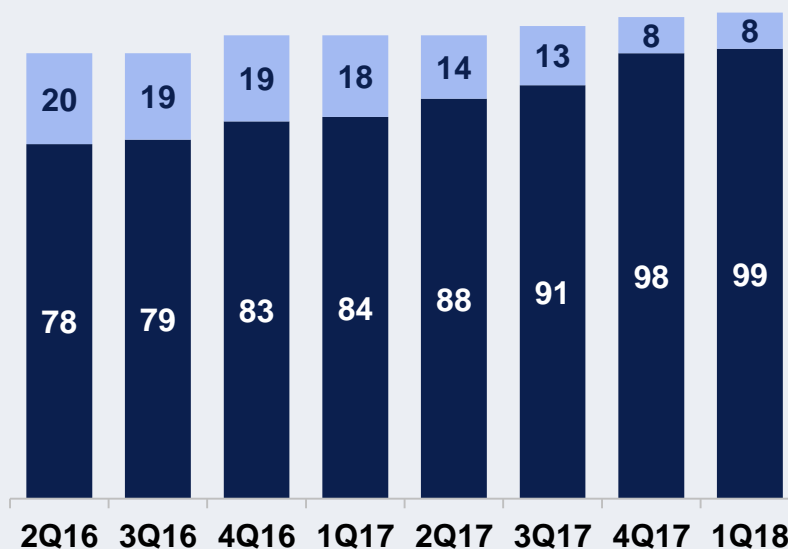
# Net Leverage Ratio and Asset Base

## 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

# 2018 Maintenance Expense

In \$Millions



- Line maintenance expense increases commensurate with additional block hour flying
- Line maintenance expense is approximately \$757 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)	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16
Face Value of Debt	\$ 2,416.6	\$ 2,378.8	\$ 2,259.8	\$ 2,307.2	\$ 2,068.1	\$ 1,943.4	\$ 1,967.7	\$ 2,001.7
Plus: Present Value of Operating Leases	709.7	656.6	681.9	661.0	678.6	749.9	774.7	799.4
<b>Total Debt</b>	<b>3,126.2</b>	<b>3,035.4</b>	<b>2,941.8</b>	<b>2,968.2</b>	<b>2,746.7</b>	<b>2,693.2</b>	<b>2,742.4</b>	<b>2,801.1</b>
Less: Cash and Equivalents	\$ 130.4	\$ 291.9	\$ 176.3	\$ 282.7	\$ 118.9	\$ 138.3	\$ 115.6	\$ 168.3
Less: EETC Asset	27.8	29.0	29.9	30.9	31.9	32.3	34.8	35.8
LTM EBITDAR	\$ 603.0	\$ 570.4	\$ 546.8	\$ 543.1	\$ 525.6	\$ 526.0	\$ 485.9	\$ 484.7
<b>Net Leverage Ratio</b>	<b>4.9x</b>	<b>4.8x</b>	<b>5.0x</b>	<b>4.9x</b>	<b>4.9x</b>	<b>4.8x</b>	<b>5.3x</b>	<b>5.4x</b>



**Thank You**

