



QUARTERLY REVIEW

3Q 2019

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OCTOBER 30, 2019



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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 October 30, 2019, which is posted at www.atlasairworldwide.com.

Third-Quarter Introduction

3Q19 results affected by:

- Uncertain global macroenvironment
- Tariffs and trade tensions
- Labor-related service disruptions

Committed to negotiating competitive pilot labor agreement

Maintaining focus on long-term strategies and growth drivers

Focused on express, e-commerce, fast-growing markets

Positioned well to serve the demand for airfreight today and in the future



Third-Quarter 2019 Earnings

BLOCK HOURS

79,310

REVENUE

\$648.5M

ADJ. EBITDA*

\$95.6M

ADJ. NET INCOME*

\$9.5M

BEGAN FLYING

One CMI 737 for Amazon

- Four now in operation
- One more by year-end 2019

One CMI 747 for NCA

- Four now in operation
- One more expected in 2020

One 747 for AMC and NFL passenger charters

*See October 30, 2019 press release for Non-GAAP reconciliations.

2019 Framework

REVENUE/EARNINGS

Revenue

~\$2.75 billion

Adj. EBITDA

~\$500 million

Adj. Net Income

Will total ~60-65% of our
2018 adj. net income
of \$204.3 million

OTHER 2019 KEY ITEMS

Block Hours

~325,000

~75% of total in ACMI
Balance in Charter

Maintenance Expense

~\$380 million

Depreciation/Amortization

~\$260 million

Core Capex

~\$140 million

4Q19 TO BENEFIT FROM...

Peak-season volumes and yields

Increased AMC passenger flying

Lower heavy maintenance

Refund of aircraft rent

Navigating Through Current Headwinds

RIGHT PLATFORM FOR FUTURE

Team of talented employees

Right fleet and service offerings

Strong core of long-term customers

Key role in customers' networks

MAKING THE RIGHT DECISIONS

Continually assessing the market

Balancing capacity with demand

Adapting to the market environment

Focused on:

- **Reducing costs**
- **Enhancing productivity**
- **Improving profitability**
- **Generating cash**

**OUR ACTIONS WILL PROVIDE NEAR- AND LONG-TERM
BENEFITS TO THE COMPANY**



3Q19 Summary

BLOCK HOURS

79,310

REVENUE

\$648.5M

ADJ. EBITDA*

\$95.6M

DIRECT CONTRIBUTION

\$81.8M

ADJUSTED INCOME
FROM CONTINUING OPS*

\$9.5 million

REPORTED INCOME
FROM CONTINUING OPS

\$60.0 million

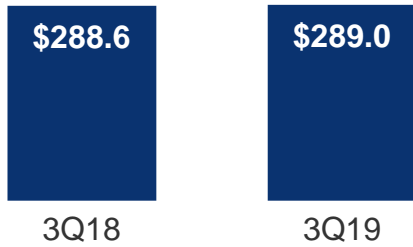
- \$83.2 million noncash unrealized gain on outstanding warrants

*See October 30, 2019 press release for Non-GAAP reconciliations.

3Q18 vs. 3Q19 Segment Revenue

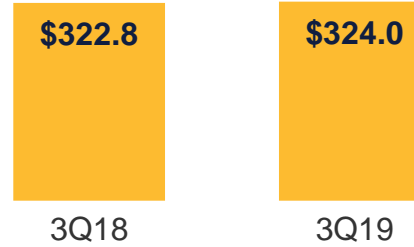
ACMI

In \$Millions



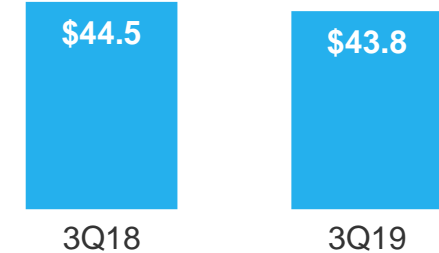
CHARTER

In \$Millions

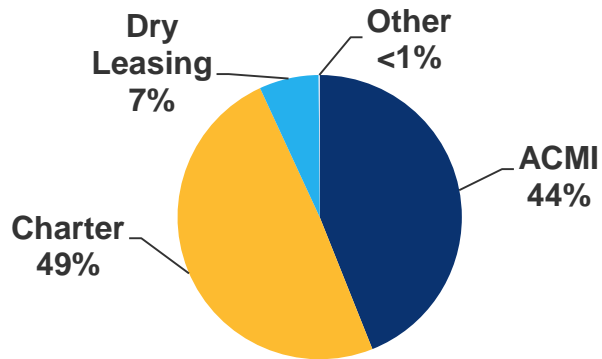


DRY LEASING

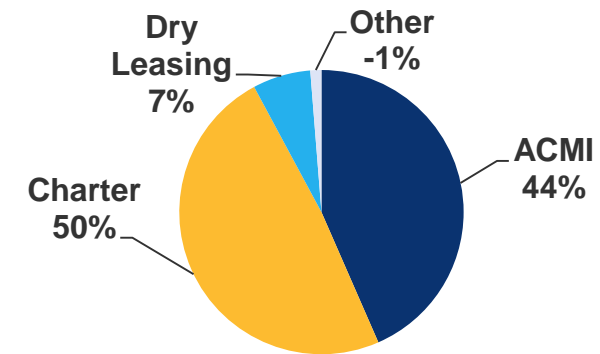
In \$Millions



3Q18



3Q19



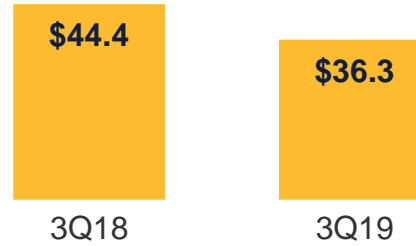
Note: Percentages subject to rounding.

3Q18 vs. 3Q19 Segment Contribution

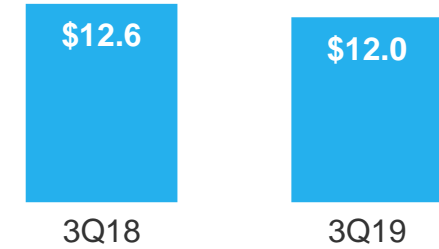
ACMI
In \$Millions



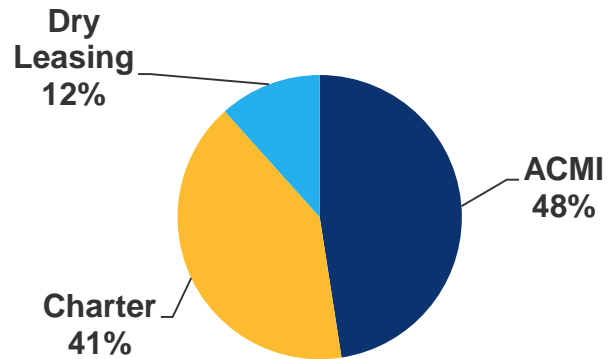
CHARTER
In \$Millions



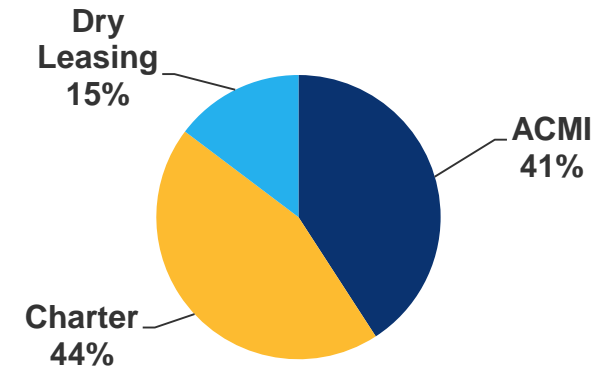
DRY LEASING
In \$Millions



3Q18

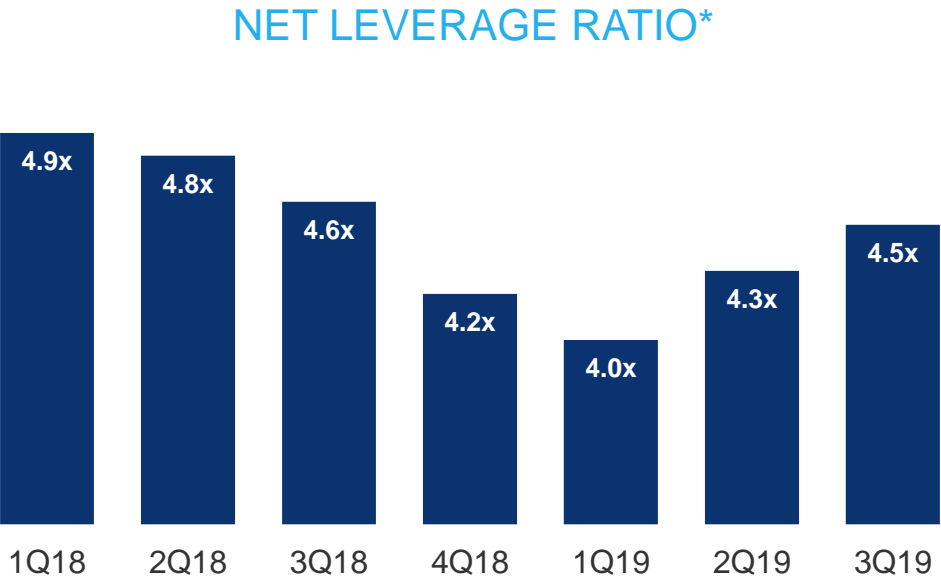
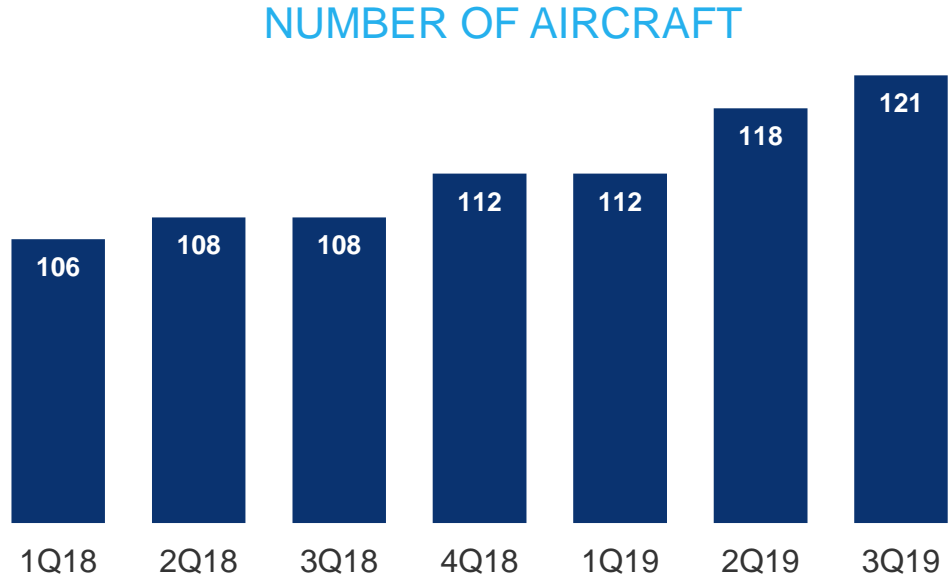


3Q19



Note: Percentages subject to rounding.

Fleet Count and Net Leverage Ratio



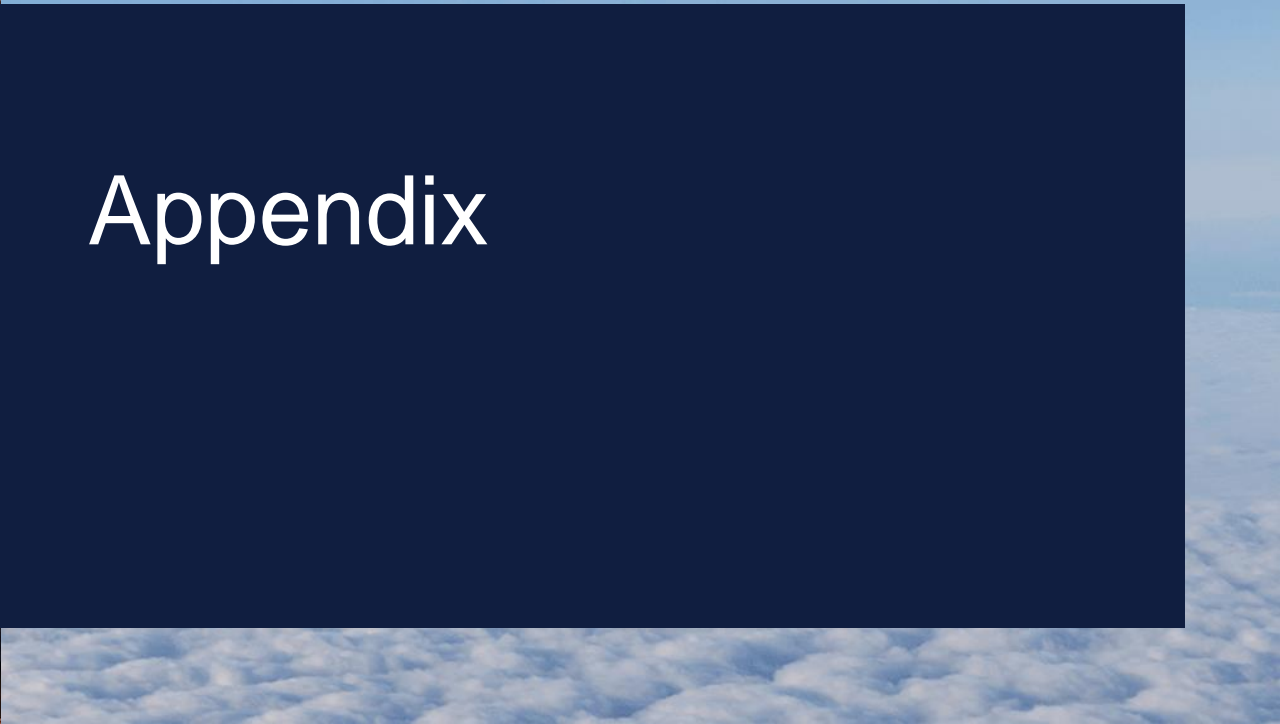
Maintaining debt repayments of ~\$70 million per quarter

*See Appendix for Non-GAAP reconciliation.

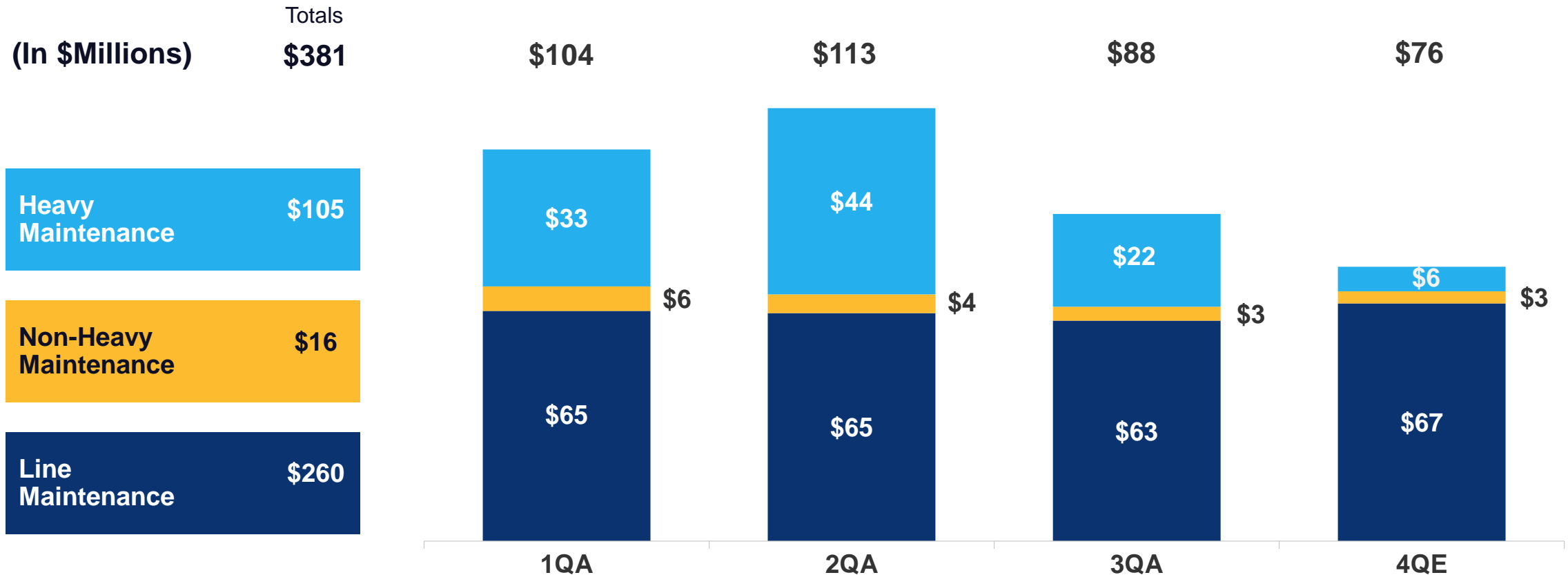
Key Takeaways

- Airfreight is a long-term growth business
- Right platform to serve our customers and future airfreight demand
- Strong core of long-term customers
- Adjusting our business to market environment
- Committed to negotiating competitive pilot labor agreement
- Focused on:
 - Reducing costs
 - Enhancing productivity
 - Improving profitability
 - Generating cash





2019 Maintenance Expense



- **Line maintenance** expense increases commensurate with additional block hour flying
- **Line maintenance** expense is approximately \$800 per block hour
- **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)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
FACE VALUE OF DEBT	\$ 2,416.6	\$ 2,644.1	\$ 2,674.2	\$ 2,601.3	\$ 2,530.4	\$ 2,511.4	\$ 2,483.4
PLUS: PRESENT VALUE OF OPERATING LEASES	709.7	684.2	656.4	626.0	621.8	591.9	568.8
TOTAL DEBT	\$ 3,126.2	\$ 3,328.3	\$ 3,330.6	\$ 3,227.3	\$ 3,152.2	\$ 3,103.3	\$ 3,052.3
LESS: CASH AND EQUIVALENTS	\$ 130.4	\$ 227.9	\$ 226.2	\$ 232.7	\$ 164.5	\$ 120.8	\$ 80.7
LESS: EETC ASSET	27.8	24.1	20.2	16.3	11.4	7.2	2.1
LTM EBITDAR	\$ 607.6	\$ 645.5	\$ 674.7	\$ 711.8	\$ 736.3	\$ 687.7	\$ 659.6
NET LEVERAGE RATIO	4.9x	4.8x	4.6x	4.2x	4.0x	4.3x	4.5x

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, 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