



Second-Quarter 2017 Review

August 2, 2017

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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 August 2, 2017, which is posted at www.atlasair.com.



AAWW Key Takeaways

Strong 2Q17 earnings

Experiencing **good business momentum**

Increasing 2017 outlook

Momentum expected to carry into 2018 and beyond

- **Broad-based** general air cargo demand growth
- **Focused** on growing relationships with **customers** in **fast-growing Chinese and Asian markets**
- **Moving** more **deeply** into **faster-growing express and e-commerce** markets



Our Strong Second Quarter

17% increase in revenue

15% increase in block hours

Higher Direct Contribution in all segments

Increased aircraft utilization

Higher commercial charter yields

Started flying for

- **Cathay Pacific**
- **Yangtze River Airlines**

Added four 767-300s for Amazon, including 5th and 6th during June



2017 Framework

Stronger company
Solid demand from our customers

Adjusted income from continuing operations, net of taxes, to grow by

- **A mid-teens percentage compared with 2016**

3Q17 adjusted income from continuing operations, net of taxes, to increase by

- **A low- to mid-teens percentage compared with 3Q16**
 - **Includes \$2.7 million maintenance timing impact**

Seasonal business, >70% of earnings generated in second half of the year

Block Hours including Amazon, Southern Air to increase ~20% over 2016

- **More than 75% of total in ACMI**
- **Balance in Charter**

Maintenance expense: ~\$255 million

Depreciation/amort.: ~\$170 million

Core capex: ~\$65 to \$75 million

2Q17 Summary

Adjusted income from continuing ops* \$29.1 million

Reported income from continuing ops \$39.0 million

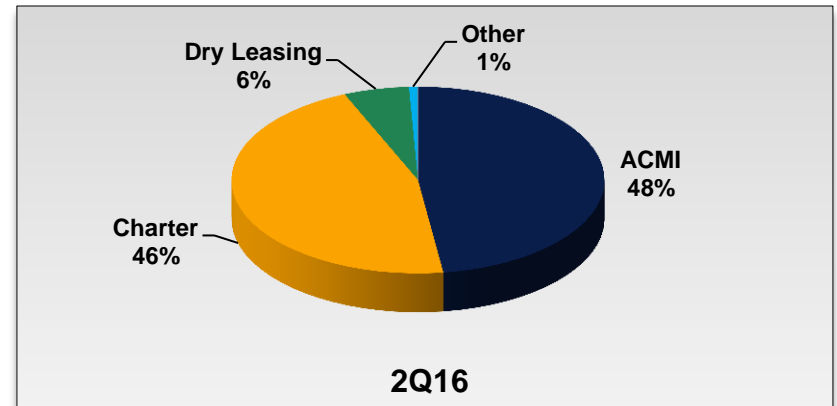
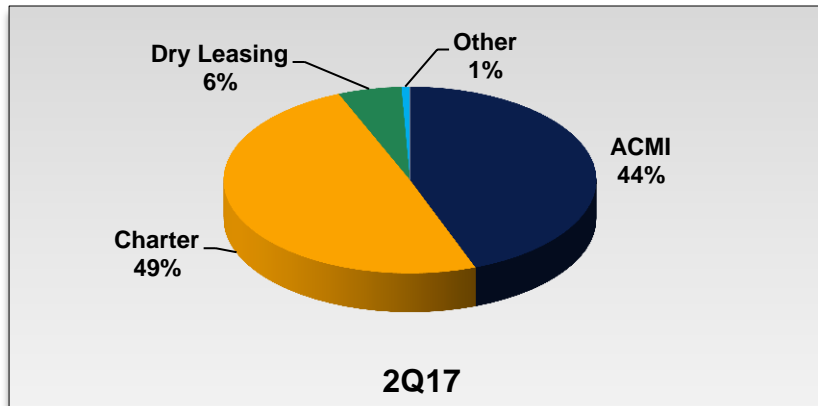
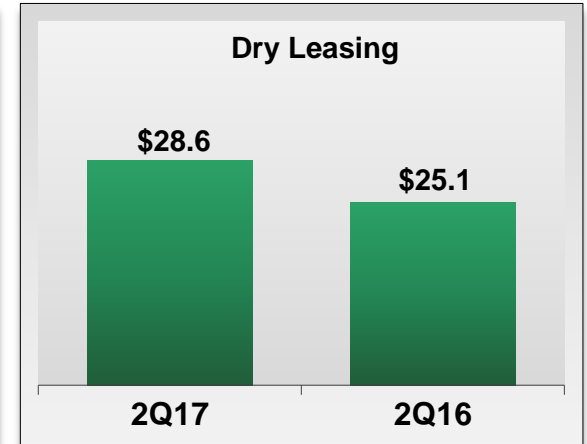
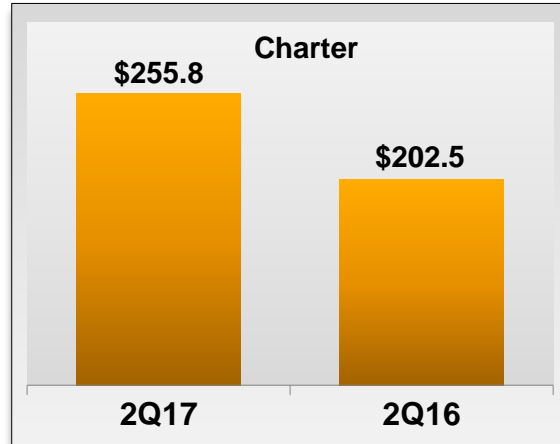
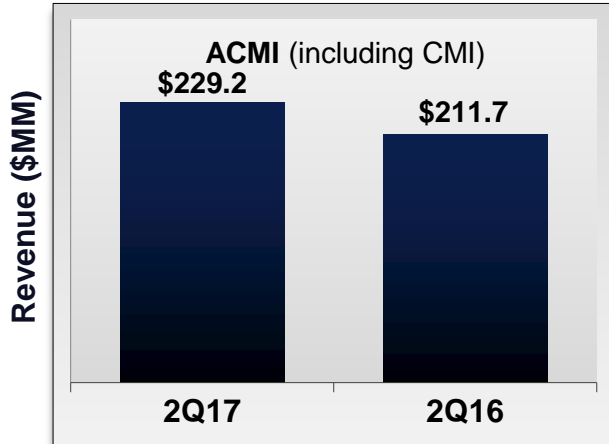
- Reflects unrealized gain on financial instruments of \$13.8 million related to outstanding warrants

Benefited from:

- 17% increase in revenue
- 15% increase in block hours
- Higher contribution by all segments

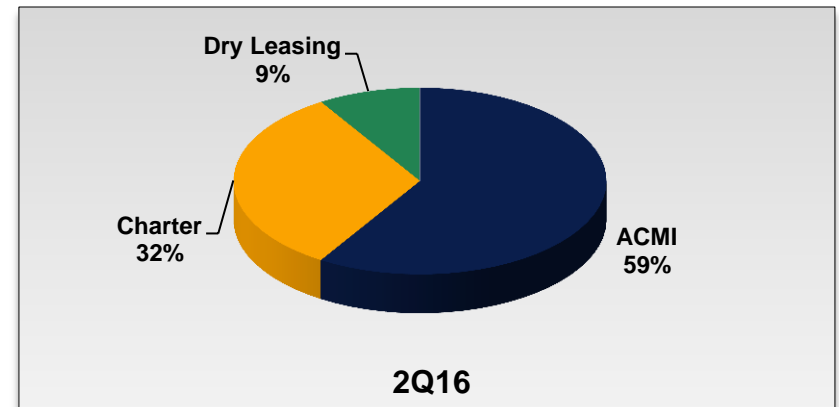
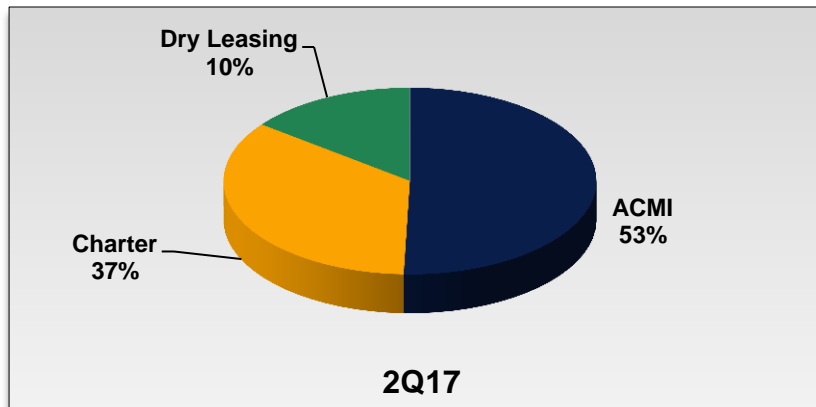
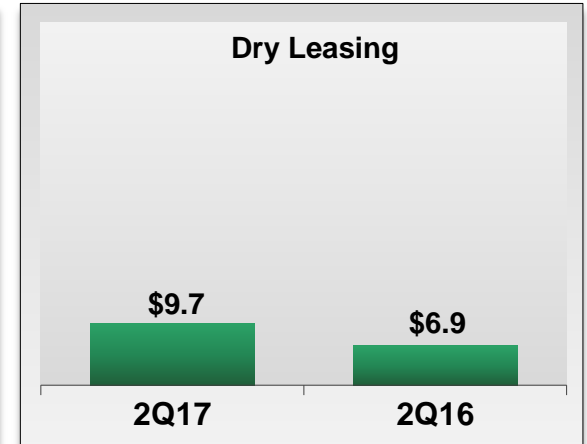
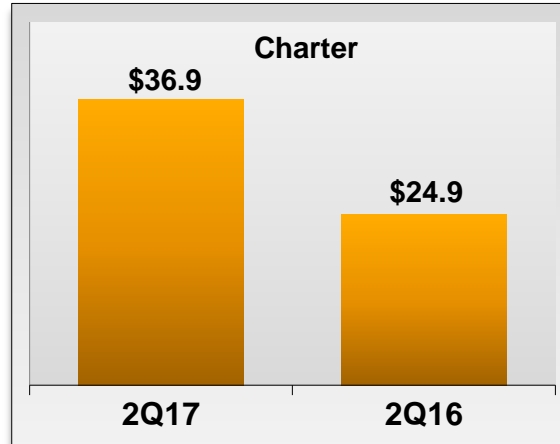


2Q17 vs. 2Q16 Segment Revenue



2Q17 vs. 2Q16 Segment Contribution

Direct Contribution (\$MM)

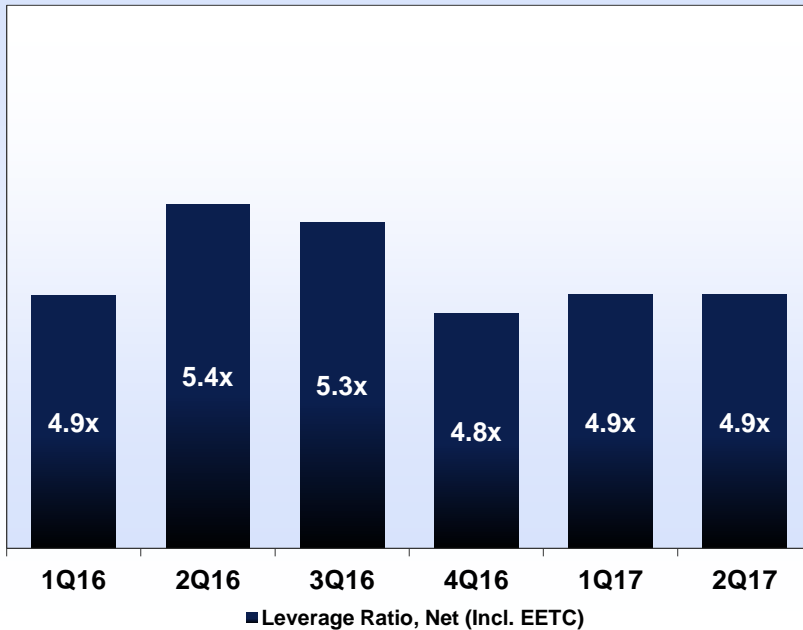


Balance Sheet & Financial Ratios

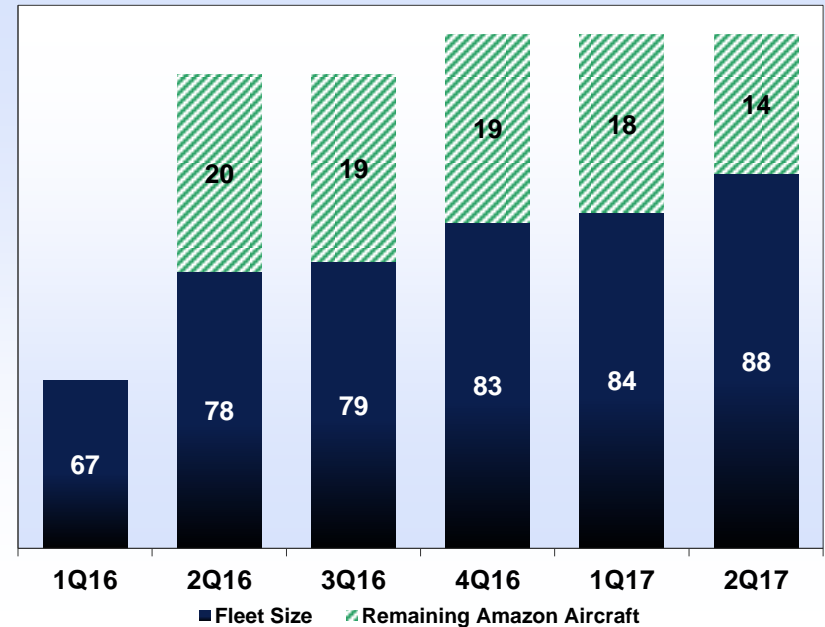
In \$Millions	6/30/2017	12/31/2016
Cash, Equivs, S-T Invsts & Rstr Cash	290.7	142.6
Total Balance Sheet Debt	2,146.1	1,851.4
Net Leverage Ratio (Incl. operating leases and EETC Investments)*	4.9	4.8

Leverage Ratio and Asset Base

Net Leverage Ratio



Asset Base



Expect to pay down ~\$45 to \$50 million of debt per quarter in 2017



*See Appendix for Non-GAAP reconciliation

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Appendix

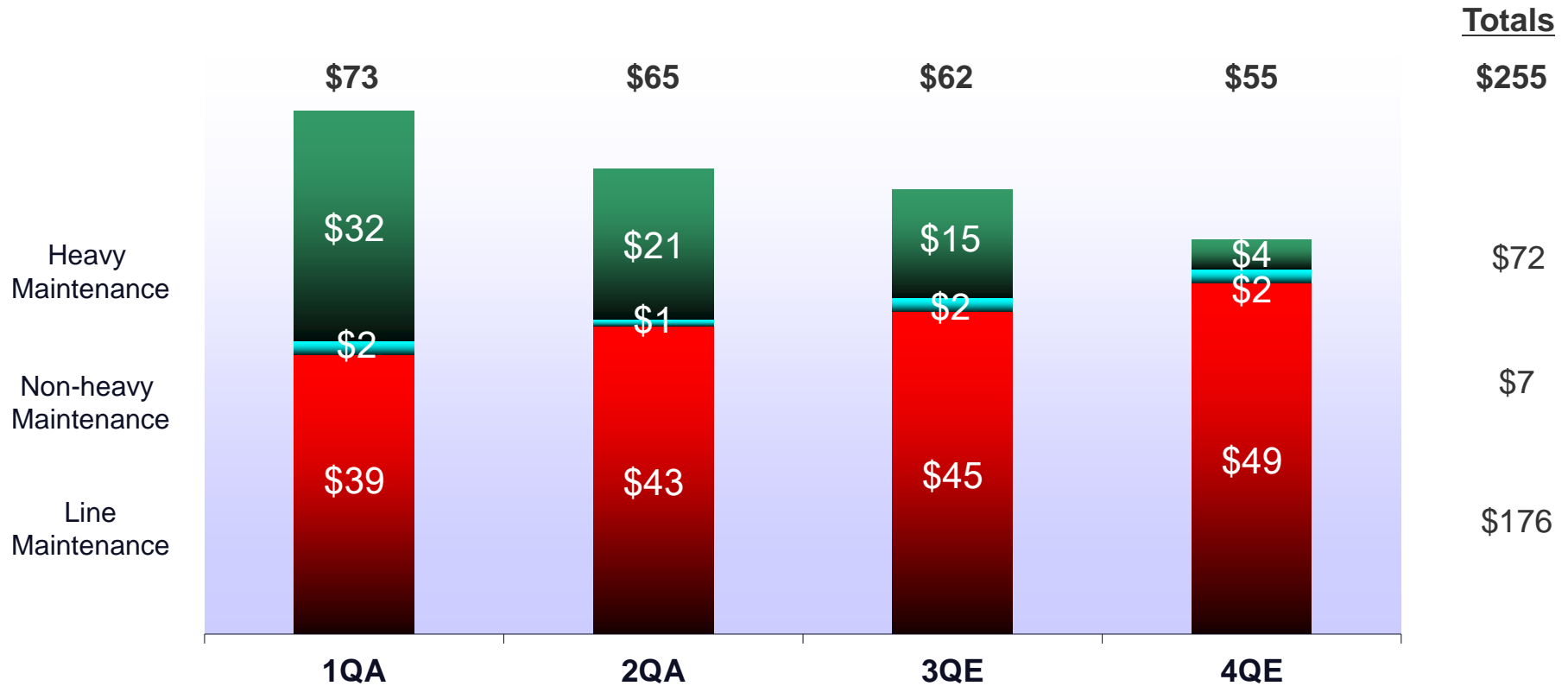
AAWW Second-Quarter 2017 Review

August 2, 2017



2017 Maintenance Expense

In \$Millions



- Line maintenance expense increases commensurate with additional block hour flying
- Line maintenance expense is approximately \$692 per block hour
- Non-heavy maintenance includes discrete events such as APU, thrust reverser, and landing gear overhauls

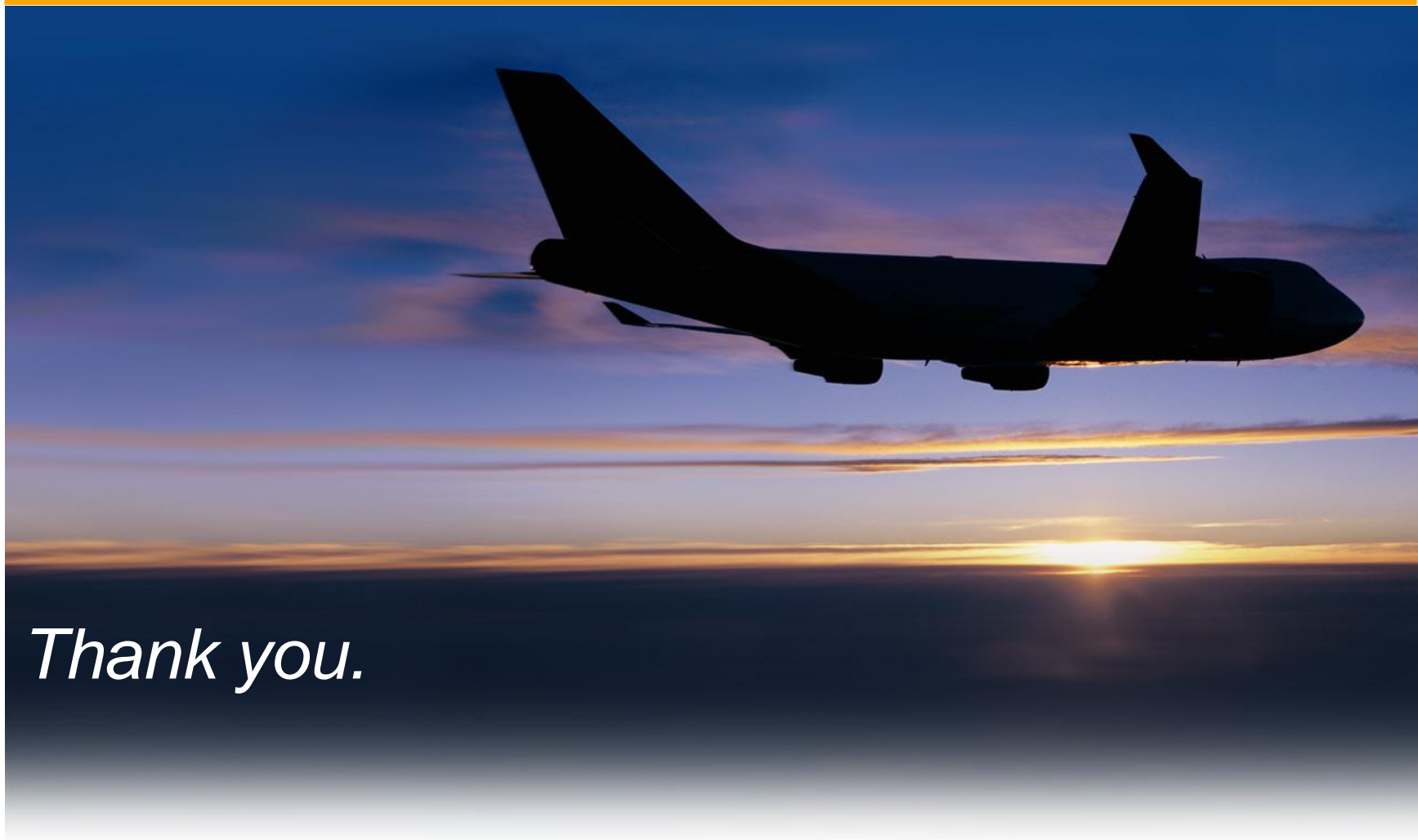


Figures subject to rounding

Reconciliation to Non-GAAP Measures

In \$Millions	2Q17	1Q17	4Q16	3Q16	2Q16	1Q16
Face Value of Debt	\$ 2,307.2	\$ 2,068.1	\$ 1,943.4	\$ 1,967.7	\$ 2,001.7	\$ 1,972.2
Plus: Present Value of Operating Leases	661.0	678.6	749.9	774.7	799.4	823.7
Adjusted Debt	2,968.2	2,746.7	2,693.2	2,742.4	2,801.1	2,795.9
Less: Cash and Equivalents	\$ 282.7	\$ 118.9	\$ 138.3	\$ 115.6	\$ 168.3	\$ 331.9
Less: EETC Asset	30.9	31.9	32.3	34.8	35.8	38.1
LTM EBITDAR	\$ 543.1	\$ 525.6	\$ 526.0	\$ 485.9	\$ 484.7	\$ 496.4
Net Leverage Ratio (Incl. EETC Invest)	4.9	4.9	4.8	5.3	5.4	4.9

EBITDAR: Earnings before interest, taxes, depreciation, amortization, aircraft rent expense, noncash interest expenses and income, net, gain on disposal of aircraft, special charge, transaction-related expenses, accrual for legal matters and professional fees, charges associated with refinancing debt, and unrealized gain on financial instruments, as applicable.



Thank you.

