



# Third-Quarter 2016 Review

November 3, 2016

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President and CEO

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Executive Vice President  
and CFO



# Safe Harbor Statement

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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.

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.

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 November 3, 2016, which is posted at [www.atlasair.com](http://www.atlasair.com).



# AAWW Key Takeaways

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3Q16 adjusted diluted EPS of \$1.09,  
at upper end of company framework

Results reflect:

- Expanding business base
- Ongoing development of strategic platform

Anticipate strong 4Q16 results,  
with adjusted diluted EPS  
slightly greater than \$2.25

Strong belief in the future of airfreight,  
express and e-commerce

Shaping company to capitalize on  
that future



# Shareholder Approval of Amazon Warrants

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- **Special meeting held September 20, 2016**
- **Over 99.9% of votes cast in favor**
- **Warrants grant right to acquire up to 30% ownership**
- **Part of inherent value creation and alignment of interests to strengthen the long-term relationship**
- **Under long-term commercial agreements:**
  - **AAWW will lease and operate 20 B767-300 converted freighters supporting Amazon's package deliveries to its customers**
  - **Agreements also provide for future business growth**



# 3Q16 Summary

**Adjusted income from continuing ops\* \$27.4 million, adjusted diluted EPS of \$1.09**

**Reported loss from continuing ops \$7.5 million, or \$0.30 per diluted share**

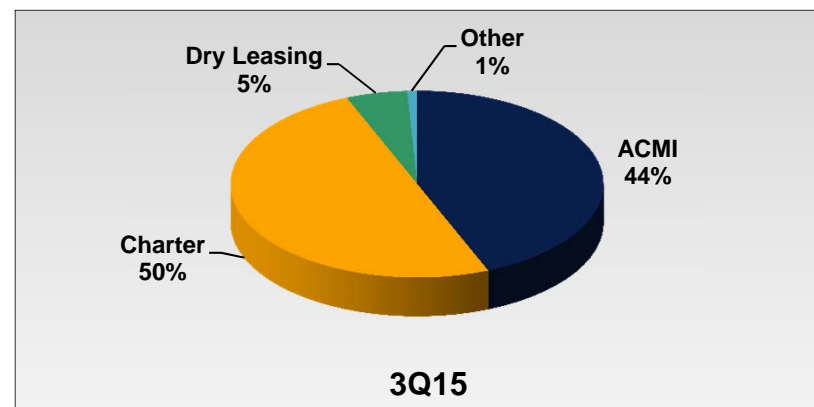
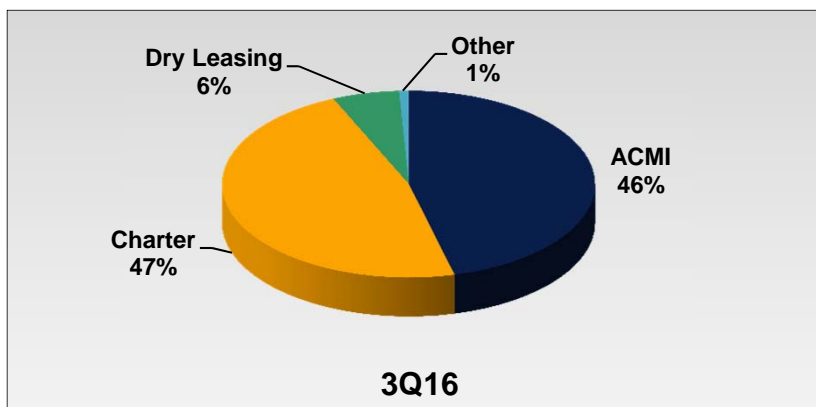
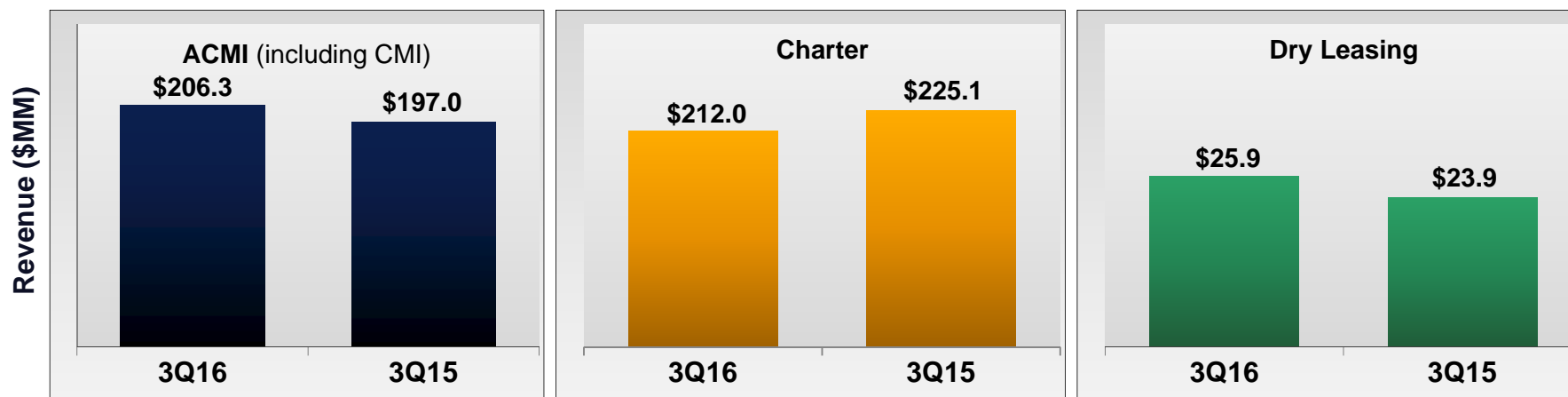
- Reflects nondeductible expenses triggered by shareholder approval of Amazon warrants

**Benefited from:**

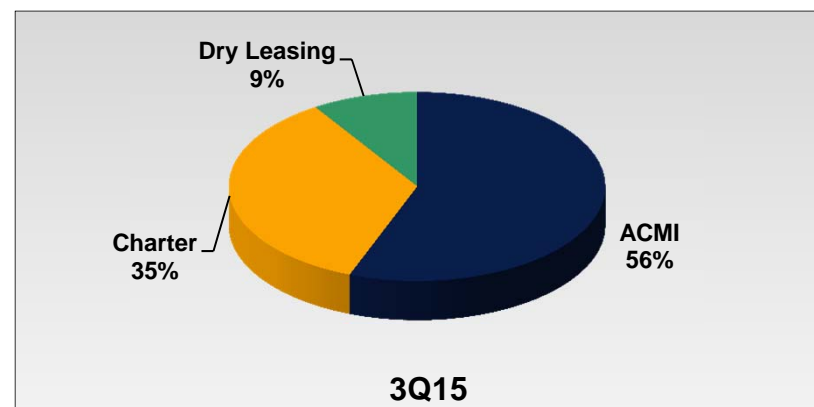
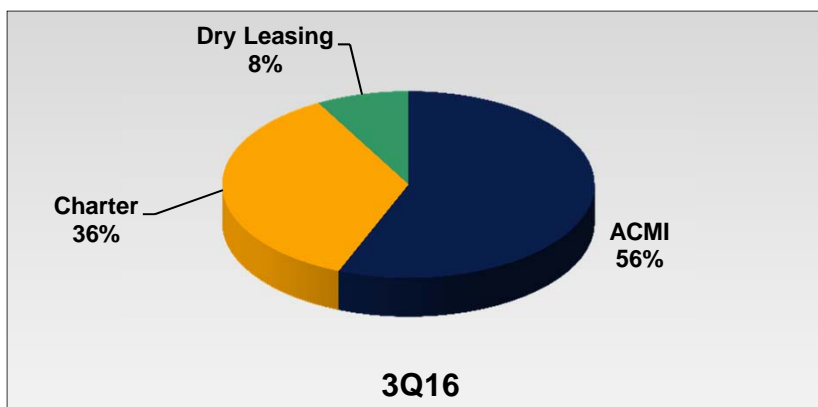
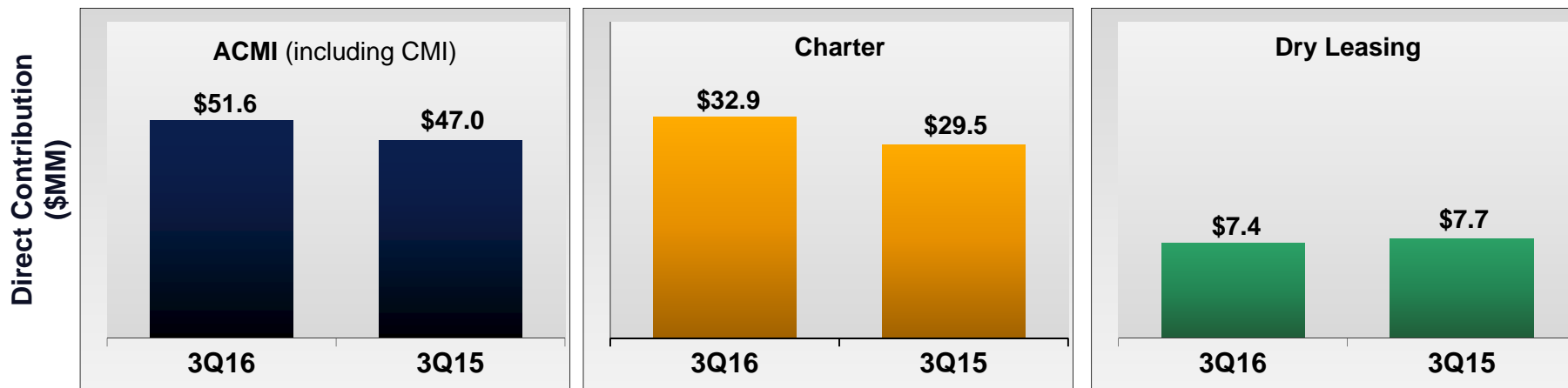
- Southern Air contribution
- Increased military cargo/pax demand
- Steady Dry Leasing performance



# 3Q16 vs. 3Q15 Segment Revenue



# 3Q16 vs. 3Q15 Segment Contribution



# Balance Sheet & Financial Ratios

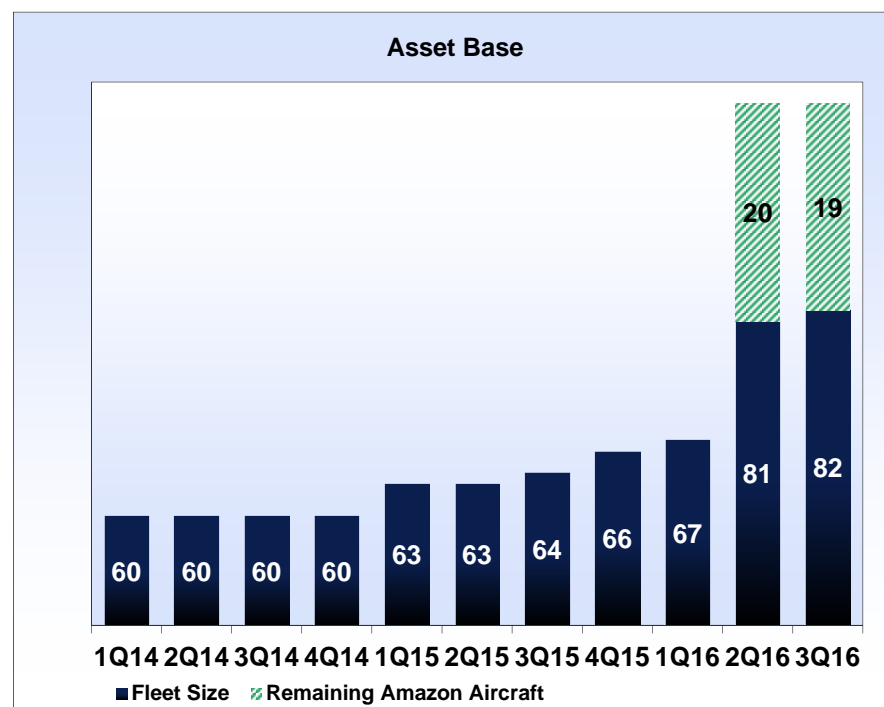
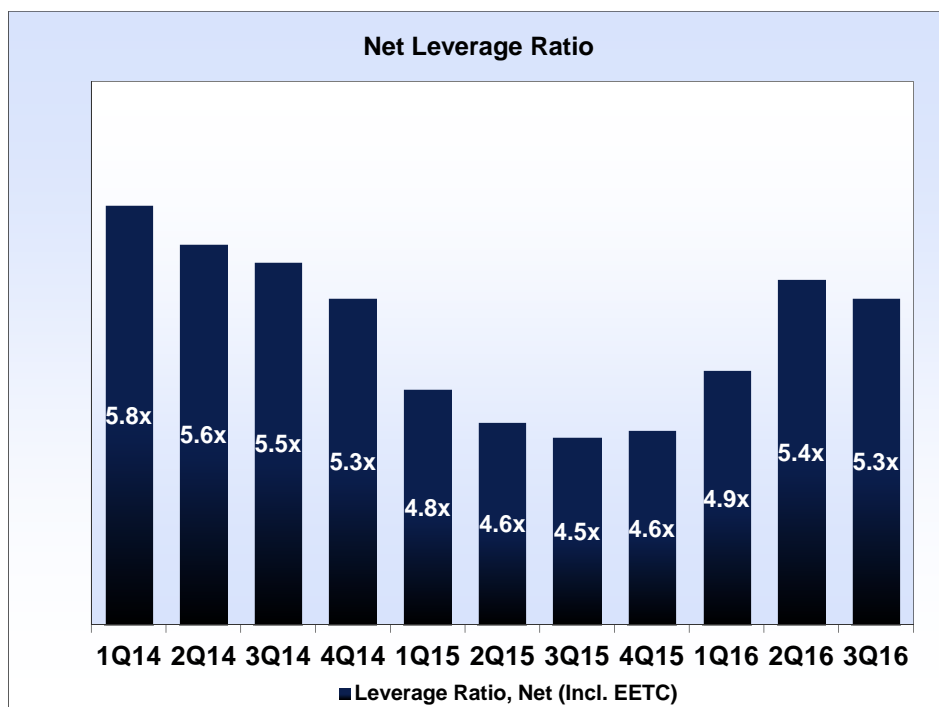
In \$Millions	9/30/2016	12/31/2015
<b>Cash, Equivs, S-T Invsts &amp; Rstr Cash</b>	<b>117.7</b>	<b>444.0</b>
<b>Total Balance Sheet Debt</b>	<b>1,872.6</b>	<b>1,901.3</b>
<b>Net Leverage Ratio (Incl. operating leases and EETC Investments)*</b>	<b>5.3</b>	<b>4.6</b>



\*See Appendix for Non-GAAP reconciliation.



# Leverage Ratio and Asset Base



**Expect to pay down ~\$40 million of debt in 4Q16**



# 2016 Framework

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**3Q16 adjusted diluted EPS \$1.09**

- At upper end of outlook range

**Block Hours including Southern Air to increase ~19% over 2015**

- More than 70% of total in ACMI
- Balance in Charter

**Including startup expenses and warrant impact for Amazon service**

- 4Q16 adjusted diluted EPS expected to be slightly greater than \$2.25

**Including Southern Air:**

- Maintenance expense: ~\$200 million
- Depreciation/amortization: ~\$145 million
- Core capex: ~\$55 million

# AAWW Leading The Way Forward

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at upper end of company framework

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# Appendix

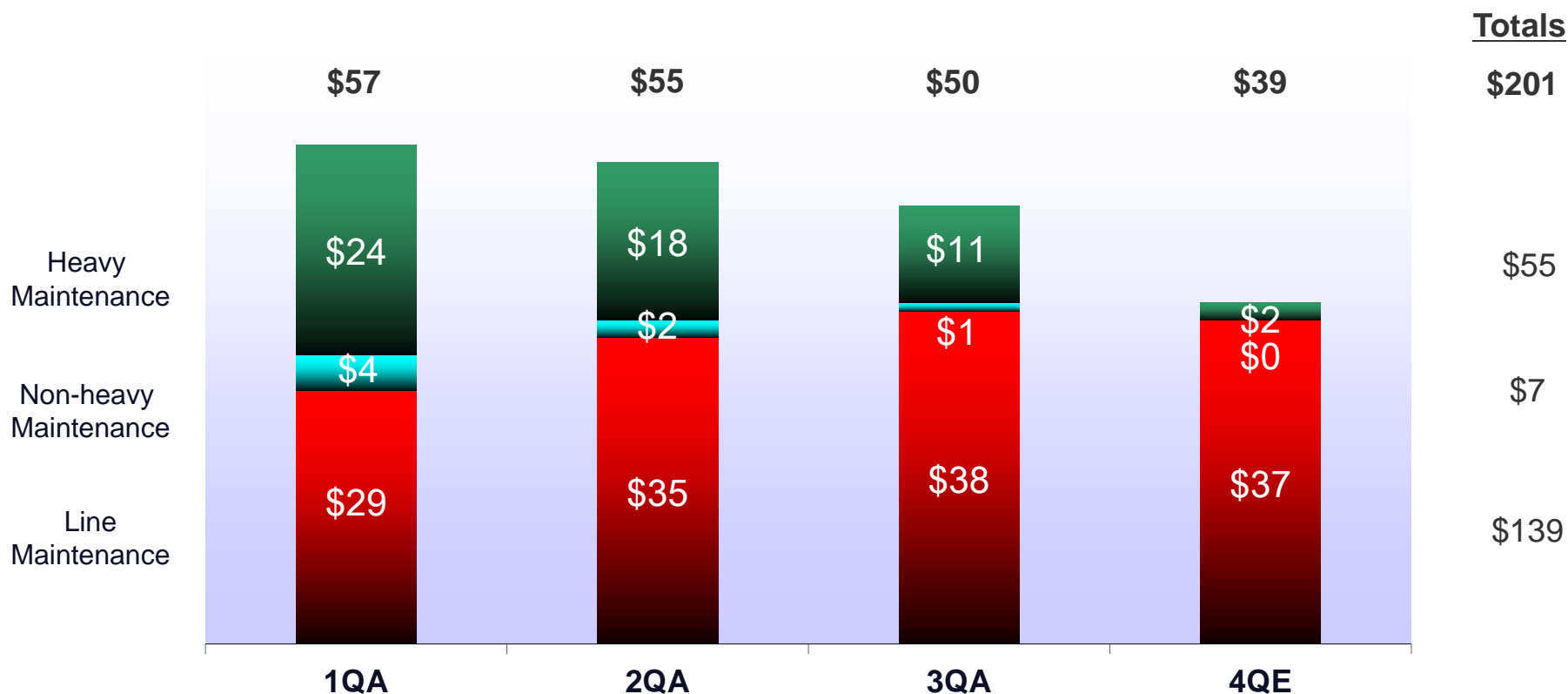
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# 2016 Maintenance Expense

In \$Millions



- Line maintenance expense increases commensurate with additional block hour flying
- Line maintenance expense is approximately \$658 per block hour
- Non-heavy maintenance includes discrete events such as APU, thrust reverser, and landing gear overhauls
- Includes estimated impact of Southern acquisition as of 2Q16



# Reconciliation to Non-GAAP Measures

In \$Millions	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14
Face Value of Debt	\$ 1,967.7	\$ 2,001.7	\$ 1,972.2	\$ 2,008.1	\$ 1,899.0	\$ 2,134.4	\$ 1,958.2	\$ 2,009.0	\$ 2,058.0	\$ 2,109.5	\$ 2,158.9
Plus: Present Value of Operating Leases	774.7	799.4	823.7	848.0	872.2	891.0	914.8	939.7	964.3	988.7	1,012.8
Adjusted Debt	2,742.4	2,801.1	2,795.9	2,856.1	2,771.2	3,025.5	2,873.0	2,948.7	3,022.3	3,098.2	3,171.7
Less: Cash and Equivalents	\$ 115.6	\$ 168.3	\$ 331.9	\$ 438.9	\$ 387.8	\$ 530.5	\$ 351.4	\$ 312.9	\$ 275.8	\$ 289.6	\$ 292.2
Less: EETC Asset	34.8	35.8	38.1	42.7	45.9	131.3	138.1	138.3	137.9	138.7	140.0
LTM EBITDAR	\$ 485.9	\$ 484.7	\$ 496.4	\$ 521.2	\$ 517.5	\$ 514.6	\$ 492.4	\$ 468.3	\$ 476.5	\$ 473.6	\$ 473.4
<b>Net Leverage Ratio (Incl. EETC Invest)</b>	<b>5.3</b>	<b>5.4</b>	<b>4.9</b>	<b>4.6</b>	<b>4.5</b>	<b>4.6</b>	<b>4.8</b>	<b>5.3</b>	<b>5.5</b>	<b>5.6</b>	<b>5.8</b>
Adjusted Debt	\$ 2,742.4	\$ 2,801.1	\$ 2,795.9	\$ 2,856.1	\$ 2,771.2	\$ 3,025.5	\$ 2,873.0	\$ 2,948.7	\$ 3,022.3	\$ 3,098.2	\$ 3,171.7
Less: Cash and Equivalents	115.6	168.3	331.9	438.9	387.8	530.5	351.4	312.9	275.8	289.6	292.2
Adjusted Net Debt	2,626.8	2,632.8	2,464.0	2,417.2	2,383.4	2,495.0	2,521.6	2,635.8	2,746.5	2,808.6	2,879.5
LTM EBITDAR	\$ 485.9	\$ 484.7	\$ 496.4	\$ 521.2	\$ 517.5	\$ 514.6	\$ 492.4	\$ 468.3	\$ 476.5	\$ 473.6	\$ 473.4
<b>Net Leverage Ratio</b>	<b>5.4</b>	<b>5.4</b>	<b>5.0</b>	<b>4.6</b>	<b>4.6</b>	<b>4.8</b>	<b>5.1</b>	<b>5.6</b>	<b>5.8</b>	<b>5.9</b>	<b>6.1</b>



*Thank you.*

