2Q 2024

ATSG
AIR TRANSPORT SERVICES GROUP

QUARTERLY PRESENTATION

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Forward-looking statements are susceptible to a number of risks, uncertainties and other factors. While ATSG believes that the assumptions underlying its forward-looking statements are reasonable, investors are cautioned that any of the assumptions could prove to be inaccurate and, accordingly, ATSG’s actual results and experiences could differ materially from the anticipated results or other expectations expressed in its forward-looking statements. A number of important factors could cause ATSG's actual results to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to: (i) changes in the market demand for ATSG’s assets and services, including the loss of customers or a reduction in the level of services it performs for customers; (ii) its operating airlines' ability to maintain on-time service and control costs; (iii) the cost and timing with respect to which it is able to purchase and modify aircraft to a cargo configuration; (iv) fluctuations in ATSG's traded share price and in interest rates, which may result in mark-to-market charges on certain financial instruments; (v) the number, timing, and scheduled routes of its aircraft deployments to customers; (vi) ATSG’s ability to remain in compliance with key agreements with customers, lenders and government agencies; (vii) the impact of current supply chain constraints, which may be more severe or persist longer than it currently expects; (viii) the impact of the current competitive labor market; (ix) changes in general economic and/or industry-specific conditions, including inflation and regulatory changes; and (x) the impact of geopolitical tensions or conflicts and human health crises, and other factors that could cause ATSG’s actual results to differ materially from those indicated by such forward-looking statements, which are discussed in “Risk Factors” in Item 1A of ATSG’s 2003 Form 10-K and may be contained from time to time in its other filings with the U.S. Securities and Exchange Commission, including its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

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This presentation also refers to non-GAAP financial measures from continuing operations, including adjusted earnings, adjusted earnings per share, adjusted pretax earnings, adjusted EBITDA, and adjusted free cash flow. Management believes these metrics are useful to investors in assessing ATSG's financial position and results. These non-GAAP measures are not meant to be a substitute for ATSG’s GAAP financials. We advise you to refer to the reconciliations to GAAP measures, which are included in the company’s 8-K dated 08/08/2024 and accompanying earnings release furnished and dated 08/08/2024.

2024

SECOND QUARTER

HIGHLIGHTS

Customer Revenues $488M

Down $41M or 8% over 2Q 2023

Adjusted Free Cash Flows**

Down 19% to $342M, trailing twelve months

2Q 2024 Adjusted EBITDA* $130M

Down 17% vs 2Q 2023

GAAP EPS (diluted) from Continuing Operations $0.11

vs. $0.49 in 2Q 2023

Adjusted diluted EPS* of $0.19

vs. $0.57 in 2Q 2023

2024 Capex Guidance of $390M

* Non-GAAP measure, please see the company's 8K and accompanying earnings release for GAAP reconciliation furnished 08/08/2024 and dated 08/08/2024

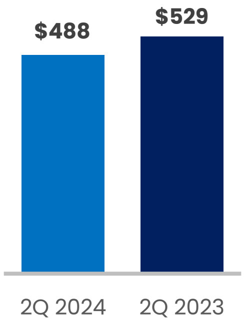
**Non-GAAP measure, please see enclosed GAAP reconciliation

2Q 2024

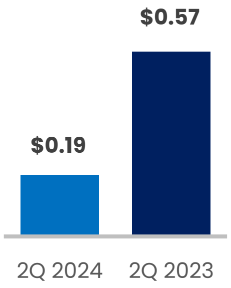
FINANCIALS

($ in millions except per share data)

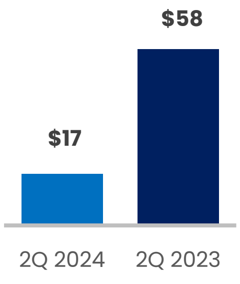
REVENUE



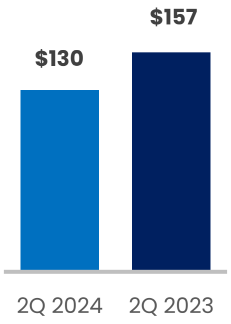
ADJUSTED EPS*



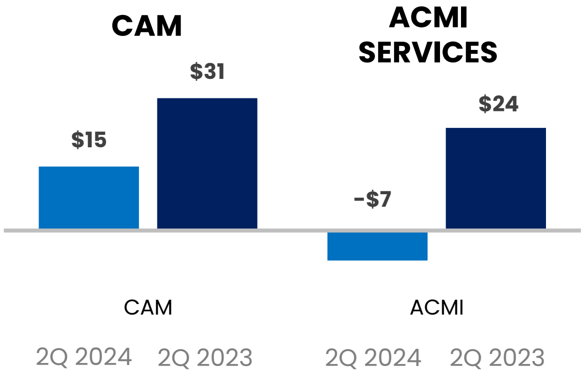
ADJUSTED PRETAX EARNINGS*



ADJUSTED EBITDA*



PRETAX INCOME BY SEGMENT

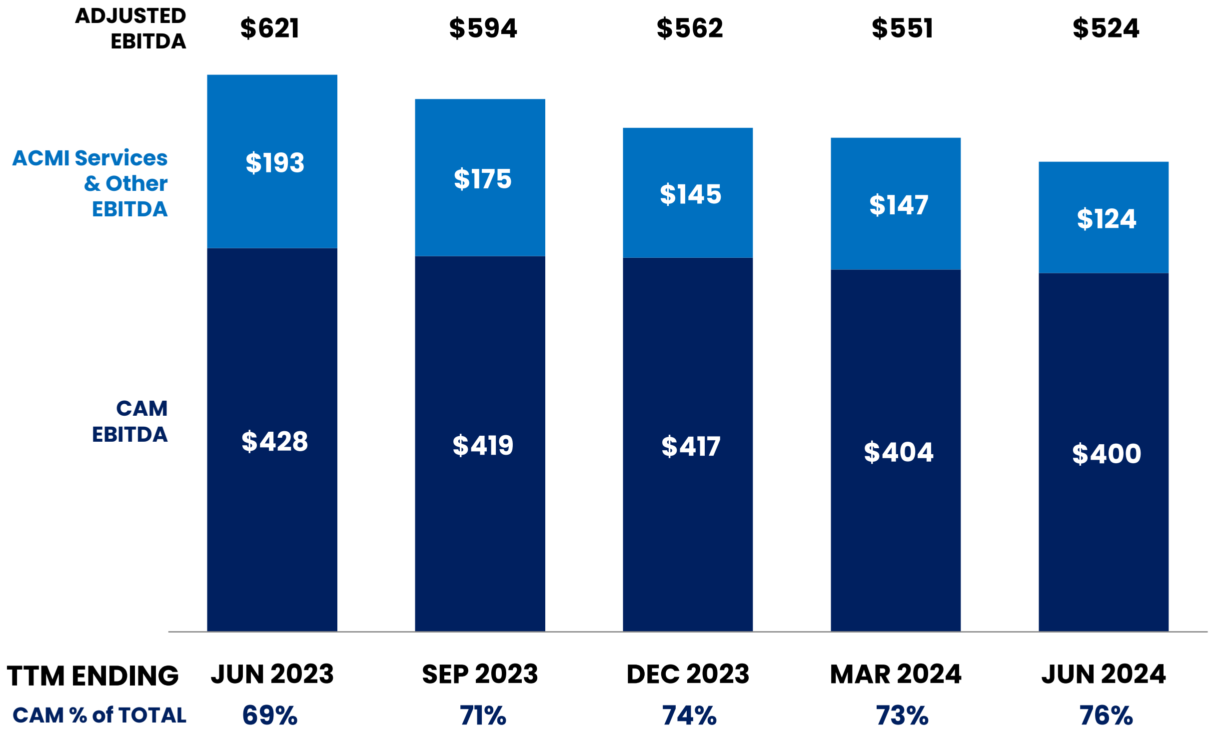


* Non-GAAP measure, see GAAP reconciliation attached. For more information about non–GAAP adjustments, see the company's 8K and accompanying earnings release furnished 08/08/2024 and dated 08/08/2024.

TRAILING TWELVE MONTH TREND

ADJUSTED EBITDA*

($ in millions)



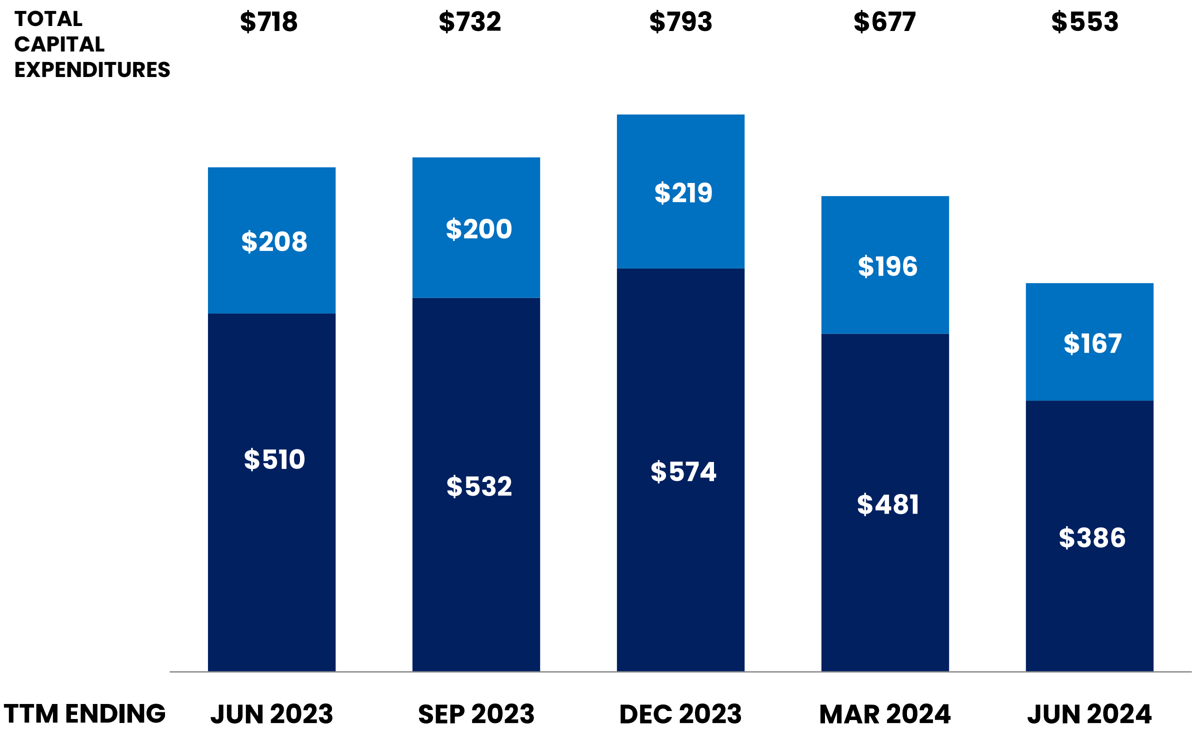
- **2Q 2024 Adjusted EBITDA of $130M, down $27M vs 2Q 2023**
- **2Q 2024 CAM Adjusted EBITDA of $100M, down $4M vs 2Q 2023, driven by six fewer 767-200 aircraft in service**
- **Externally leased aircraft increased by net one aircraft since June 2023**
- **Fewer ACMI Services block hours for customer freight networks and passenger services**

*Non-GAAP measure, see GAAP reconciliation attached. For additional information about non–GAAP adjustments, see the company's 8K and accompanying earnings release furnished 08/08/2024 and dated 08/08/2024.

TRAILING TWELVE MONTH TREND

CAPITAL EXPENDITURES

($ in millions)



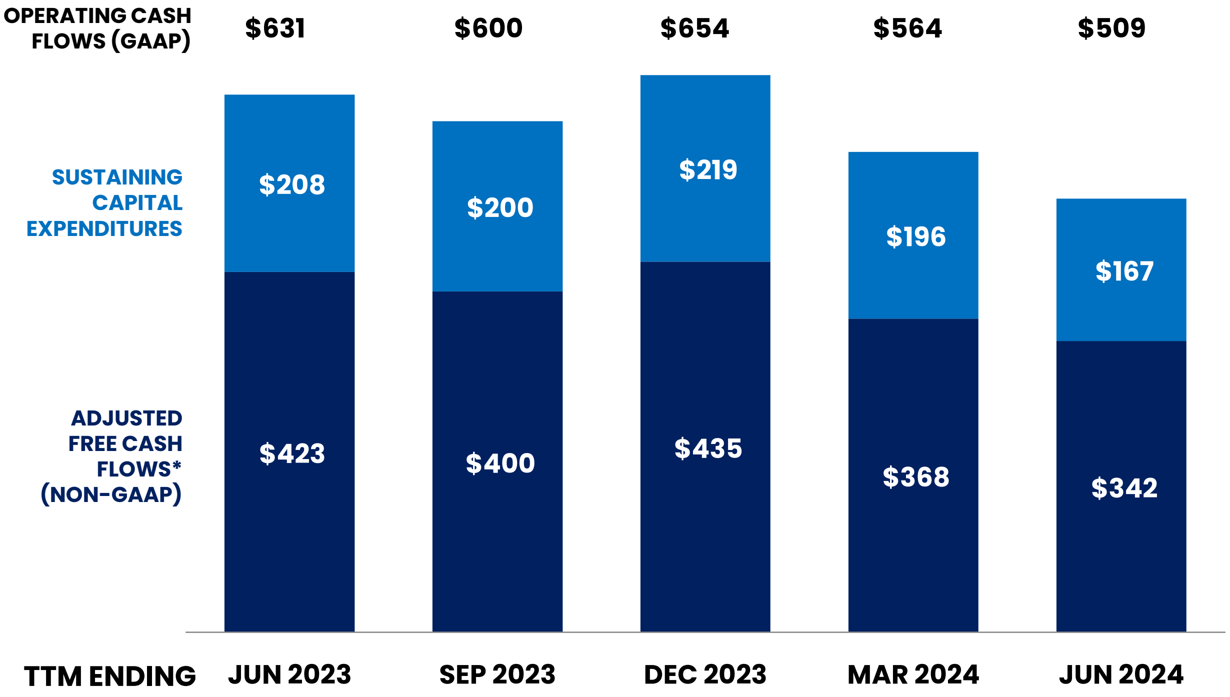
SUSTAINING CAPITAL EXPENDITURES	Cost of planned airframe maintenance, engine overhauls, technology, and other property and equipment.
GROWTH CAPITAL EXPENDITURES	Cost of aircraft acquisitions and freighter modifications.

- Twenty-three aircraft in or awaiting conversion on June 30, 2024: twelve 767-300s, six A321s and five A330s; two 767s are staging for lease
- Projected 2024 total capital spend of $390M: $165M for sustaining and $225M for growth

TRAILING TWELVE MONTH TREND

ADJUSTED FREE CASH FLOWS*

($ in millions)



- **Decline in June 2024 trailing twelve-month cash flows reflects lower operating results from fewer Boeing 767-200 aircraft and lower block hours for ACMI Services, partially offset by less capital spending**

*Adjusted Free Cash Flow is a Non-GAAP measure and equals Operating Cash Flows less Sustaining Capital Expenditures

CONSERVATIVE LEVERAGE

CAPITAL STRUCTURE

($ in millions)

	Dec 31 2023	Mar 31 2024	Jun 30 2024
Senior Secured Revolver	$730	$685	$599
Unsecured Notes			
Convertible Notes, due 2024	54	54	54
Convertible Notes, due 2029	400	400	400
Unsecured Notes Payable	580	580	580
Total Debt Maturity Values	$1,764	$1,719	$1,633
Leverage Ratio (Bank Agreement)	3.19X	3.16X	3.15X

Revolver is SOFR based, Debt-to-EBITDA variable rate 6.68%, expires October 2027

Convertible Notes, due October 2024, fixed coupon rate of 1.125%

Convertible Notes, due August 2029, fixed coupon rate of 3.875%

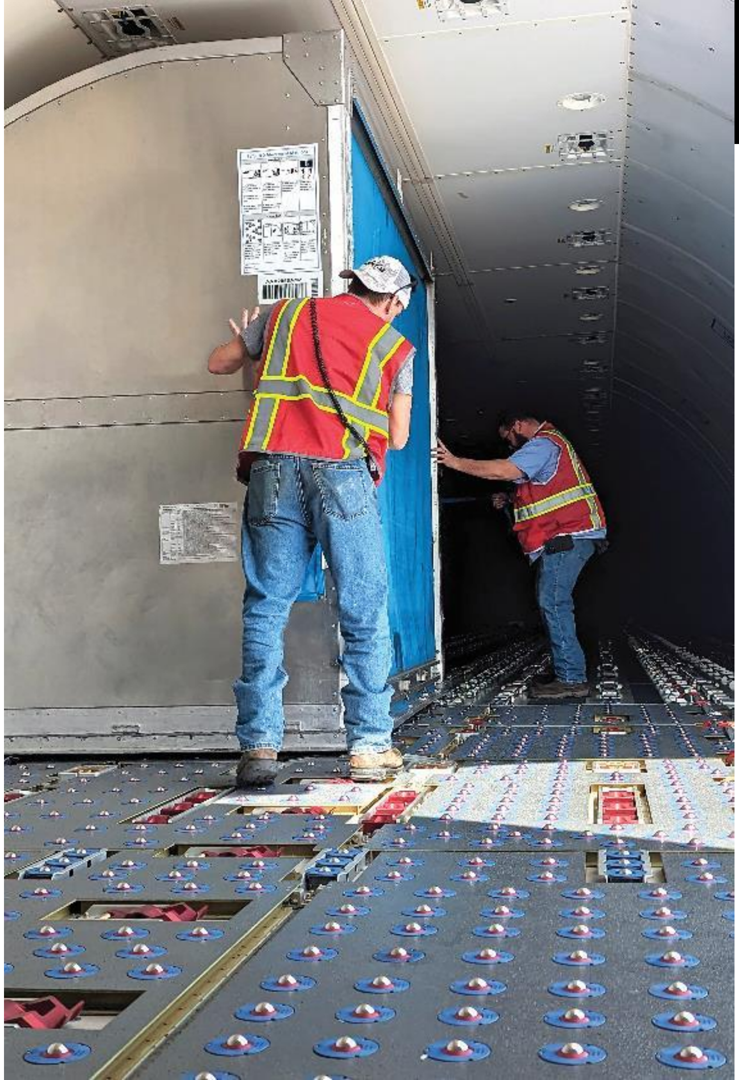
Unsecured Notes, due February 2028, fixed coupon rate of 4.75%

- **Unused capacity of $489M under senior revolver facility as of June 30, 2024**
- **Maturing Convertible Notes, due in 2024, will be funded from the Senior Secured Revolver**
- **Projecting leverage ratio of approximately 2.9X by year end 2024**

2024

OUTLOOK

- Projected Adjusted EBITDA for 2024 up $10 million from May 2024 Outlook to $526 million based on customer commitments currently under contract, with upside
- Full year 2024 Adjusted EPS to be $0.60 - $0.80
- 2024 capital spending $390 million, including $165 million in sustaining capex and $225 million for growth
- 2024 capital spending declining $400 million from 2023



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QUESTION & ANSWER

ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

NON-GAAP RECONCILIATION

($ in millions)

CONSOLIDATED ADJUSTED EBITDA

Trailing twelve months ended	2Q2023	3Q2023	4Q2023	1Q2024	2Q2024
GAAP Pre-Tax Earnings (Loss) from Cont Ops	$ 202	$ 161	$ 84	$ 70	$ 31
Interest Income	$ (1)	$ (1)	$ (1)	$ (1)	$ (1)
Interest Expense	$ 59	$ 65	$ 73	$ 79	$ 83
Depreciation and Amortization	$ 335	$ 338	$ 343	$ 349	$ 358
Add customer incentive	$ 22	$ 21	$ 19	$ 17	$ 19
Add non-service components of retiree benefit	$ (3)	$ 5	$ 37	$ 35	$ 33
Less net (gain) loss on financial instruments	$ -	$ (1)	$ 2	$ (2)	$ (3)
Add loss from non-consolidated affiliates	$ 6	$ 6	$ 5	$ 4	$ 4
Add hangar foam incident	$ 1	$ -	$ -	$ -	$ -
Adjusted EBITDA (non-GAAP)	**$ 621**	**$ 594**	**$ 562**	**$ 551**	**$ 524**

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ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

NON-GAAP RECONCILIATION

($ in millions)

CAM ADJUSTED EBITDA

Trailing twelve months ended	2Q2023	3Q2023	4Q2023	1Q2024	2Q2024
Segment Earnings	$ 134	$ 120	$ 109	$ 89	$ 73
Add: net interest expense	$ 38	$ 43	$ 48	$ 56	$ 57
Add: depreciation & amortization	$ 237	$ 239	$ 244	$ 248	$ 257
Add: customer incentive	$ 19	$ 17	$ 16	$ 14	$ 13
CAM Adjusted EBITDA (non-GAAP)	**$ 428**	**$ 419**	**$ 417**	**$ 404**	**$ 400**

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