



QUARTERLY PRESENTATION

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SAFE HARBOR STATEMENT

Throughout this presentation, Air Transport Services Group, Inc. (“ATSG”) makes “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, as amended (the “Act”). Except for historical information contained herein, the matters discussed in this presentation contain forward-looking statements that involve inherent risks and uncertainties. Such statements are provided under the “safe harbor” protection of the Act. Forward-looking statements include, but are not limited to, statements regarding anticipated operating results, prospects and levels of assets under management, technological developments, economic trends, expected transactions and similar matters. The words “may,” “believe,” “expect,” “anticipate,” “target,” “goal,” “project,” “estimate,” “guidance,” “forecast,” “outlook,” “will,” “continue,” “likely,” “should,” “hope,” “seek,” “plan,” “intend” and variations of such words and similar expressions identify forward-looking statements. Similarly, descriptions of ATSG’s objectives, strategies, plans, goals or targets are also forward-looking statements.

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) unplanned changes in the market demand for our assets and services, including the loss of customers or a reduction in the level of services we perform for customers; (ii) our operating airlines’ ability to maintain on-time service and control costs; (iii) the cost and timing with respect to which we are 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 our aircraft deployments to customers; (vi) our ability to remain in compliance with key agreements with customers, lenders and government agencies; (vii) the impact of current supply chain constraints both within and outside the United States, which may be more severe or persist longer than we currently expect; (viii) the impact of the current competitive labor market, which could restrict our ability to fill key positions; (ix) changes in general economic and/or industry-specific conditions, including inflation and regulatory changes; and (x) other uncontrollable factors such as geopolitical tensions or conflicts and human health crises. Other factors that could cause ATSG’s actual results to differ materially from those indicated by such forward-looking statements are discussed in “Risk Factors” in Item 1A of ATSG’s Form 10-K and are 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 and quarterly reports on Form 10-Q.

Readers should carefully review this presentation and should not place undue reliance on ATSG’s forward-looking statements. New risks and uncertainties arise from time to time, and factors that ATSG currently deems immaterial may become material, and it is impossible for ATSG to predict these events or how they may affect it. These forward-looking statements were based only on information, plans and estimates as of the date of this presentation. Except as may be required by applicable law, ATSG undertakes no obligation to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes. ATSG does not endorse any projections regarding future performance that may be made by third parties.

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 05/06/2024 and accompanying earnings release furnished and dated 05/06/2024.

2024

FIRST QUARTER

HIGHLIGHTS

* Non-GAAP measure, please see the company's 8K and accompanying earnings release for GAAP reconciliation furnished 05/06/2024 and dated 05/06/2024

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

**Customer
Revenues \$486M**

**Down \$15M or 3%
over 1Q 2023**

**Adjusted
Free Cash
Flows****

**Up 3% to \$368M,
trailing twelve
months**

**1Q 2024
Adjusted
EBITDA* \$127M**

**Down 8% vs
1Q 2023**



**GAAP EPS (diluted)
from Continuing
Operations
\$0.13**

vs. \$0.25 in 1Q 2023

**Adjusted
diluted EPS* of
\$0.16**

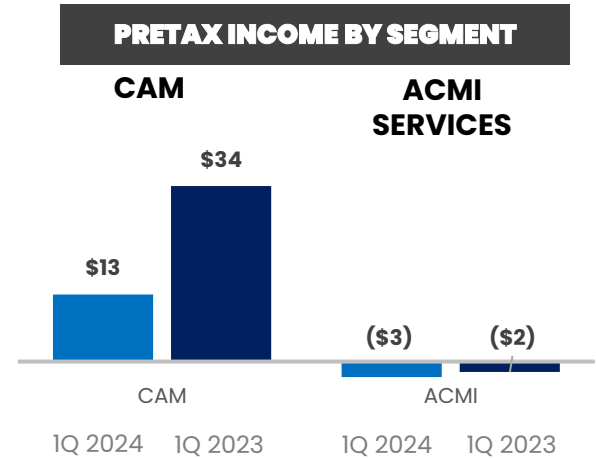
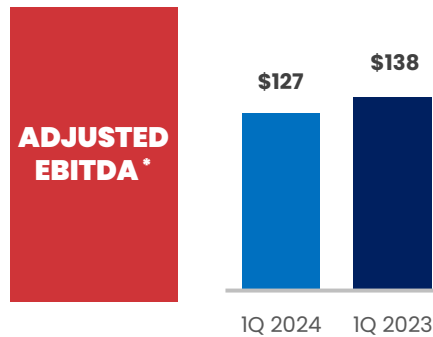
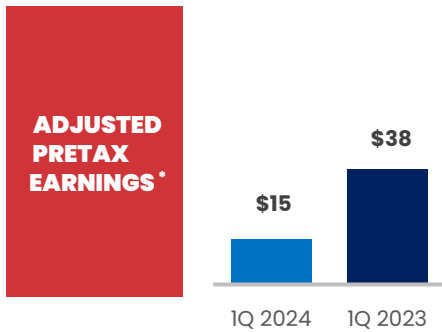
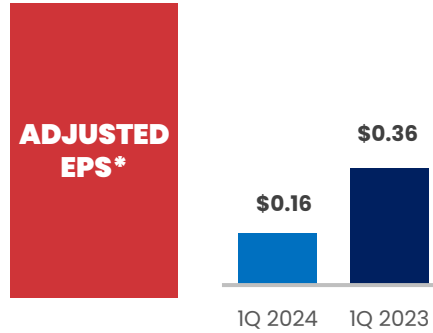
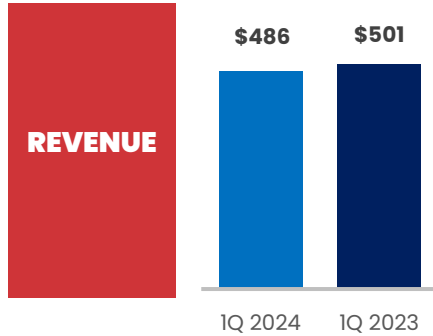
**vs. \$0.36 in
1Q 2023**

**2024 Capex
Guidance of
\$410M**

1Q 2024

FINANCIALS

(\$ in millions except per share data)

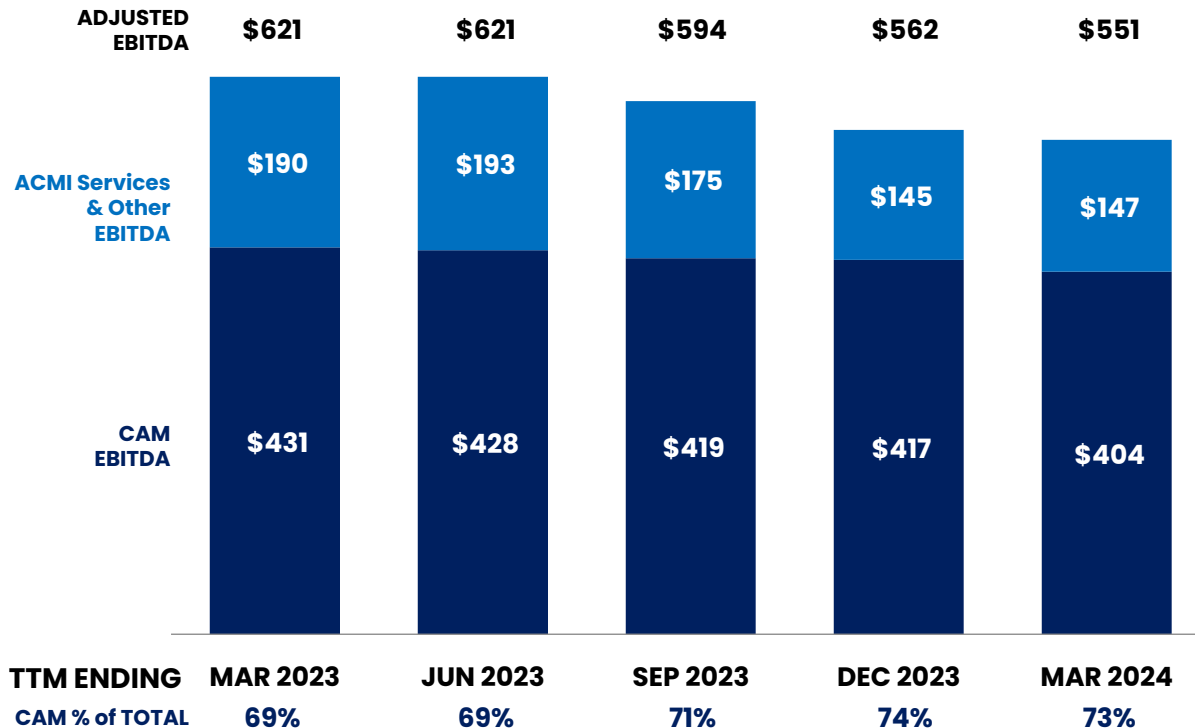


* Non-GAAP measure, see GAAP reconciliation attached. For more information about non-GAAP adjustments, see the company's 8K and accompanying earnings release furnished 05/06/2024 and dated 05/06/2024.

TRAILING TWELVE MONTH TREND

ADJUSTED EBITDA*

(\$ in millions)



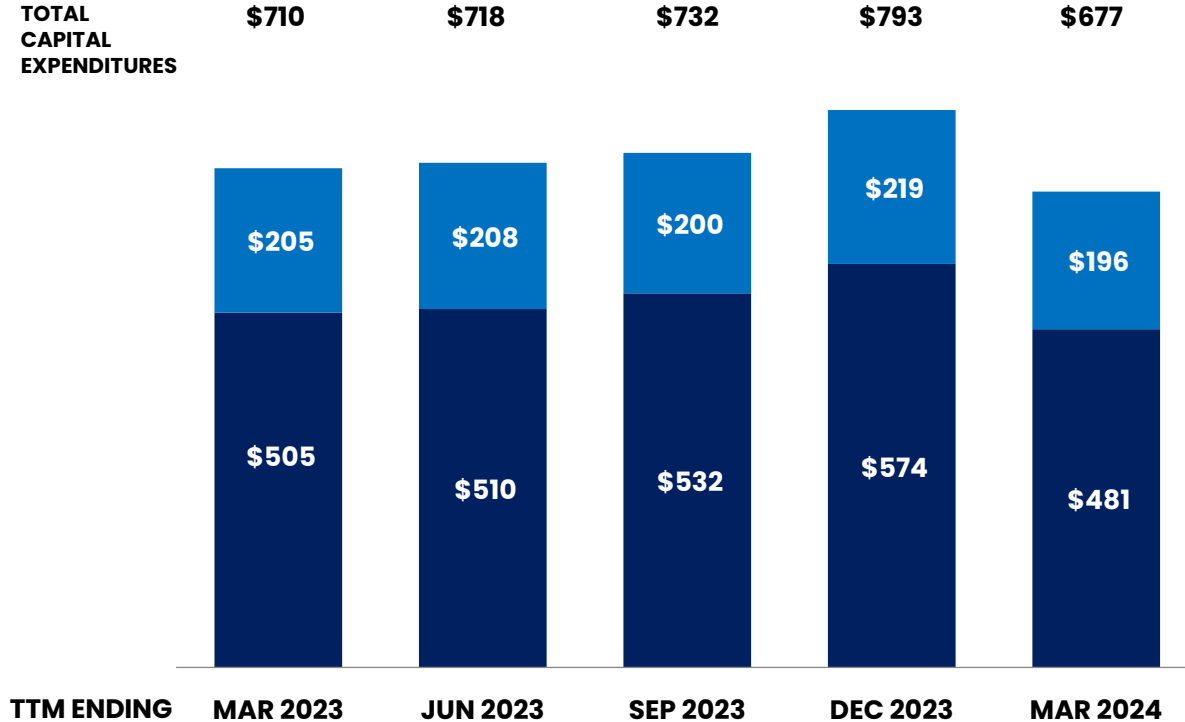
- 1Q 2024 Adjusted EBITDA of \$127M, down 8% vs 1Q 2023
- 1Q 2024 CAM Adjusted EBITDA of \$97M, down \$13M vs 1Q 2023, driven by eleven fewer 767-200 aircraft in service
- In-service fleet increased by four aircraft since March 2023

*Non-GAAP measure, see GAAP reconciliation attached. For additional information about non-GAAP adjustments, see the company's 8K and accompanying earnings release furnished 05/06/2024 and dated 05/06/2024.

TRAILING TWELVE MONTH TREND

CAPITAL EXPENDITURES

(\$ in millions)



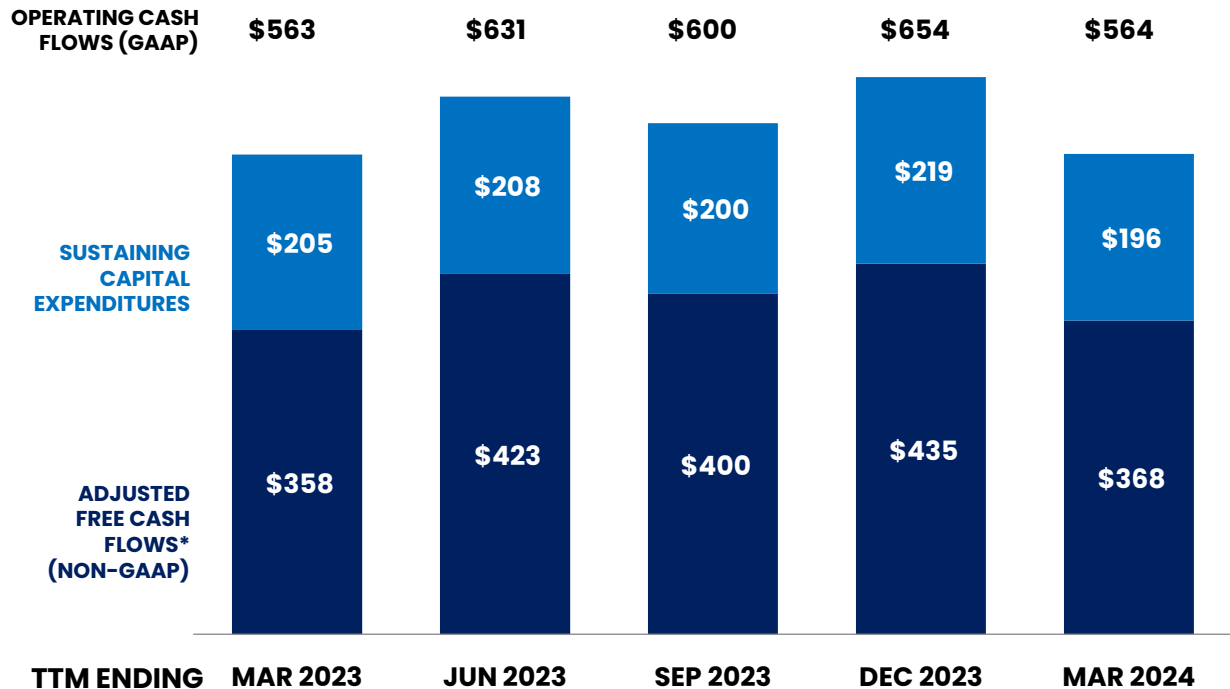
SUSTAINING CAPITAL EXPENDITURES	Cost of planned airframe maintenance, engine overhauls, technology, and other property and equipment.
GROWTH CAPITAL EXPENDITURES	Cost of aircraft acquisitions and freighter modifications.

- **Twenty-four aircraft in or awaiting conversion on March 31, 2024: thirteen 767-300s, six A321s and five A330s; four 767s are staging for lease**
- **Projected 2024 total capital spend of \$410M: \$165M for sustaining and \$245M for growth**

TRAILING TWELVE MONTH TREND

ADJUSTED FREE CASH FLOWS*

(\$ in millions)



Decline in March 2024 trailing 12-month operating cash flow from December 2023 was largely due to a \$67M payment in January 2023 of a DoD fuel receivable

CONSERVATIVE LEVERAGE

CAPITAL STRUCTURE

(\$ in millions)

	Dec 31, 2022	Dec 31, 2023	Mar 31, 2024
Senior Secured Revolver	\$620	\$730	\$685
Unsecured Notes			
Convertible Notes, due 2024	259	54	54
Convertible Notes, due 2029	-	400	400
Unsecured Notes Payable	580	580	580
Total Debt Maturity Values	\$1,459	\$1,764	\$1,719
Leverage Ratio (Bank Agreement)	2.22X	3.19X	3.16X

➤ **Unused capacity of \$404M under senior revolver facility as of March 31, 2024**

➤ **Approximately 9.4 million ATSG shares repurchased since the beginning of 2022**

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%

2024

OUTLOOK

- **Projected Adjusted EBITDA for 2024 to be \$516 million based on customer commitments currently under contract, with upside**
- **Full year 2024 Adjusted EPS to be \$0.55 – \$0.80**
- **2024 capital spending \$410 million, including \$165 million in sustaining capex and \$245 million for growth**
- **2024 capital spending declining \$380 million from 2023**





QUESTION & ANSWER

ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

NON-GAAP RECONCILIATION

(\$ in millions)

CONSOLIDATED ADJUSTED EBITDA

Trailing twelve months ended	1Q2023	2Q2023	3Q2023	4Q2023	1Q2024
GAAP Pre-Tax Earnings (Loss) from Cont Ops	\$ 222	\$ 202	\$ 161	\$ 84	\$ 70
Interest Income	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (1)
Interest Expense	\$ 51	\$ 59	\$ 65	\$ 73	\$ 79
Depreciation and Amortization	\$ 334	\$ 335	\$ 338	\$ 343	\$ 349
Add customer incentive amortization	\$ 23	\$ 22	\$ 21	\$ 19	\$ 17
Add non-service components of retiree benefit	\$ (11)	\$ (3)	\$ 5	\$ 37	\$ 35
Less net (gain) loss on financial instruments	\$ (5)	\$ -	\$ (1)	\$ 2	\$ (2)
Add loss from non-consolidated affiliates	\$ 7	\$ 6	\$ 6	\$ 5	\$ 4
Add hangar foam incident	\$ 1	\$ 1	\$ -	\$ -	\$ -
Adjusted EBITDA (non-GAAP)	\$ 621	\$ 621	\$ 594	\$ 562	\$ 551

ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

NON-GAAP RECONCILIATION

(\$ in millions)

CAM ADJUSTED EBITDA

Trailing twelve months ended	1Q2023	2Q2023	3Q2023	4Q2023	1Q2024
Segment Earnings	\$ 142	\$ 134	\$ 120	\$ 109	\$ 89
Add: net interest expense	\$ 33	\$ 38	\$ 43	\$ 48	\$ 53
Add: depreciation & amortization	\$ 236	\$ 237	\$ 239	\$ 244	\$ 248
Add: lease incentive amortization	\$ 20	\$ 19	\$ 17	\$ 16	\$ 14
CAM Adjusted EBITDA (non-GAAP)	\$ 431	\$ 428	\$ 419	\$ 417	\$ 404