4Q
2023

ATSG
QUARTERLY PRESENTATION

JOE HETE | CEO
JOE PAYNE | CLO
MIKE BERGER | PRESIDENT
QUINT TURNER | CFO

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.

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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 2/27/2024 and accompanying earnings release furnished and dated 2/26/2024.

2023

FOURTH QUARTER

HIGHLIGHTS

Customer Revenues $517M

Down $16M or 3% over 4Q22

Adjusted Free Cash Flows**

Up 52% to $435M, trailing twelve months

4Q23 Adjusted EBITDA* $130M

Down 20% vs 4Q22

GAAP EPS (basic) from Continuing Operations ($0.24)

vs. $0.58 in 4Q22

Adjusted diluted EPS* of $0.18

vs. $0.53 in 4Q22

2024 Capex Guidance of $410M

* Non-GAAP measure, please see the company's 8K and accompanying earnings release for GAAP reconciliation furnished 2/27/2024 and dated 2/26/2024

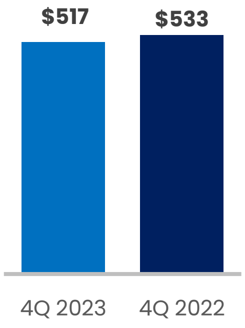
**Non-GAAP measure, please see enclosed GAAP reconciliation

4Q 2023

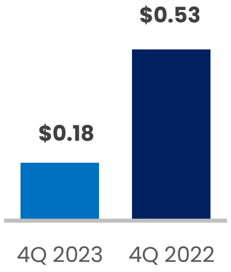
FINANCIALS

($ in millions except per share data)

REVENUE



ADJUSTED EPS*

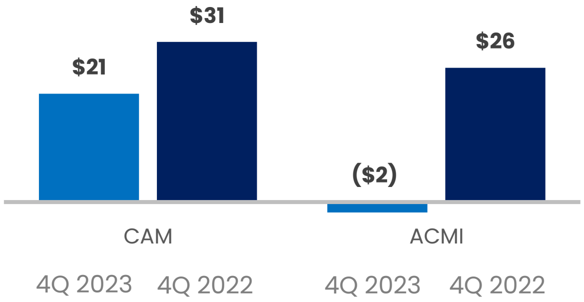


ADJUSTED PRETAX EARNINGS*

ADJUSTED EBITDA*

PRETAX INCOME BY SEGMENT

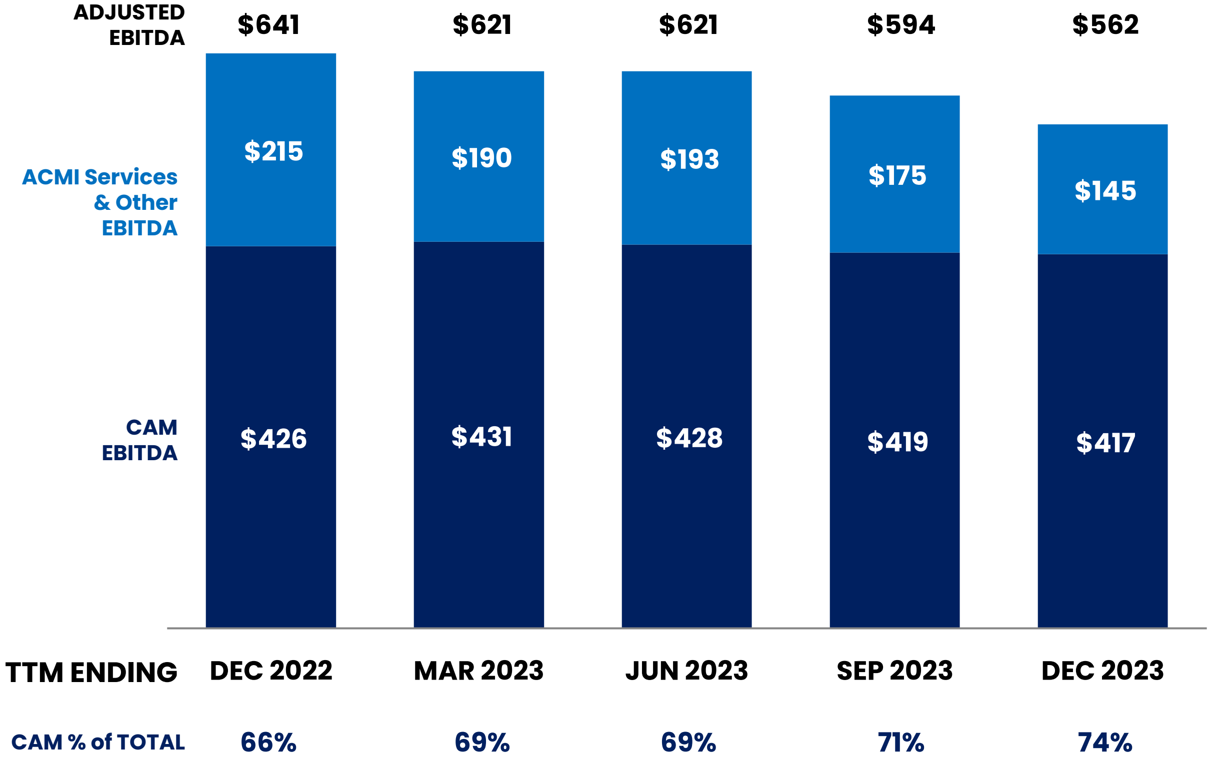
CAM **ACMI SERVICES**



* Non-GAAP measure, see GAAP reconciliation attached. For more information about non–GAAP adjustments, see the company's 8K and accompanying earnings release furnished 2/27/2024 and dated 2/26/2024.

–TRAILING TWELVE MONTH TREND

ADJUSTED EBITDA*



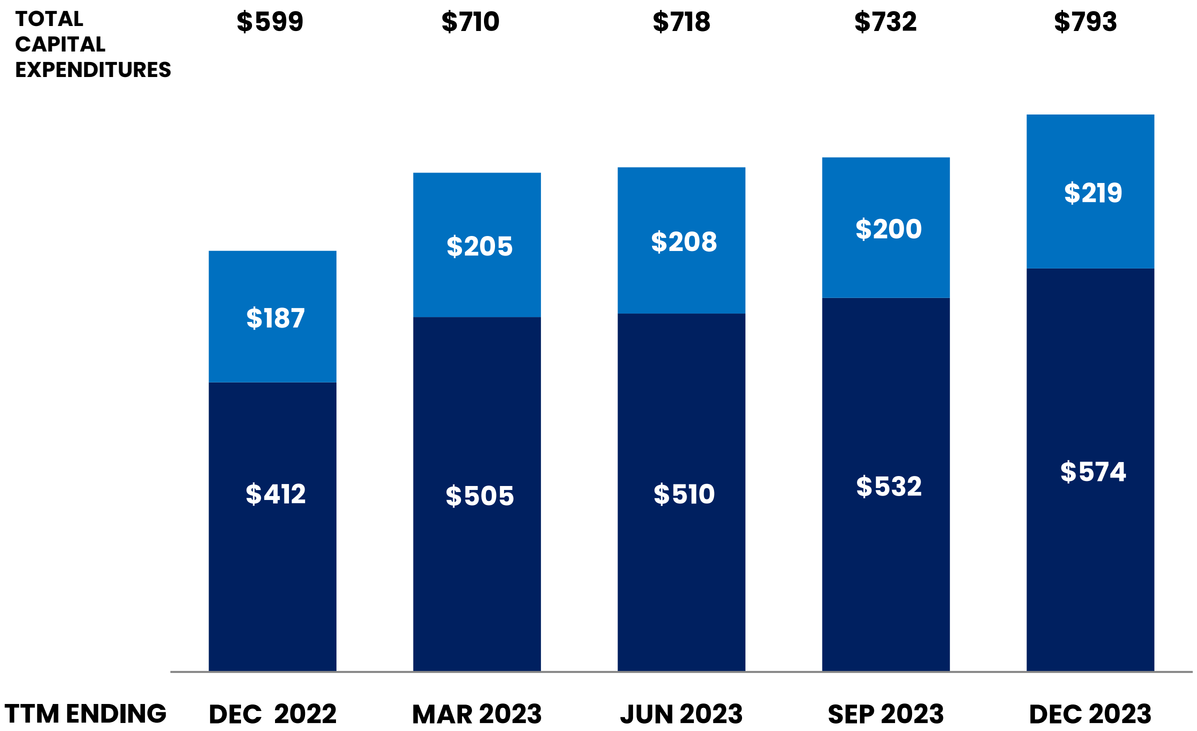
- 4Q 2023 Adjusted EBITDA of $130M, down 20% vs 4Q 2022
- 4Q 2023 CAM Adjusted EBITDA of $103M, down $2M vs 4Q 2022, driven by ten fewer 767-200 aircraft in service
- In-service fleet increased by two aircraft since December 2022
- Three customer provided aircraft added to ACMI Services freighter fleet since December 2022

*Non-GAAP measure, see GAAP reconciliation attached. For additional information about non–GAAP adjustments, see the company's 8K and accompanying earnings release furnished 2/27/2024 and dated 2/26/2024.

–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 December 31, 2023: fourteen 767-300s, six A321s and three A330s. Four 767s are staging for lease.**
- **Projected 2024 Total Capital spend of $410M: $165M for Sustaining and $245M for Growth.**

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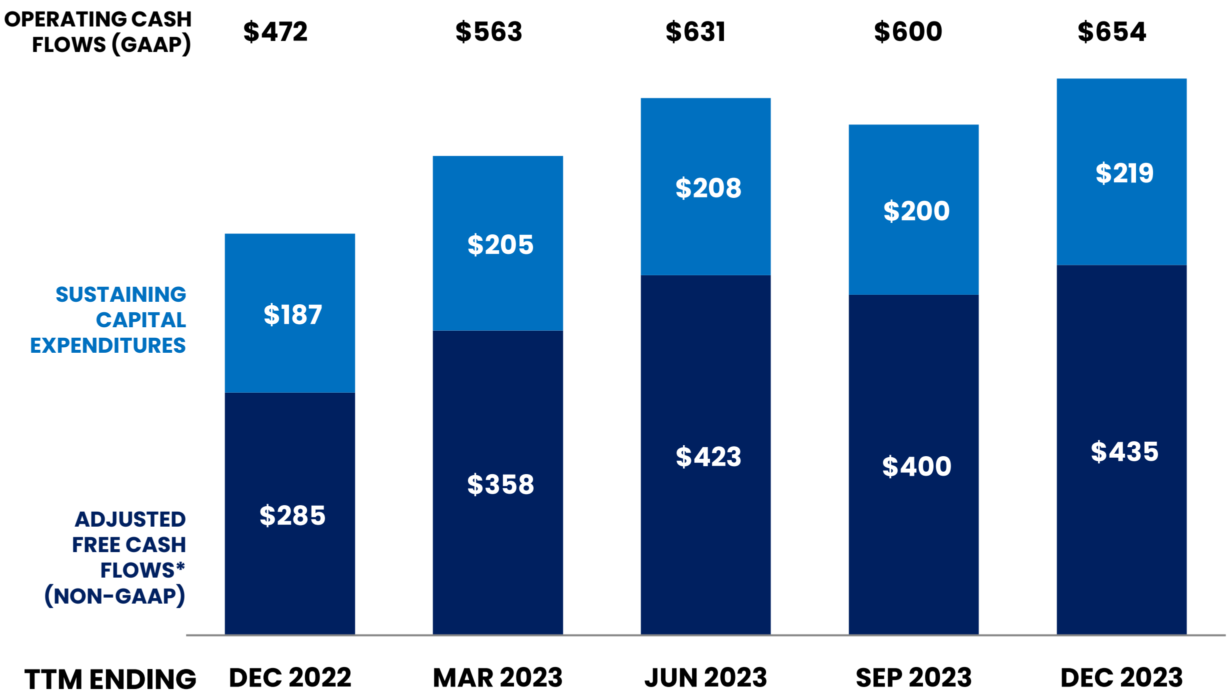
–TRAILING TWELVE MONTH TREND

ADJUSTED FREE CASH FLOWS*



- **Growing Adjusted Free Cash Flows, driven by higher operating cash flows, more than offsetting slightly higher sustaining capital expenditures**

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

-CONSERVATIVE LEVERAGE

CAPITAL STRUCTURE

	Dec 31, 2022	Sept 30, 2023	Dec 31, 2023
Senior Secured Revolver	$620	$660	$730
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	$1,694	$1,764
Leverage Ratio (Bank Agreement)	2.22X	2.88X	3.19X

Revolver is SOFR based, Debt-to EBITDA variable rate 6.69%, expires Oct 2027

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

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

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

- **Unused capacity of $358M under senior revolver facility as of Dec 31, 2023**
- **Approximately 7.4 million shares repurchased during 2023, including 5.4 million in conjunction with Convertible Note refinancing**

2024

OUTLOOK

- Projected Adjusted EBITDA for 2024 to be $506 million based on customer commitments currently under contract, with upside of $30 million
- 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, including a $50 million decline in sustaining capex and a $330 million decline in growth capex

4Q
2023

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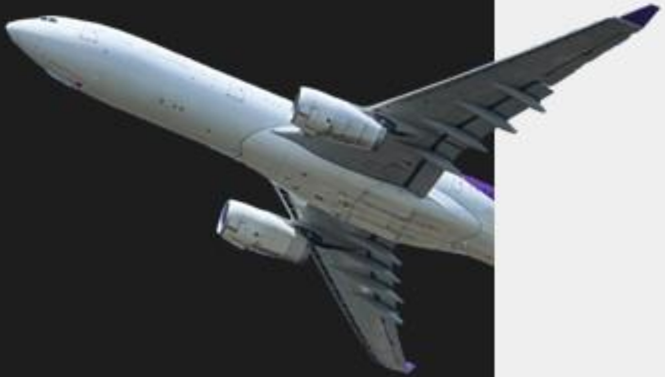
QUESTION AND ANSWER



-ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

NON-GAAP RECONCILIATION

CONSOLIDATED ADJUSTED EBITDA

($ in millions)

Trailing twelve months ended	4Q2022	1Q2023	2Q2023	3Q2023	4Q2023
GAAP Pre-Tax Earnings (Loss) from Cont Ops	$ 260	$ 222	$ 202	$ 161	$ 84
Interest Income	$ -	$ (1)	$ (1)	$ (1)	$ (1)
Interest Expense	$ 47	$ 51	$ 59	$ 65	$ 73
Depreciation and Amortization	$ 331	$ 334	$ 335	$ 338	$ 343
Add customer incentive amortization	$ 23	$ 23	$ 22	$ 21	$ 19
Less government grants recognized	$ -	$ -	$ -	$ -	$ -
Add non-service components of retiree benefit	$ (20)	$ (11)	$ (3)	$ 5	$ 37
Less net (gain) loss on financial instruments	$ (9)	$ (5)	$ -	$ (1)	$ 2
Add loss from non-consolidated affiliates	$ 8	$ 7	$ 6	$ 6	$ 5
Add hangar foam incident	$ 1	$ 1	$ 1	$ -	$ -
Adjusted EBITDA (non-GAAP)	**$ 641**	**$ 621**	**$ 621**	**$ 594**	**$ 562**

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-ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

NON-GAAP RECONCILIATION

CAM ADJUSTED EBITDA

($ in millions)

Trailing twelve months ended	4Q2022	1Q2023	2Q2023	3Q2023	4Q2023
Segment Earnings	$ 143	$ 142	$ 134	$ 120	$ 109
Add: net interest expense	$ 31	$ 33	$ 38	$ 43	$ 48
Add: depreciation & amortization	$ 232	$ 236	$ 237	$ 239	$ 244
Add: lease incentive amortization	$ 20	$ 20	$ 19	$ 17	$ 16
CAM Adjusted EBITDA (non-GAAP)	**$ 426**	**$ 431**	**$ 428**	**$ 419**	**$ 417**