

ATSG INVESTOR DAY 2023



AIR TRANSPORT SERVICES GROUP

SAFE HARBOR STATEMENT

Except for historical information contained herein, the matters discussed in this release contain forward-looking statements that involve risks and uncertainties. A number of important factors could cause Air Transport Services Group, Inc.'s ("ATSG's") actual results to differ materially from those indicated by such forward-looking statements.

Such 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 a competitive labor market, which could restrict our ability to fill key positions; (ix) changes in general economic and/or industry-specific conditions, including inflation; (x) the impact of geographical events or health epidemics such as the COVID-19 pandemic. and (xi) other factors that are contained from time to time in our filings with the U.S. Securities and Exchange Commission, including our annual report 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. These forward-looking statements were based 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.

We use non-GAAP measures in this presentation including adjusted EBITDA and Free Cash Flow. Management believes these metrics are useful to investors in assessing ATSG's financial position and results. Non-GAAP measures are not meant to be a substitute for ATSG's GAAP financials. Please refer to the reconciliations to the GAAP measures in the accompany appendix.

INVESTOR DAY

SPEAKERS



Rich Corrado
*President &
Chief Executive Officer*



Mike Berger
Chief Strategy Officer



Paul Chase
Chief Commercial Officer



Joe Payne
Chief Legal Officer














Quint Turner
Chief Financial Officer

INVESTOR DAY

AGENDA



	Slides	Presenter
 Welcome		
 ATSG Overview & Strategy	5-16	Rich Corrado
 Aircraft Leasing Segment	17-26	Paul Chase
 Flying Segment	27-34	Mike Berger
 Support Services	35-37	Mike Berger
 Customer Relationships	38-39	Paul Chase
 Sustainability	40-43	Joe Payne
 Break	10 minutes	
 Financial Outlook	45-61	Quint Turner
 Closing Remarks	62-63	Rich Corrado
 Q&A	64-65	

| ATSG

OVERVIEW & STRATEGY



WHY WE ARE HERE

- We believe we represent an attractive differentiated value and investment proposition synergizing leasing, air operations, and support services
- We believe our stock is significantly undervalued and represents an opportunity for investors to realize significant appreciation
- While we have no direct peers for the full breadth of services our model offers, we will show you a sum of the parts valuation which supports a much higher stock price
- We will share our projections for free cash flow generation after growth capex investment and update guidance through 2025

WORLD'S LARGEST FREIGHTER LESSOR



BOEING 767F

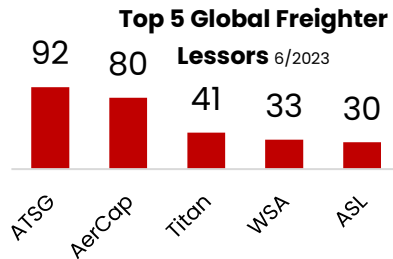


AIRBUS A321F



AIRBUS A330F

TOP FREIGHTER LESSOR



TOP PROVIDER OF U.S. E-COMMERCE FLYING

Currently flying 63 freighter aircraft in DHL and Amazon Air networks

GLOBAL LEASING NETWORK

Currently leasing freighter aircraft in nine countries

RECURRING STRONG CASH FLOW

Growing portfolio of multi-year freighter leases & operating agreements

HERITAGE DRIVES CURRENT CULTURE

Founded 1980 – 2003

3rd Largest Express Company
Airborne Express

2003 Fleet – 115

2003 – 2009

DHL Cost-Plus

Operated via
DHL Cost Plus Model

2009 Fleet – 62

2010 Forward

Differentiated, Lease First Model

LEASE+PLUS

Pioneered A+CMI

2022 Fleet – 128

LEASING

CAM CARGO
AIRCRAFT MANAGEMENT

DRY LEASING

ENGINE LEASING

ENGINE PBC SERVICES

FLYING

AIR TRANSPORT
INTERNATIONAL
ABX AIR **OMNI AIR**
INTERNATIONAL

CMI SERVICES

ACMI SERVICES

WET2DRY TRANSITIONING

CHARTER

SUPPORT SERVICES

LGSTX
SERVICES

AIRBORNE
MAINTENANCE & ENGINEERING SERVICES

PEMCO
CONVERSIONS

POSTAL & GATEWAY
OPERATIONS

GROUND SERVICES

MHE DESIGN & SERVICE

HEAVY & LINE
MAINTENANCE

COMPONENT SERVICES

ENGINEERING SERVICES

P2F CONVERSIONS

LEASE+PLUS MARKET STRATEGY

LEASING

WE ARE the world's **largest freighter aircraft lessor** to companies that support **express networks** around the world

- Capital investments to acquire and convert aircraft to freighters for lease
- Revenue from multi-year lease agreements support strong Adj. EBITDA margins

FLYING

WE ARE the **backbone** of our customers' U.S. **express networks** and the **largest commercial mover** of troops for the DoD

- Capital-light model operating aircraft for customers under CMI, ACMI, and charter services
- Multi-year agreements provide strong predictable cash flow

SUPPORT SERVICES

WE ARE a **provider of critical ancillary services** that add incremental returns and **differentiate** us from any lessor

- Incremental services help secure initial aircraft lease and renewals
- Provides incremental returns above and beyond the lease revenues
- Seamless full-service option for customers

UNIQUE BUSINESS MODEL AND MARKET LEADERSHIP POSITIONS

COMPELLING VALUE PROPOSITION

MARKET REALITY

Mid-size freighters are the asset of choice for express and e-commerce driven regional air networks



Global demand for e-commerce expected to grow 38% through 2027



Additional aircraft types will be needed to meet the forecasted demand growth



Conversion economics better than acquiring new freighter aircraft



Conversion feedstock and slots are limited



ATSG CAPABILITIES

Focus on mid-size converted freighters. Existing lease portfolio that generates strong cash flow and returns

ATSG's global offering and customer base well positioned to meet this demand growth

ATSG already delivering A321s, and first A330 to begin freighter conversions in October 2023

Managed more passenger-to-freighter conversions at 260+ than any other company

A leader in securing future A321/A330 conversion slots

CUSTOMERS EMBRACE LEASE+PLUS SOLUTIONS MODEL



ATSG	LEASING	FLYING	SUPPORT SERVICES
amazon	+	+	+
DHL	+	+	+
American	+	+	+
CARGOJET	+		+
ups	+	+	+
NAC NORTHERN AIR CARGO	+	+	+
GOVERNMENT CUSTOMERS		+	+

ATSG provides customers a holistic solution across leasing, flying and value-added support services

CUSTOMERS

LEASING



FLYING

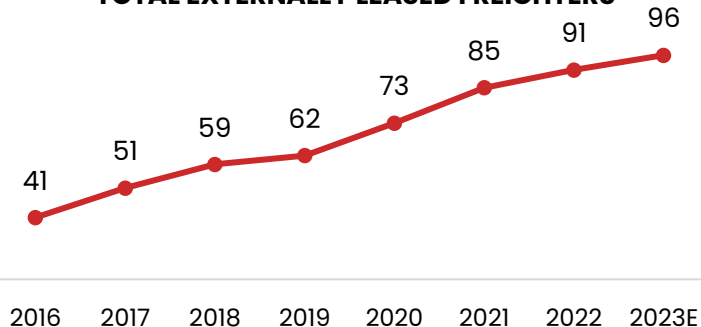


SUPPORT SERVICES



LEASING MARKET DOMINANCE

TOTAL EXTERNALLY LEASED FREIGHTERS



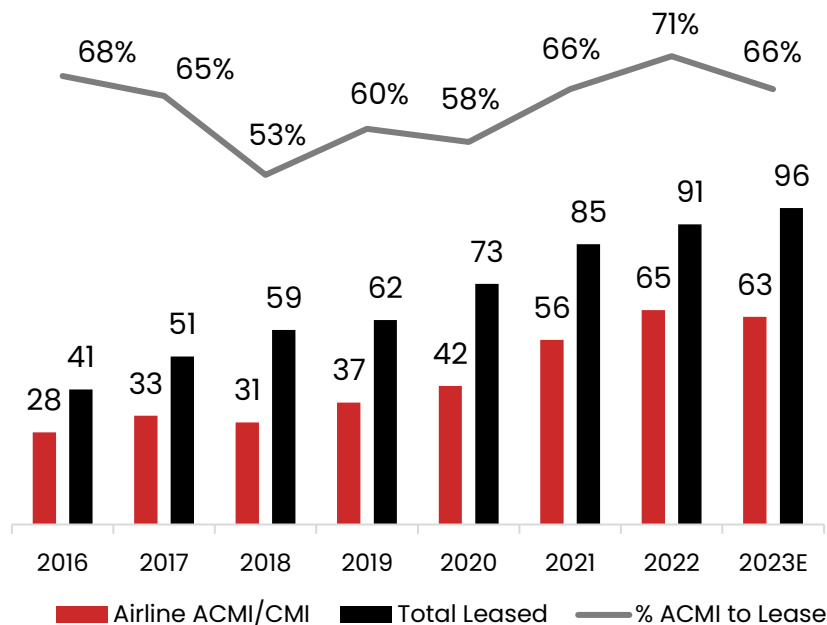
- Over 2/3 market share in the B767-leasing market
- Largest freighter lessor to both DHL and Amazon at 12 and 37 B767s, respectively

- Currently lease to 13 customers into 9 different countries and 75% of our 2023-2024 leases are expected to be outside the US
- Most of our leasing customers fly in Integrator/e-commerce networks for UPS, FedEx, DHL or Amazon

FLYING MARKET LEADERSHIP

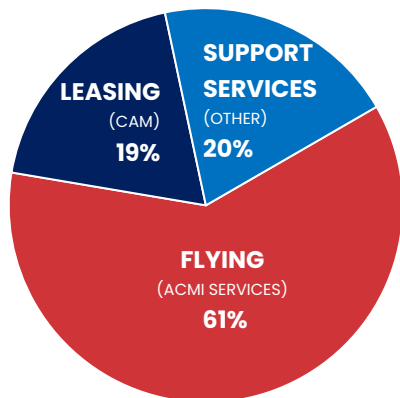
- Capital-light airline operations contract flying services to customers through a Crew, Maintenance, and Insurance (CMI) structure
- Customers provide owned and leased aircraft to ATSG totaling 16 aircraft by year end 2023
- Customer fills the aircraft, pays for ancillary costs, and fuel
- Largest airline service provider to Amazon, with 46 aircraft flying, ~3x more than the next competitor
- Largest airline service provider to DHL in their US network
- We fly over half of our leased aircraft

CMI AIRCRAFT IN RELATION TO LEASED



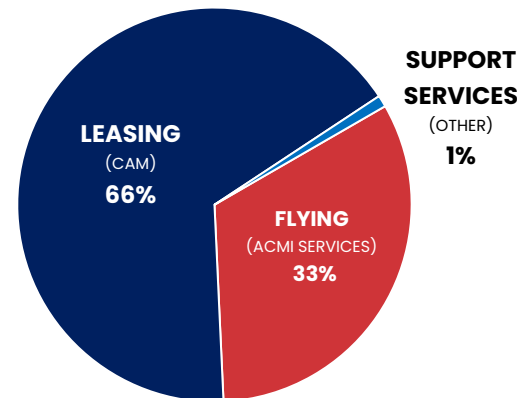
FY 2022 FINANCIALS BY SEGMENT

REVENUE*



Total* = \$2,269

ADJ. EBITDA**



Total = \$641

- Leasing drives 2/3 of our Adj. EBITDA
- Flying is a strong driver of revenue and represents 1/3 of our Adj. EBITDA
- Our segments are highly synergistic with significant contribution from each segment

* Segment revenue before elimination of internal revenues on FY 2022 results

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

***No other company in the world
bundles aircraft leasing,
airline solutions, engine power,
maintenance, and logistics solutions.***



| ATSG **AIRCRAFT** **LEASING** **SEGMENT**





WORLD'S LARGEST FREIGHTER LESSOR

137 B767 A321

OWNED FLEET SIZE 6/30/23

ENGINE LEASING

MULTIPLE POWER BY THE CYCLE PROGRAMS FOR PRATT AND GE ENGINES



**GLOBAL LEASING
PORTFOLIO**



B767-300 FLEET

5 YEARS OUT OF CONVERSION ON AVERAGE
WITH A 20+ YEAR EXPECTED LIFE SPAN

LEASE+PLUS

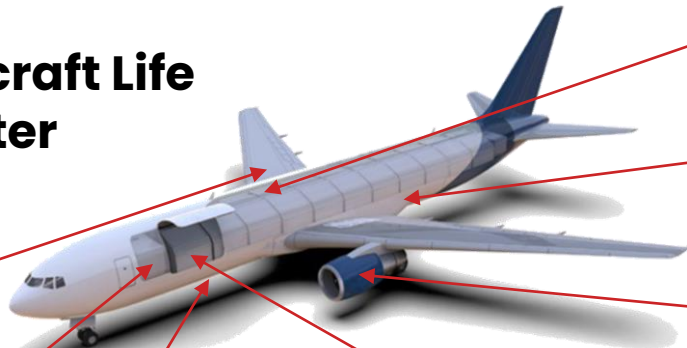
SUPPORTS CUSTOMER
LEASING CHOICE

CONVERSION PORTFOLIO

ATSG HAS CONVERTED MORE THAN 260 AIRCRAFT

THE VALUE OF A CONVERSION

**20+Year Aircraft Life
Expected After
Conversion**



**New Cargo Lining and
Ceiling Installed**

Floor Beams Replaced

**Engine Inspection
and Overhaul**

**Install an upper deck cargo
door**

Modified Systems:
Oxygen System; ECS Modification;
Venting Decompression; Water, Waste
& Drain

**Rerouting of Control
Cables (ceiling)**

9G Rigid Barrier

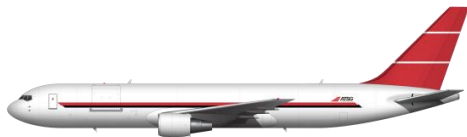
**Install a cargo loading
system**

**Maintenance Completed including:
C-Check and Required Directives**

-LEASING

YOUNG FLEET POST-CONVERSION

20+ year expected life span after conversion



After Conversion
expected lifespan

20+ years

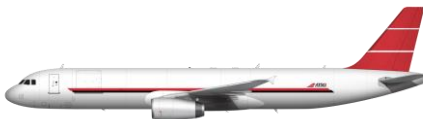
**767-300
Freighter**

75

In service today

5

Avg. years in
service



After Conversion
expected lifespan

20+ years

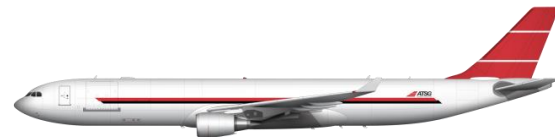
**A321-200
Freighter**

2

In service today

<1

Year in service



After Conversion
expected lifespan

20+ years

**A330-300
Freighter**

0

In service today

1

Month to first
conversion
induction

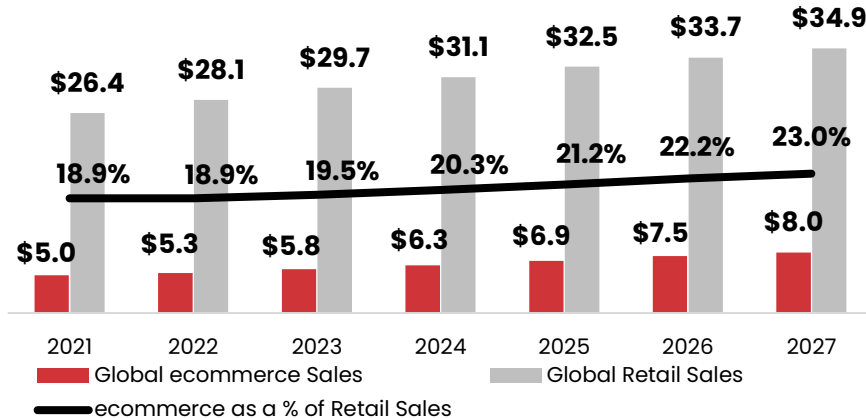
Current airframe average life out of conversion

MARKET OUTLOOK

Source: Airbus Global Market Forecast 2023, Boeing Commercial Market Outlook June 2023, Trade & Transport Group US Trade Monitor, IATA Cargo Market Analysis April 2023, World ACD, emarketer June 2023

OPPORTUNITY

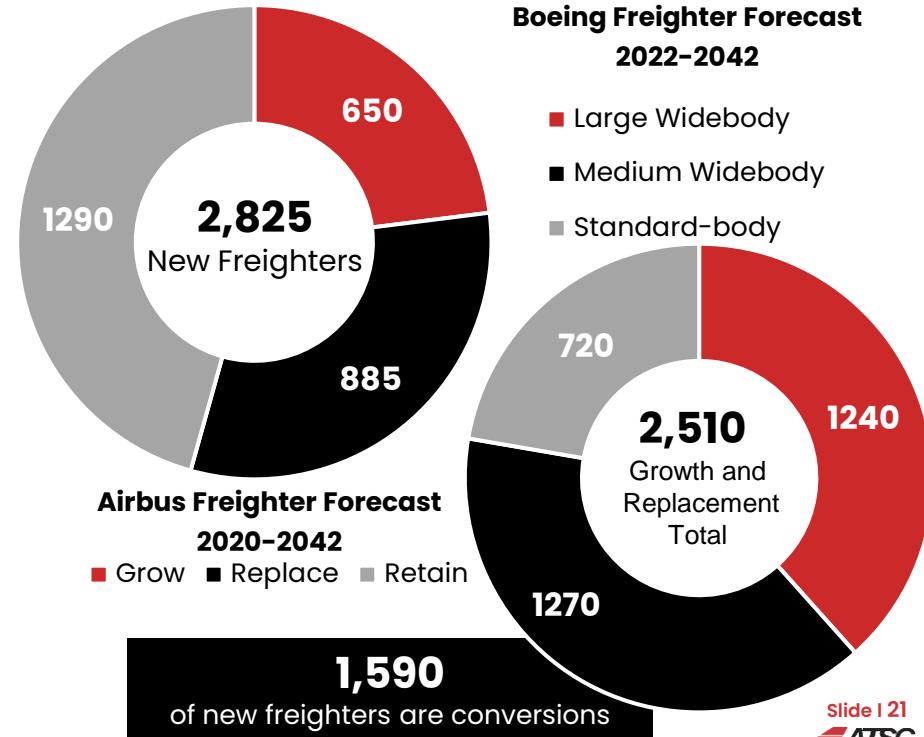
(\$ in trillions)



TOTAL RETAIL & ECOMMERCE SALES WORLDWIDE

E-commerce growth will continue to outperform brick-and-mortar. E-commerce growth is expected to outpace in-person shopping by nearly 2x through 2024.

SOLUTION



-LEASING

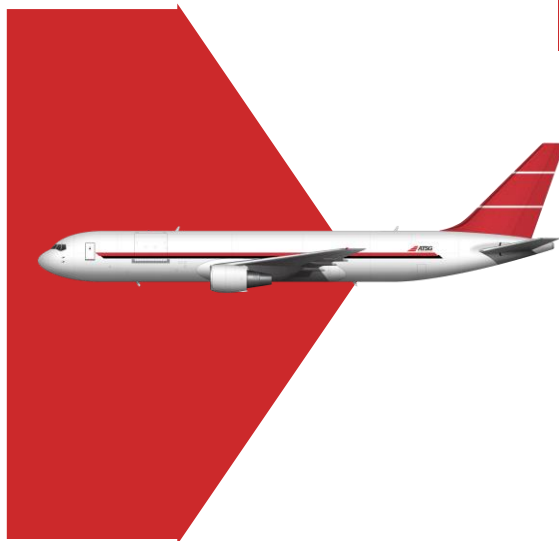
B767 FREIGHTER DOMINANCE

ATSG currently dominates the leasing market for the Boeing 767 freighter

Preferred airframe of the e-commerce and express market offering 15,634 ft³ of cargo volume

Five of the Top Ten 767-300 leased freighter operators are ATSG customers

18 conversion slots for delivery 2024-2025



OWNED FLEET 6/30/23

Freighter Fleet

767-200 Freighter	22
767-300 Freighter	70
767-300 Freighter (IC)	20
A321-200 Freighter (IC)	9
767-300 staging for lease	2

IC=in or awaiting conversion

123

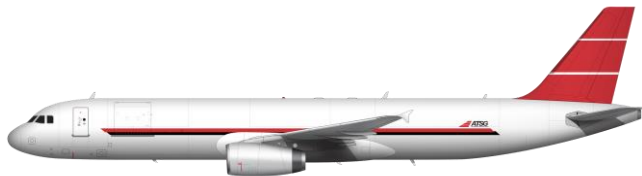
Passenger Fleet

14

Total 137

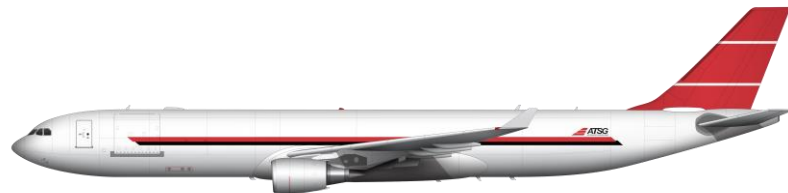
The B767 freighter is not only the flagship of the ATSG fleet, but it also represents over 57% of all medium widebody cargo operations globally

NEW FREIGHTER OFFERINGS



A321-200 FREIGHTER

- Adequate feedstock allowing ATSG to enter the narrowbody freighter leasing market
- Natural replacement for the 757-200 freighter and targets operators of B737F
- About 95% of the cubic volume of the 757 with an 18% fuel burn advantage and lower maintenance costs
- Flightdeck commonality with the A330



A330-300 FREIGHTER

- Logical alternative for the 767-300, the A330-300 is about 20% larger
- Significant feedstock availability
- Target Operators – 767, 777 operators, European and Pacific markets for medium range air cargo delivery
- A330s selected for network operations by DHL and Amazon

PROVEN LEASING MODEL

TYPICAL PROFILE OF A FREIGHTER LESSEE

- Experienced aircraft operators and/or blue chip, multi-national corporations with strong safety cultures
- Operate in the e-commerce and express network
- Time definite deliveries drive aircraft capacity requirements
- Operate as regional support to major carriers including UPS, Amazon and DHL

LEASE PROFILE

- Typical initial term of 7 to 10 years
- Major maintenance events are customarily pre-paid by customers with reserves
- Most leases contain like-for-like provisions requiring lessees to return assets in the same condition as at delivery
- Customers typically extend their aircraft leases beyond initial lease term



-LEASING

GLOBAL LEASING FOOTPRINT



Astral Aviation



Northern Air Cargo



Amerijet



Amazon Air



UPS



DHL



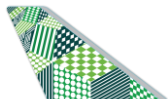
Sky Taxi



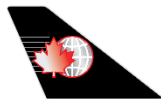
Maersk Air

~75% OF 2023 LEASE DEPLOYMENTS WILL BE WITH CUSTOMERS OUTSIDE THE U.S. & EXPECT THE TREND TO CONTINUE

AFRICA



Mas Air



Cargojet Airways



Air Canada Cargo



GlobalX



DHL - ME



Georgian Airlines



Raya Airways

| ATSG **FLYING** **SEGMENT**



BUSINESS OVERVIEW

- Our **capital-light** CMI flying allows us to separate ourselves from any other lessor and provides incremental returns on top of the lease
- Our unique A+CMI model leverages our deep experience in express/e-commerce operations
- Our Cargo **Wet2Dry** model allows us to grow our leasing business
- Our passenger ACMI operations with heavy emphasis on government flying represents reliable revenue and cash flow less impacted by global trade and global business cycles.

Wet2Dry



Our airlines fly for customers as an ACMI carrier to prove leasing concept

- Airline provides aircraft in addition to CMI model
- Flies the routing provided by the customer so that the customer can build the lane
- Customer can test the economics of the aircraft prior to lease
- DHL, Amazon, Amerijet, Northern, Raya were all **Wet2Dry** customers

CMI CAPITAL-LIGHT VALUE STRUCTURE

Minimizes risk while affording customer flexibility

CUSTOMER ROLE

Customer leases the aircraft from CAM, generally 7-10 years

Customer then sub-leases the aircraft to one of our cargo airlines to fly

CMI agreements generally run 4-6 years with renewal options

Customer responsible for filling the payload plus determines the routing

Customer responsible for the heavy maintenance on the airframe and engines

Customer pays for fuel and ancillary fees

AIR OPERATIONS ROLE

Airline is responsible for safety of flight

Airline provides the flight crews and insurance

Customer may also add their own or other leased aircraft to the CMI Agreement

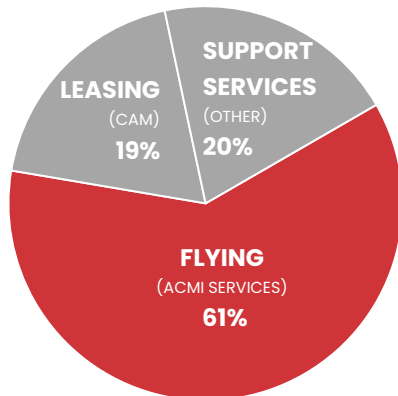
Airline provides ground training for loading personnel

Airline provides the line maintenance and parts

Airline flies the schedule provided by the customer

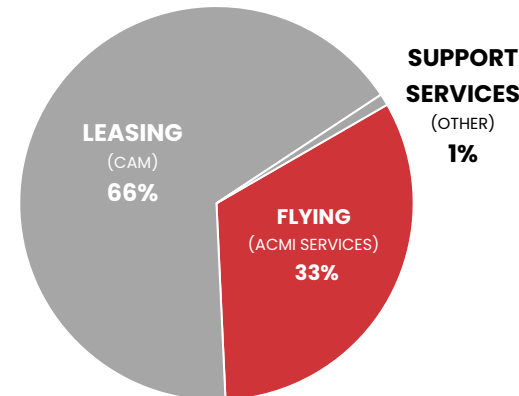
FY 2022 SEGMENT CONTRIBUTION

REVENUE*




Total = \$2,269

ADJ. EBITDA**



Total = \$641

 The ACMI Segment represents 61% of our revenue, and 33% of our EBITDA

* Segment revenue before elimination of internal revenues on FY 2022 results

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

AIRLINE FACT SHEET

OMNI AIR INTERNATIONAL

- Passenger airline offering ACMI and Charter Services
- 75% of revenue is from the US Government
- Largest commercial mover of U.S. troops
- 14 total aircraft, 3 -777s and 11 - 767s



ABX AIR

- All-cargo airline flying 767s
- CMI contracts with DHL and Amazon
- Largest airline for DHL in their USA network
- 24 Total Aircraft – all 767s



AIR TRANSPORT INTERNATIONAL

- Predominately cargo airline
- CMI contract with Amazon, Combi contract with the U.S. DoD
- 48 total aircraft 44 - 767s and 4 -757 Combi Aircraft

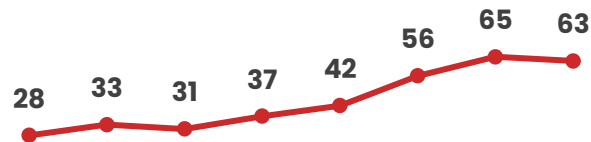


FULFILLING DEMAND

- Our Cargo Airlines target CMI flying for **large e-commerce networks**
- Our cargo airlines are the largest CMI providers for the **Amazon** and **DHL USA** networks, the largest outsourced networks in the US
- Our passenger airline is the largest commercial mover of US troops around the world and the leader of the Patriot Team, one of two CRAF teams
- Our heritage has allowed us to excel in this space due to our deep understanding of air operations and our cultural understanding of our customers' business

CMI network flying is more resilient than general cargo point to point flying due to the need to service specific geographies with time definite commitments

AIRLINE CMI BUSINESS*



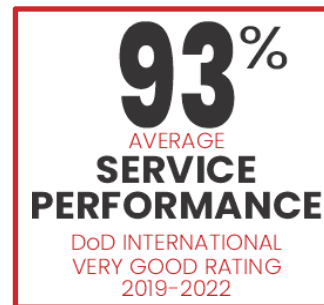
2016 2017 2018 2019 2020 2021 2022 2023E

**Includes CAM leased and customer provided freighter aircraft*

-FLYING

AIRLINE PERFORMANCE

- History of executing at a high level
- Performance measured on every flight through controllable delays
- Historical overall performance for flying is in the 90TH percentile for on-time and reliability
- Best in Class among ACMI/CMI cargo competition
- Omni is frequently the US Government choice for challenging assignments
- Strong airline leadership experience



UNDERLYING ECONOMICS

**\$1.4
BILLION**

2022 TOTAL
FLYING SEGMENT
REVENUE

**\$209
MILLION**

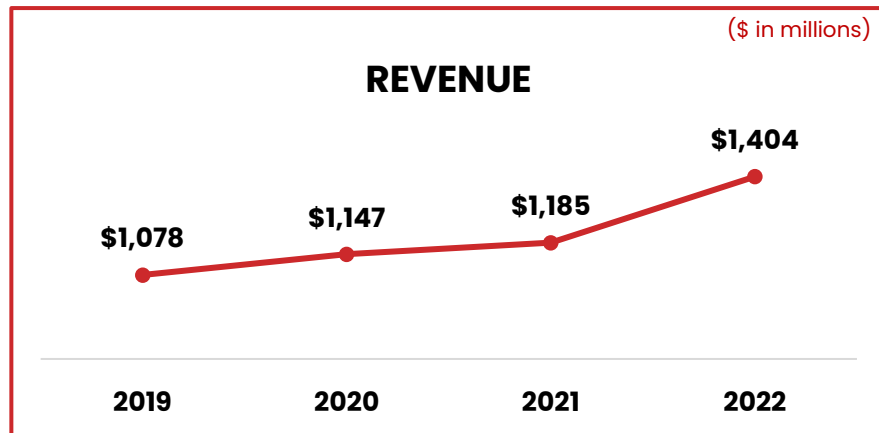
2022 TOTAL
FLYING SEGMENT
ADJ. EBITDA

**68
AIRCRAFT**

SERVICING CARGO
CMI BUSINESS

**18
AIRCRAFT**

SERVICING
PASSENGER AND
COMBI BUSINESS



- More resilient than general air cargo
- Disruption creates opportunity
- Adj. EBITDA margins remain consistently in the low teens

| ATSG

SUPPORT SERVICES



BUSINESS OVERVIEW

AVIATION MAINTENANCE & CONVERSION SERVICES

- Heavy and Line Maintenance
- Component Services
- Engineering Services
- Passenger to Freighter Conversions
- Boeing and Airbus Capability



LOGISTICS SERVICES

- Sort Operations
- Ground Support Equipment Leasing
- Facility Support Services
- Material Handling Design and Service



Strong network of MRO facilities and established relationship with major US and global carriers

STRONG ARRAY OF CAPABILITIES TO COMPLEMENT LEASING AND FLYING SERVICES

-SUPPORT SERVICES

ENHANCE CUSTOMER VALUE

Raya Airways,
Best E-Commerce
Carrier of the Year
–Asia Pacific at
the Payload Asia
Awards, first A321
freighter was
converted by MRO
(Conversion)
Support Services



Support
Services support
Amazon
operations at
their Wilmington
Air Park Hub



DHL uses
Logistics
Support Services
for Material
Handling
Equipment
Maintenance



MRO Support
Services
provided cockpit
flat panel
upgrades for
UPS



Logistics Support
Services operated
gateway package
operations for
Amazon & USPS



| ATSG

CUSTOMER RELATIONSHIPS



KEY CUSTOMER OVERVIEW



- Providing service to the DoD for over 20 years through ATI and since 1995 with Omni Air International
- Leading provider of CRAF passenger airlift services to the U.S. DoD and additional cargo services
- Our government services expand beyond the DoD to other agencies for passenger lift, cargo lift, plus maintenance and engineering services

30% of FY22 Revenue



- Began with ACMI agreement for five Boeing 767 aircraft in 2015
- Amazon business has expanded to currently leasing 37 aircraft
- Our airlines operate a total of 41 aircraft in addition to ancillary services procured by Amazon
- Uses our MRO for maintenance, gateway freight operations, and material handling equipment service and engineering
- Currently largest shareholder with ~19.5%

34% of FY22 Revenue



- Long-term contracts since August 2003
- The total of leased aircraft is twelve 767 freighters
- CMI agreement has a total operated under that agreement is ten plus an additional six customer provided aircraft
- Utilizes our MRO for heavy and line maintenance plus component services; they have a multi-location agreement for material handling equipment service

12% of FY22 Revenue

| ATSG **SUSTAINABILITY**



ENVIRONMENTAL

ENERGY EFFICIENCY

- Installed energy efficient lighting and HVAC systems in hangars and offices reducing CO2 emissions by 4,612 tons annually
- Installed electric vehicle charging stations to make recharging more convenient and affordable for our employees at our office locations in Ohio and Oklahoma



FUEL BURN/CO2 REDUCTION

- Installed fleet monitoring equipment on our aircraft to track and reduce fuel burn through predictive maintenance practices
- Expanded the use of flight planning software that utilizes real time weather conditions to optimize flight altitudes and speeds
- Continued to adopt best practices in our daily operations
- Resulted in a reduction of fuel burn of 23.14 million gallons; reduced CO2 emissions by 216,983 tons from 2020 to 2022

RESOURCE CONSERVATION AND FLEET MODERNIZATION

- Extend aircraft useful life through passenger to freighter conversions
- Adding the A321 and A330 to our fleet, which are newer, more fuel-efficient aircraft
- Partnered with our customers to make Sustainable Aviation Fuel more available at our largest operating airline location in northern Kentucky



SOCIAL

WORKFORCE INVESTMENT

- On-site Health Clinic for employees at the Wilmington Air Park
- Employee Fitness Center at the Wilmington Air Park that is available 24 hours
- Launched a company-wide Diversity and Inclusion campaign
- Paid parental leave available to all eligible employees, regardless of gender for birth, adoption, and foster care

ATSG CAREER AND COMMUNITY OUTREACH

- Career exploration opportunities and tours for more than 2,500 students
- ATSG Aviation Camp five-day immersive aviation career experience for grades 6-12
- Highlights careers in Manufacturing, Flight, Engineering, Inspection, Aviation Maintenance, Airport Operations, and Safety



COMMUNITY OUTREACH

- Support for charitable causes exceeded \$850,000 during 2022, an increase of more than 65% over the prior year
- Girls In Aviation Day developed aviation patch program with regional Girl Scout organization
- ATSG continued outreach to our Veteran workforce raising awareness of issues facing this community such as increased suicide rates

GOVERNANCE

BOARD TENURE & DIVERSITY

GENDER & RACIAL/ETHNIC DIVERSITY

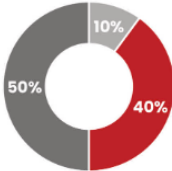


DIRECTOR TENURE



■ 1 to 5 ■ 6 to 10 ■ 11 to 15 ■ 16+ years

AGE DIVERSITY



■ 45-55 ■ 56-65 ■ 66+

- Increased size of Board to 10 directors, increasing both gender and racial diversity of the Board by 20%

CORPORATE GOVERNANCE

- Board delegated to the Nominating and Governance Committee (N&G) responsibility for the oversight and review of ESG matters
- Amended the N&G Committee Charter to require that initial list of director candidates include qualified under-represented candidates, taking into account factors such as gender, race and ethnicity

CORPORATE GOVERNANCE

- Increased stock ownership requirements for directors and officers to further align with stockholders' interests
- Created Management Sustainability Committee
- Formalized a Human Rights Statement to address issues relevant to the company and our industry



| ATSG

BREAK

~10 MINUTES



| ATSG

FINANCIAL OUTLOOK



FINANCIAL OUTLOOK DISCUSSION

▀ Historical consolidated and segment performance

▀ Consolidated and segment outlook

▀ Capital spending and free cash flow outlook

▀ Cash flow visibility and capital allocation priorities

▀ Strong balance sheet and access to debt capital

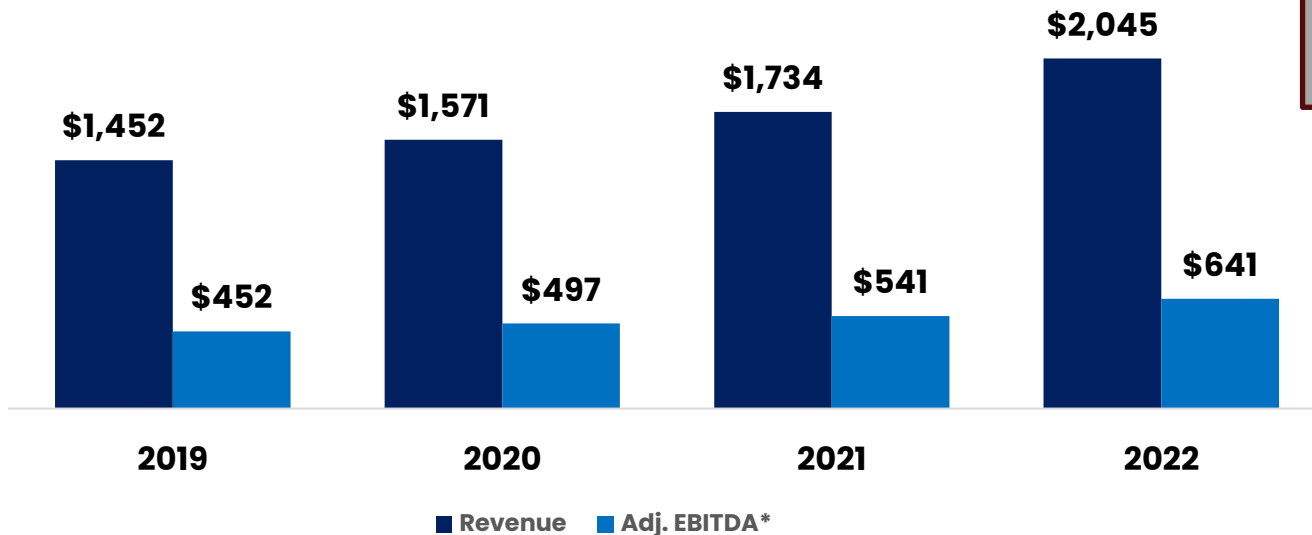
▀ Understated Asset Value

▀ Valuation Upside

RESILIENT FINANCIAL PERFORMANCE

- Track record of strong Revenue and Adj. EBITDA* growth, with consistent margins
- Resilient business model delivered strong performance through pandemic years

ATSG HISTORICAL PERFORMANCE

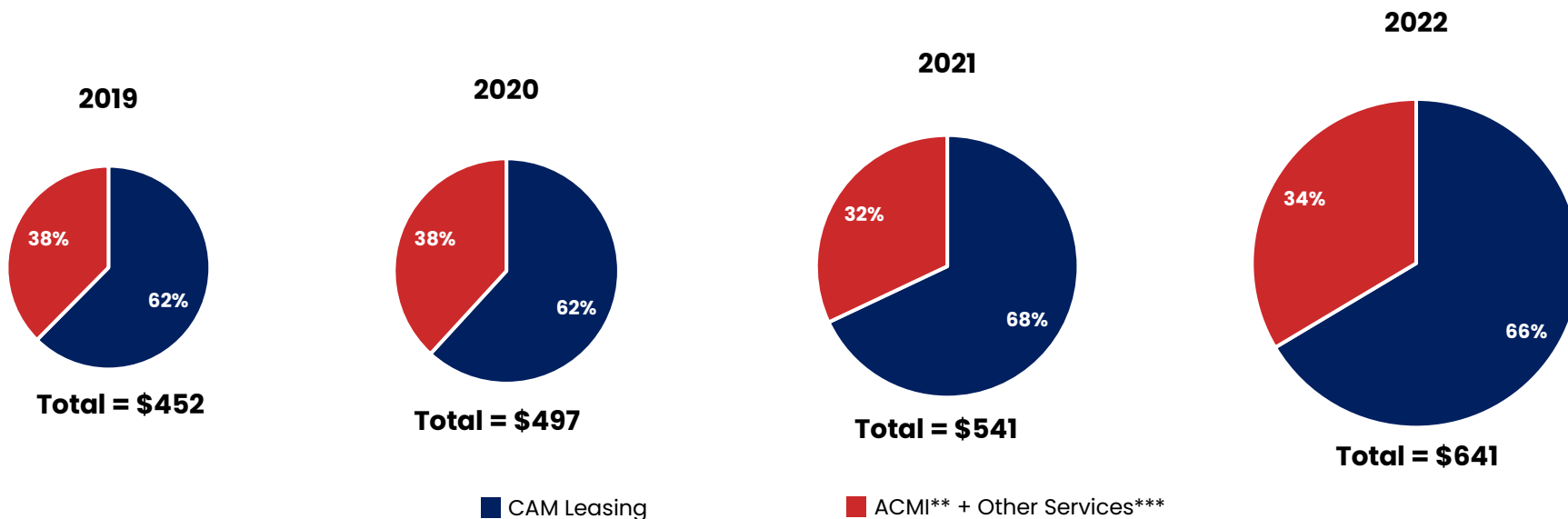


12% 3-Year
Revenue
CAGR

* Non-GAAP measure, please see enclosed GAAP reconciliation

SEGMENT ADJ. EBITDA* EVOLUTION

Leasing business a large and growing contributor to Adj. EBITDA* over time



* Non-GAAP measure, please see enclosed GAAP reconciliation

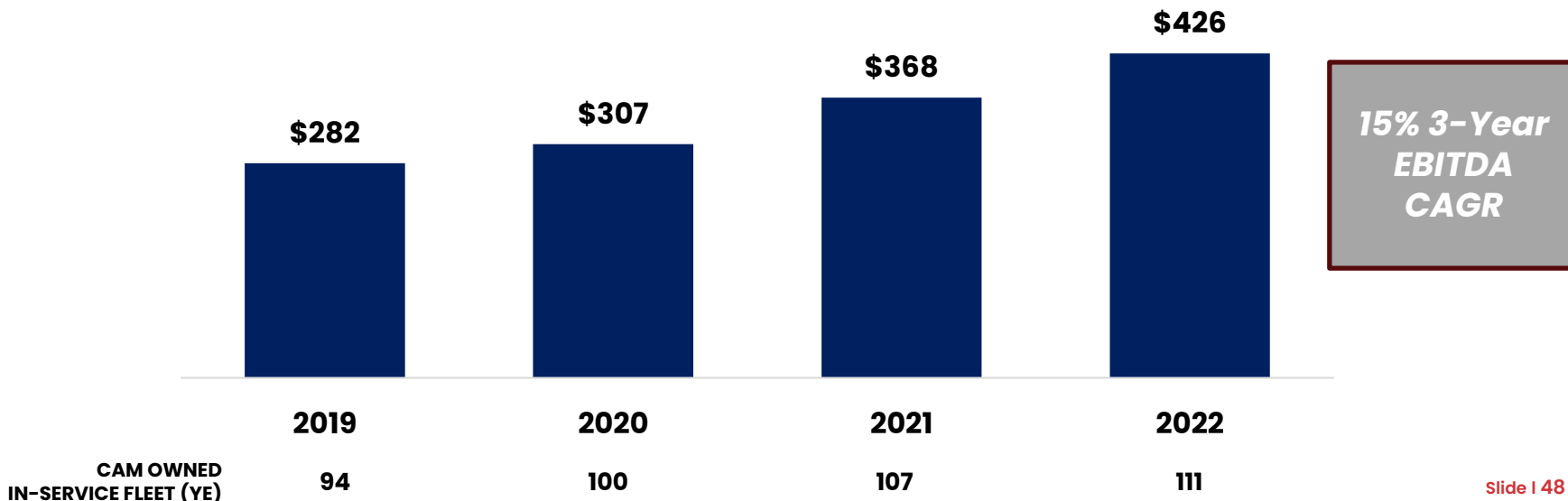
** ACMI 2020 and 2021 excludes the benefit of \$47M and \$112M respectively from government grants

*** Results of non-reportable businesses and reconciling items; See appendix for non-GAAP reconciliation

LEASING SEGMENT PERFORMANCE

- Strong growth from record deployment of converted freighters supporting e-commerce growth

ADJ. EBITDA* PERFORMANCE

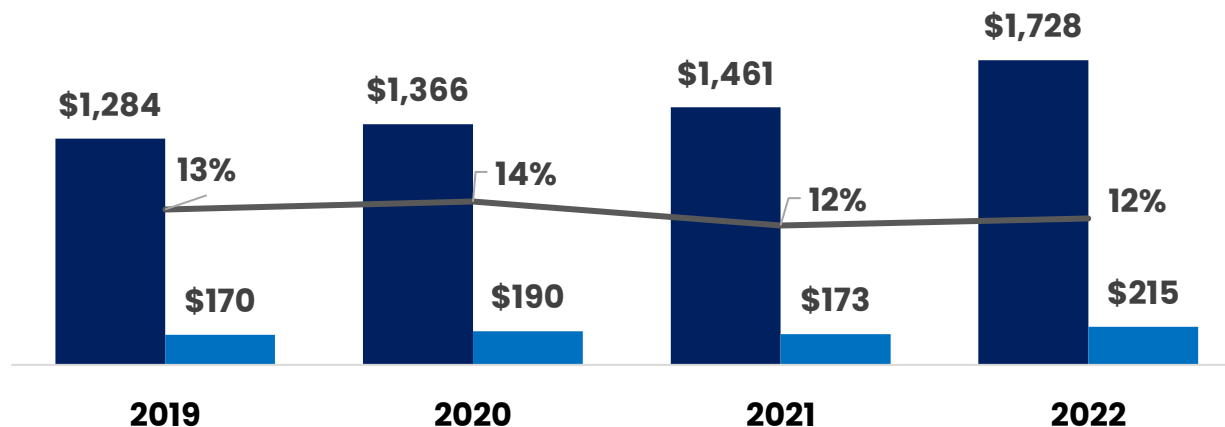


* Non-GAAP measure, please see enclosed GAAP reconciliation

FLYING + SUPPORT SERVICES PERFORMANCE

- Strong historical revenue growth and consistent adj. EBITDA margin performance across varying economic environments

HISTORICAL PERFORMANCE*



10% 3-Year
Revenue
CAGR

■ Revenue ■ Adj. EBITDA** — Adj. EBITDA %**

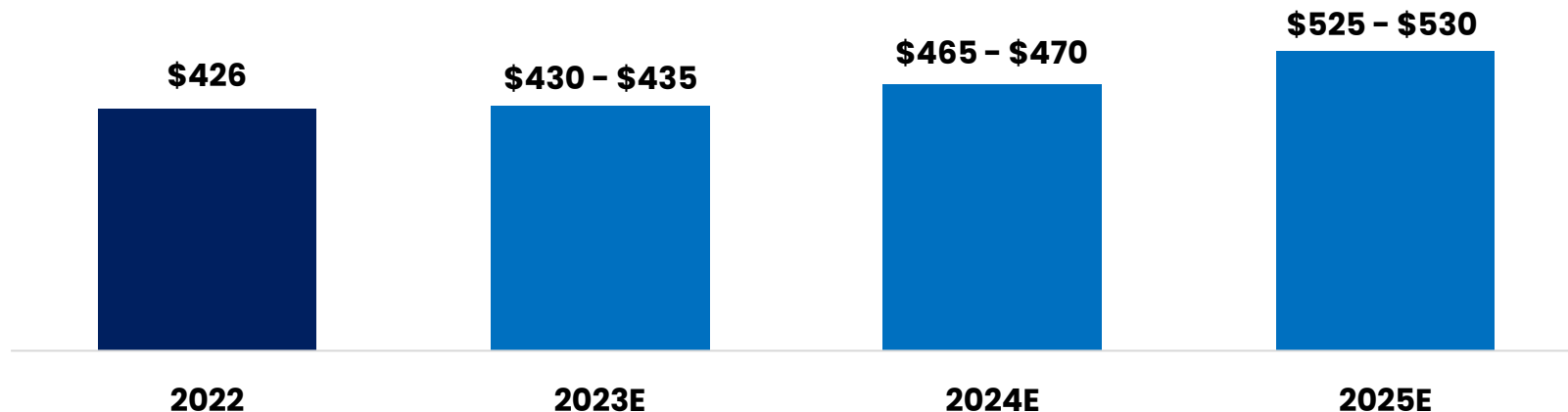
* Combined ACMI + Other Services results

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

STRONG LEASING GROWTH OUTLOOK

➤ Expect to deploy 43 newly converted freighters to lease customers in 2023 through 2025

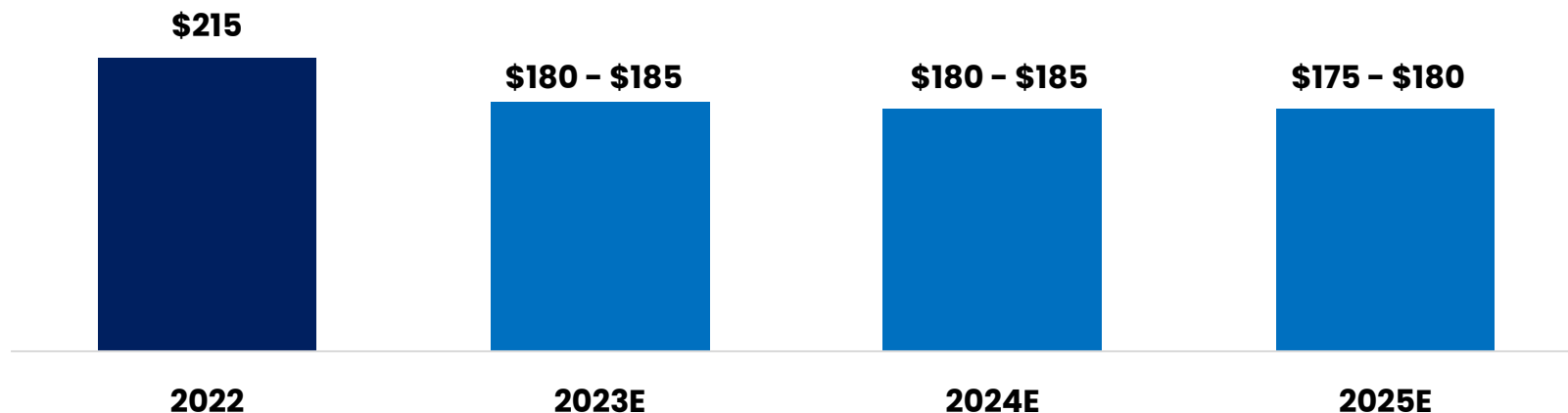
LEASING ADJ. EBITDA OUTLOOK



STABLE FLYING OUTLOOK

- ▀ Performance trends back toward pre-COVID levels
- ▀ Consistently high service performance creates opportunities for provider replacement and additional growth with customers

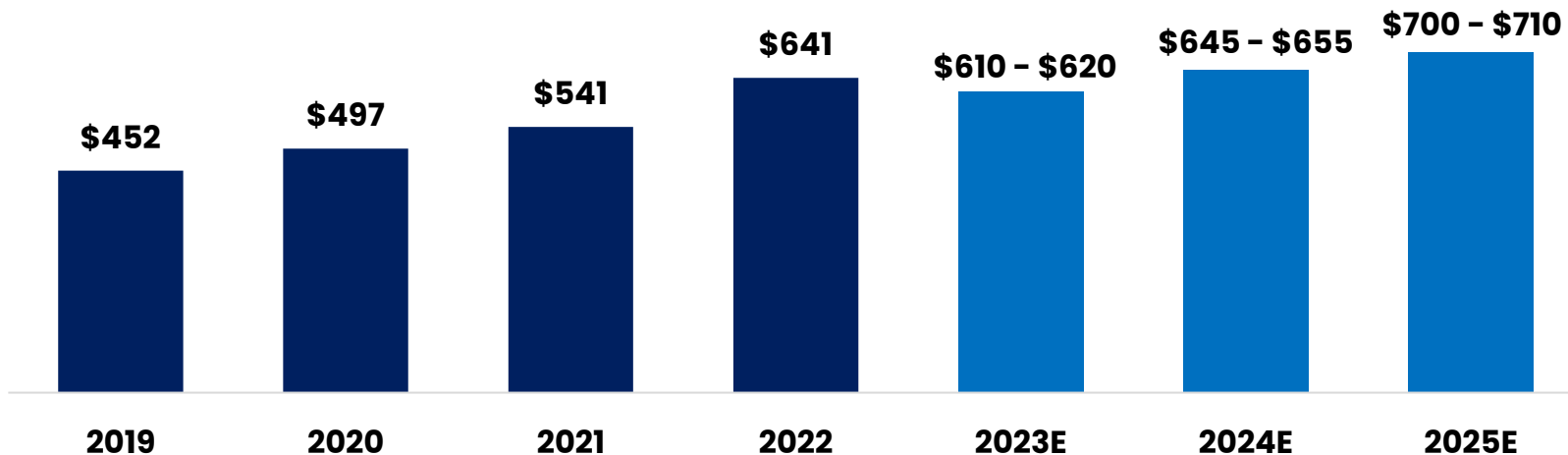
ACMI + OTHER SERVICES ADJ. EBITDA OUTLOOK



FUTURE SUCCESS

- Strong existing customer base, and delivery of additional converted freighters, expected to drive strong Adj. EBITDA growth through 2025
- Leasing grows to approximately 75% of Adj. EBITDA in 2025E
- Adj. EBITDA CAGR of 7.7% since 2019-2025

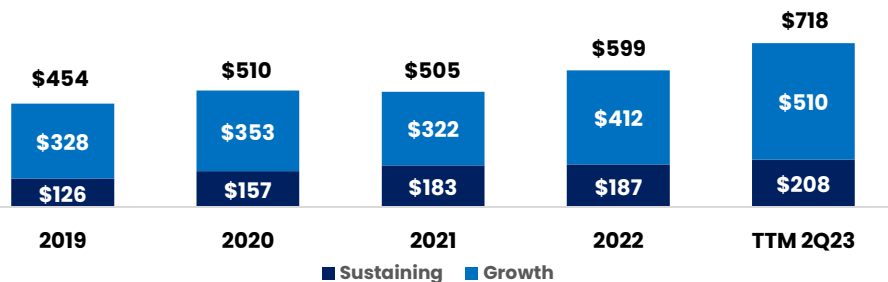
CONSOLIDATED ADJ. EBITDA* OUTLOOK



* Non-GAAP measure, please see enclosed GAAP reconciliation

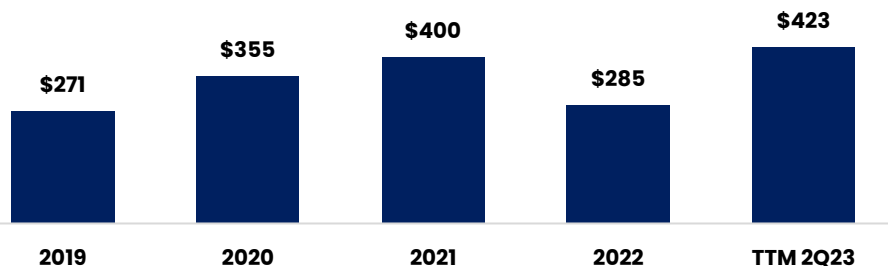
HISTORICAL CAPEX AND ADJ. FREE CASH

Capital Spending



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.

Adj. Free Cash Flow*

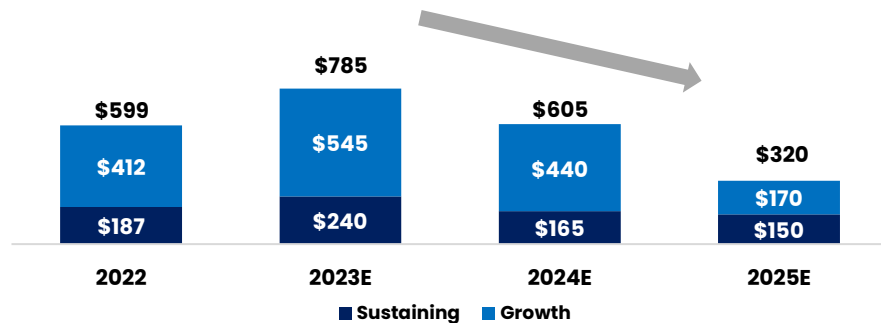


- Adj. Free Cash Flow in 2022 negatively impacted by timing of a fuel receivable, which was collected in 2023
- Trailing Twelve Month Adj. Free Cash flow has consistently been \$375 - \$400 million range

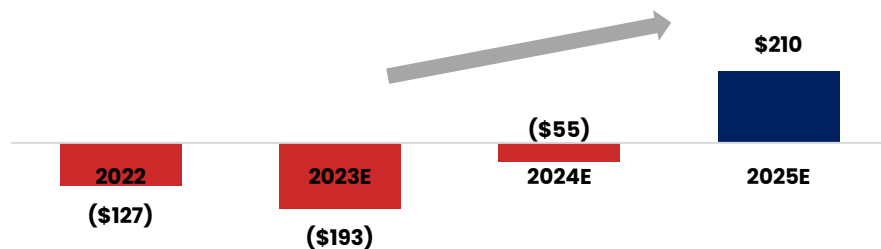
* Adj. Free Cash Flow is Non-GAAP measure defined as Net Cash from Operations minus Sustaining Capital

PATH TO STRONG FREE CASH GENERATION

Capital Spending



Free Cash Flow*



LEASE DEPLOYMENTS	2023	2024	2025
B767-300	14	9	5
A330-300	0	3	3
A321-200	5	4	0
TOTAL	19	16	8
IN/AWAITING CONVERSION AT YEAR END	19	13	7

- FCF outlook calls for improving trend through 2025 as focus is narrowed to key customer demand
- Retain flexibility to increase converted freighter deployments if outlook warrants

* Free Cash Flow is a Non-GAAP measure defined as Net Cash from Operations minus Capital Spending

STRATEGIC CAPITAL ALLOCATION

Business model generates strong recurring cash flow

Sustaining Capex

Invest to maintain existing fleet, engines, facilities, and other services portfolio

Growth Capex

Fund feedstock purchases and conversions to support lease portfolio growth at attractive returns

Share Buy Back

Available when the market is not reflecting appropriate value for our unique strategy and asset base

Debt Paydown

Maintain conservative leverage profile of under 3.0x debt to EBITDA under bank agreement

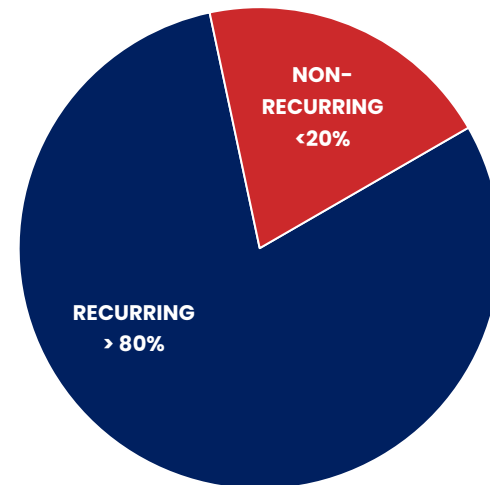
Strategic M&A

History of successful and synergistic acquisitions (e.g., Omni, CHI, Pemco)

CASH FLOW VISIBILITY

- Recurring revenue streams, multi-year agreements account for >80% of current revenue; majority from investment grade credits
- Growth capital is discretionary and based on expected future returns
- Non-discretionary sustaining capex is expected to decline and is not impacted by additional owned aircraft as leased freighter maintenance is responsibility of lessees

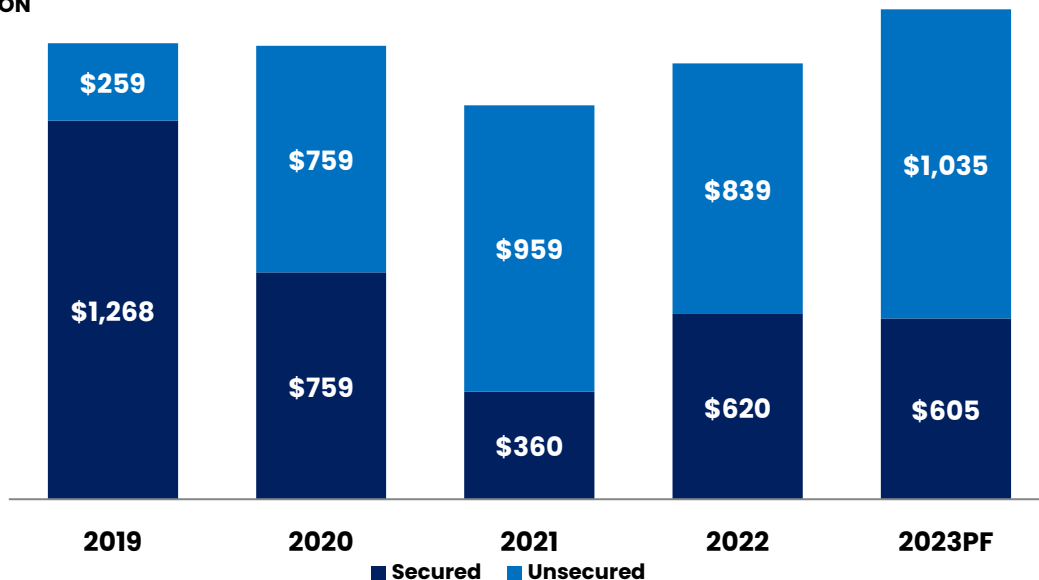
FY 2023E REVENUE BY TYPE*



*Recurring revenue includes revenues under customer agreements with more than 12 months in duration.

STRONG BALANCE SHEET WITH ACCESS TO DEBT CAPITAL

TOTAL DEBT MATURITY VALUES	\$1,527	\$1,518	\$1,319	\$1,459	\$1,640
LEVERAGE RATIO BANK AGREEMENT	3.6X	2.8X	2.0X	2.2X	2.7X
OWNED AIRCRAFT INCLUDING IN- CONVERSION	104	108	121	133	137



- Funded fleet expansion of 33 owned aircraft with minimal increased debt
- Currently >\$1.5 billion of available unencumbered aircraft collateral
- Low debt leverage ratio allowed for opportunistic share repurchase
- 75% of 2023PF total debt maturity is at a fixed interest rate
- Rated just below investment grade by Moody's(Ba1) and S&P (BB+)

STRONG UNDERLYING ASSET VALUE

Book Value of B767-300 freighters below market value by ~\$350 million



75

767-300
freighters
currently in
service

\$20.0

Average Book
Value per
767-300

\$24.8

Estimated Market
Value*

\$350

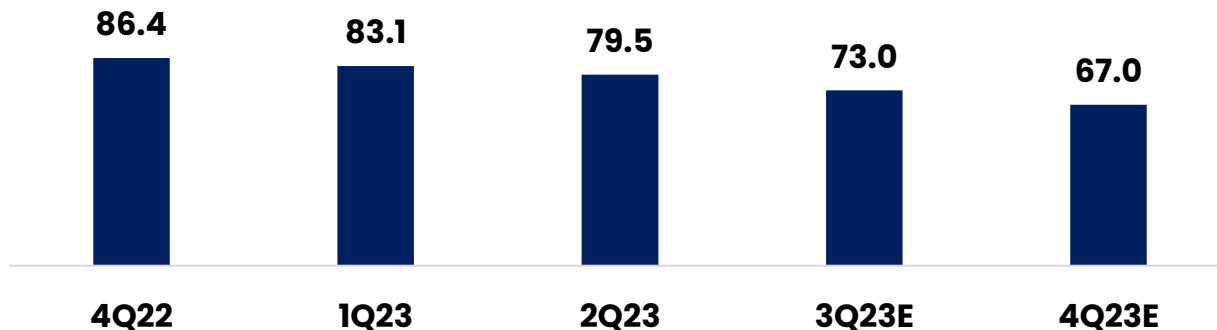
Estimated Market
Value less
Carrying Value

* Based on an estimated replacement cost to place a new 767-300 in service of \$33 million; adjusted for life since conversion, or \$4.8 million per plane more than carrying value; approximately \$350 million total above carrying value

REDUCTION IN SHARE COUNT

- 9.4 million shares repurchased since October 2022 (12.6% of shares outstanding at 9/30/22)
- Board share repurchase authorization of \$103 million remaining
- August 2023 convert financing resulted in repurchase of 5.4 million shares and retirement of \$204 million of the convertible issued 2017, resulting in a further reduction of 6.4 million in the diluted share count

GAAP Diluted Share Count



SIGNIFICANT VALUATION UPSIDE

**ATSG trades at a significant discount on a sum-of-the-parts basis;
Current stock price of ~\$21 reflects a multiple of only 6x Leasing EBITDA,
while valuing the rest of the business at \$0**

2023E ADJ. EBITDA



TOTAL: \$610-620

CURRENT INDICATIVE 2023 EV/EBITDA MULTIPLES

5 – 8x
AIRLINE PEERS

9 – 10x
LEASING PEERS

5x
CURRENT ATSG MULTIPLE

| ATSG

CLOSING

REMARKS



-ATTRACTIVE

INVESTMENT OPPORTUNITY

ATSG has a **best-in-class** value proposition for investors to a well-positioned **global e-commerce** enabler. Our **bundled solutions**, including leasing, flying, and support services offers **higher returns** for shareholders, opportunities for our people, and **flexible solutions** for our customers.



ATSG **QUESTION AND** **ANSWER**



ATSG

GUESTS



Joe Hete

Board of Directors, Chairman



Jeff Dominick

Board of Directors



Chris Teets

Board of Directors



Ed Koharik

Chief Operating Officer



Todd France

President, CAM



Matt Fedders

VP, Controller



Trisha Frank

VP, Government Programs



Russ Smethwick

*VP, Treasury & Corporate
Development*



Kym Cooper Parks

Director, Marketing

ATSG **APPENDIX**



FINANCIAL DETAILS

METRIC	2022	2023E	2024E	2025E
CAM ADJ. EBITDA*	426	430-435	465-470	525-530
ACMI+OTHER ADJ. EBITDA*	215	180-185	180-185	175-180
ATSG ADJ. EBITDA*	641	610-620	645-655	700-710
CAPEX	(599)	(785)	(605)	(320)
GROWTH CAPEX	(412)	(545)	(440)	(170)
SUSTAINING CAPEX	(187)	(240)	(165)	(150)
Adj. FCF*	285	371	385	380
FREE CASH FLOW*	(127)	(193)	(55)	210

* Non-GAAP measure, please see enclosed GAAP reconciliation

-SEGMENT ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

(\$ in thousands)

NON-GAAP RECONCILIATION

	2019				2020				2021				2022			
	CAM Leasing Services	ACMI	Other and Reconciling Items	Total	CAM Leasing Services	ACMI	Other and Reconciling Items	Total	CAM Leasing Services	ACMI	Other and Reconciling Items	Total	CAM Leasing Services	ACMI	Other and Reconciling Items	Total
Segment Earnings (GAAP)	68,643	32,055	(29,126)	71,572	77,424	114,128	(150,159)	41,393	106,161	158,733	36,311	301,205	143,008	95,198	22,292	260,498
Remove: Government grants	-	-	-	-	-	(47,231)	-	(47,231)	-	(111,673)	-	(111,673)	-	-	-	-
Add: lease incentive amortization	16,708	470	-	17,178	18,509	2,162	-	20,671	20,040	3,054	-	23,094	20,118	3,145	-	23,263
Add: charges for non-consolidated affiliates	-	-	17,445	17,445	-	-	13,587	13,587	-	-	2,577	2,577	-	-	7,607	7,607
Add: net loss (gain) on financial instruments	-	-	12,302	12,302	-	-	100,771	100,771	-	-	(29,979)	(29,979)	-	-	(9,022)	(9,022)
Add: debt issuance costs	-	-	-	-	-	-	-	-	-	-	6,505	6,505	-	-	-	-
Add: transaction fees	-	-	373	373	-	-	-	-	-	-	-	-	-	-	-	-
Add: other non-service components of retiree benefit costs, net	-	-	9,404	9,404	-	-	(12,032)	(12,032)	-	-	(17,827)	(17,827)	-	-	(20,046)	(20,046)
Add: impairment of aircraft and related assets	-	-	-	-	-	-	39,075	39,075	-	-	-	-	-	-	-	-
Add: net charges for hangar foam incident	-	-	-	-	-	-	-	-	-	-	-	-	-	53	925	978
Adjusted Pretax Earnings	85,351	32,525	10,398	128,274	95,933	69,059	(8,758)	156,234	126,201	50,114	(2,413)	173,902	163,126	98,396	1,756	263,278
Add: net interest expense	38,300	24,950	3,024	66,274	39,304	20,542	2,825	62,671	38,160	18,066	2,525	58,751	30,880	13,818	1,748	46,446
Add: Depreciation and amortization	158,470	96,191	2,871	257,532	172,003	101,748	4,316	278,067	203,675	101,541	3,232	308,448	231,663	96,996	2,405	331,064
Adjusted EBITDA	282,121	153,666	16,293	452,080	307,240	191,349	(1,617)	496,972	368,036	169,721	3,344	541,101	425,669	209,210	5,909	640,788

This presentation, including the attached non-GAAP reconciliation tables, contains financial measures that are not calculated and presented in accordance with generally accepted accounting principles in the United States ("non-GAAP financial measures"). Management uses these non-GAAP financial measures to evaluate historical results and project future results. Management believes that these non-GAAP financial measures assist in highlighting operational trends, facilitating period-over-period comparisons, and providing additional clarity about events and trends affecting core operating performance and cash flows. Disclosing these non-GAAP financial measures provides insight to investors about additional metrics that management uses to evaluate past performance and prospects for future performance. Non-GAAP measures should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP and may be calculated differently by other companies.

NON-GAAP RECONCILIATION

	2019	2020	2021	2022	TTM 2Q23
Net Cash Provided by Operating Activities (GAAP)	396,938	512,302	583,557	472,120	630,487
Less Sustaining Capital Expenditures	(125,464)	(156,990)	(183,104)	(186,836)	(207,680)
Adj Free Cash Total (Non GAAP)	271,474	355,312	400,453	285,284	422,807
Less Growth Capital Expenditures	(328,038)	(353,427)	(321,644)	(412,595)	(510,466)
Free Cash (Non GAAP)	(56,564)	1,885	78,809	(127,311)	(87,659)

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.

These measures facilitate the comparison of financial results among periods. Presenting these measures provides investors with comparative metrics of net cash generated from operations compared to capital expenditures and should not be considered an alternative to Net cash provided by operating actives or other GAAP cash flow metrics.

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