



AIR TRANSPORT SERVICES GROUP 1Q 2022 PRESENTATION

MAY | 06 | 2022

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WITH RESILIENCE, FLEXIBILITY AND INTEGRITY

A 360° set of top-quality capabilities and a tenacious approach that overcomes challenges and allows their opportunities to take flight



CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for historical information contained herein, the matters discussed in this presentation contain forward-looking statements that involve risks and uncertainties. These forward-looking statements are based on expectations, estimates and projections as of the date of this presentation and address activities, events or developments that we expect, believe or anticipate will or may occur in the future. Although we believe our estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management's assumptions about future events may prove to be inaccurate. We caution all readers that the forward-looking statements contained in this presentation are not guarantees of future performance, and we cannot assure any reader that those statements will be realized, or the forward-looking events and circumstances will occur.

A number of important factors could cause Air Transport Services Group's (ATSG's) actual results to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to the following, which relate to the current COVID-19 pandemic. The pandemic may (i) continue for a longer period, or its effect on commercial and military passenger flying may be more substantial than we currently expect; (ii) cause disruptions to our workforce and staffing capability, including through our compliance with federally mandated COVID-19 vaccination and testing requirements; (iii) cause disruptions in our ability to access airports and maintenance facilities; and (iv) adversely impact our customers' creditworthiness or the ability of our vendors and third-party service providers to maintain customary service levels.

Other factors that could cause ATSG's actual results to differ materially from those indicated by such forward-looking statements 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; and (x) other factors that are contained from time to time in ATSG's filings with the U.S. Securities and Exchange Commission, including its 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.

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 and accompanying earnings release furnished and dated 5/5/2022.

FIRST QUARTER 2022 HIGHLIGHTS

*Non-GAAP measure, please see the company's 8K and accompanying earnings release for GAAP reconciliation furnished and dated 5/5/2022

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

GAAP EPS (basic) from Continuing Operations
\$.58, up \$.09 from 1Q 2021

Customer Revenues **\$486** million,
up \$110 million or **29%** over 1Q 2021



Adjusted EPS* of **\$.56**,
up \$0.36 vs 1Q 2021

TTM Adjusted EBITDA* **\$593** million,
up 24% vs \$479 million TTM 1Q21

**Consistently strong
Adjusted Free
Cash Flow****
(\$406 million current
trailing twelve months)

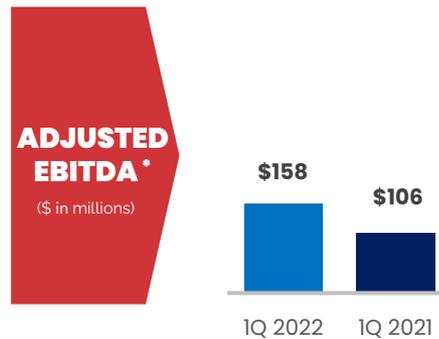
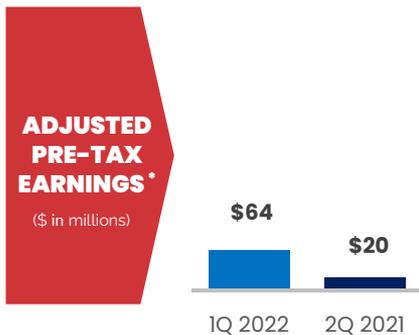
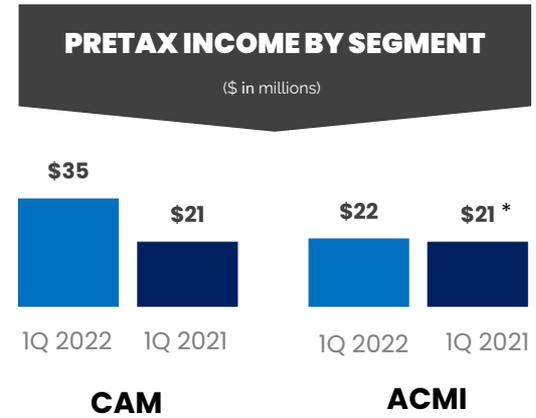
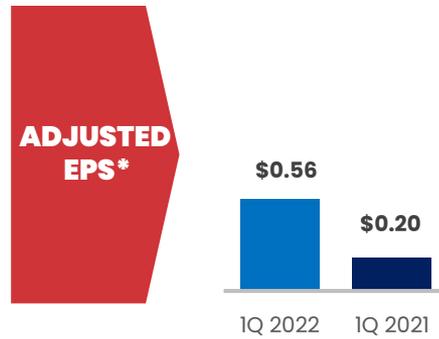
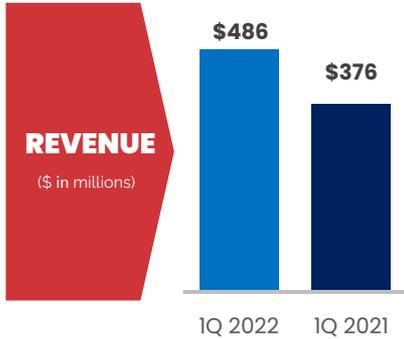


2022 Adjusted EBITDA Guidance
of **\$640** million, **up 18%** vs. 2021



2022 FINANCIALS

*Non-GAAP measure, please see the company's 8K and accompanying earnings release for GAAP reconciliation furnished and dated 5/5/2022



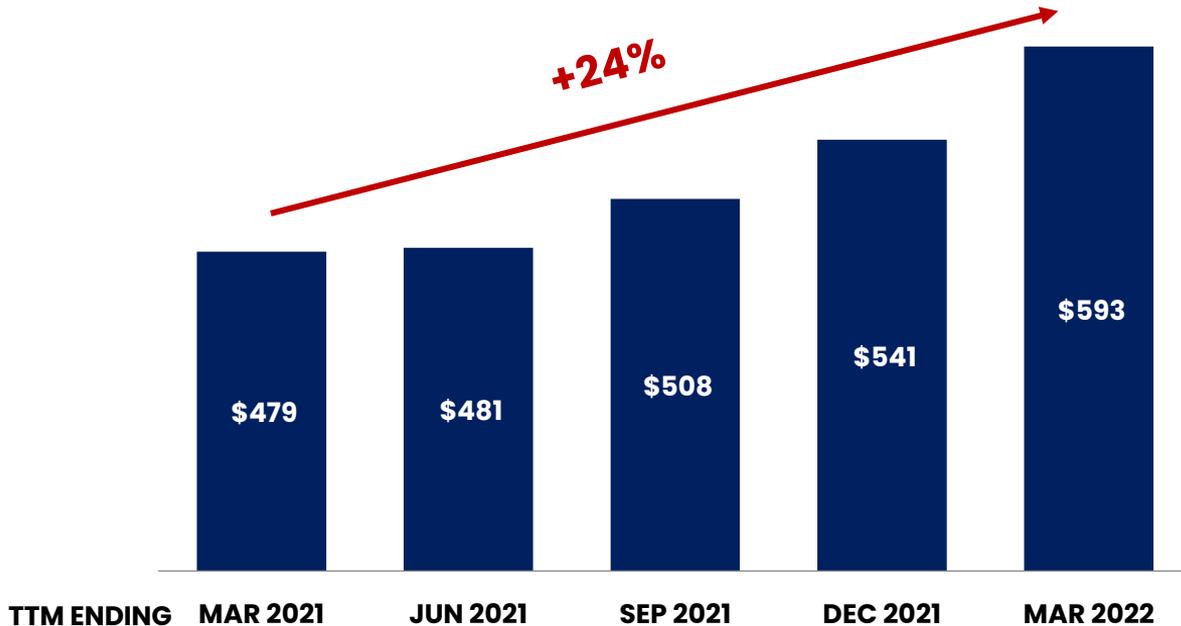
*ACMI 1Q 2021 included \$28M from government grants. No government grants will be recognized in 2022.

ADJUSTED EBITDA*

- TRAILING TWELVE MONTH TREND

*Non-GAAP measure, please see the company's 8K and accompanying earnings release for GAAP reconciliation furnished and dated 5/5/2022

(\$ in millions)

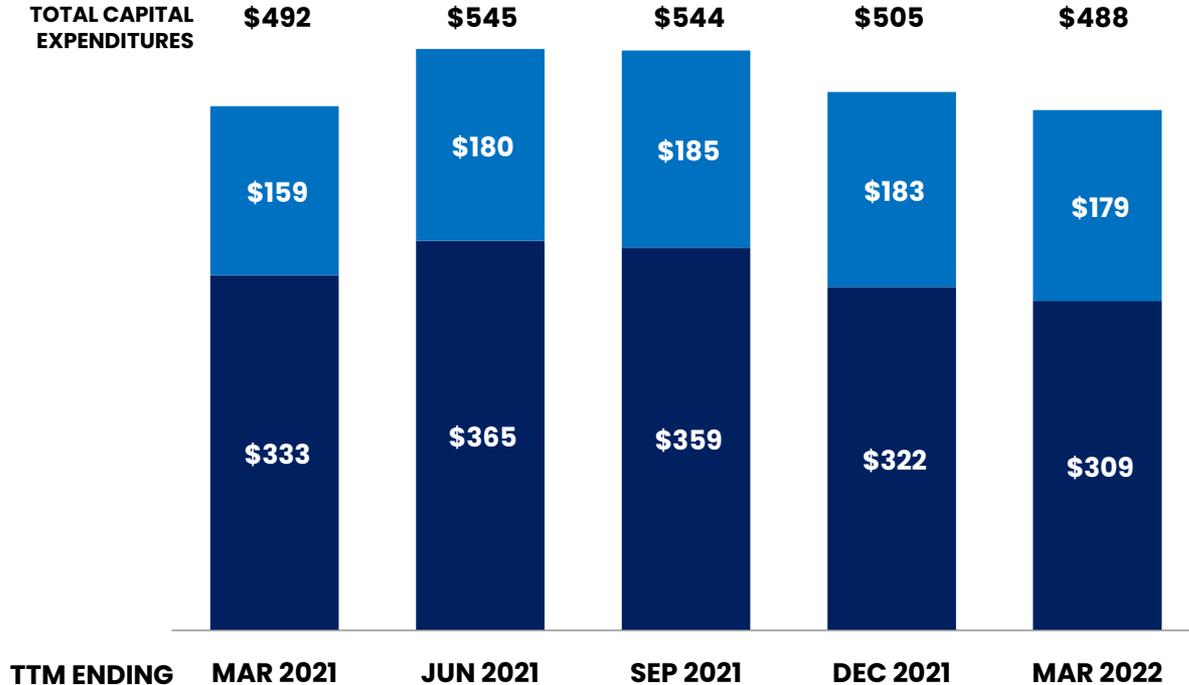


- 1Q 2022 Adjusted EBITDA up 49% to \$158M vs 1Q 2021
- Trend driven by a larger fleet of Boeing 767s aircraft and increased passenger flying
- Increased in-service fleet by fifteen aircraft since March 2021; eleven CAM-owned and five customer-provided aircraft; one aircraft sold during the period

CAPITAL EXPENDITURES

-TRAILING TWELVE MONTH TREND

(\$ in millions)

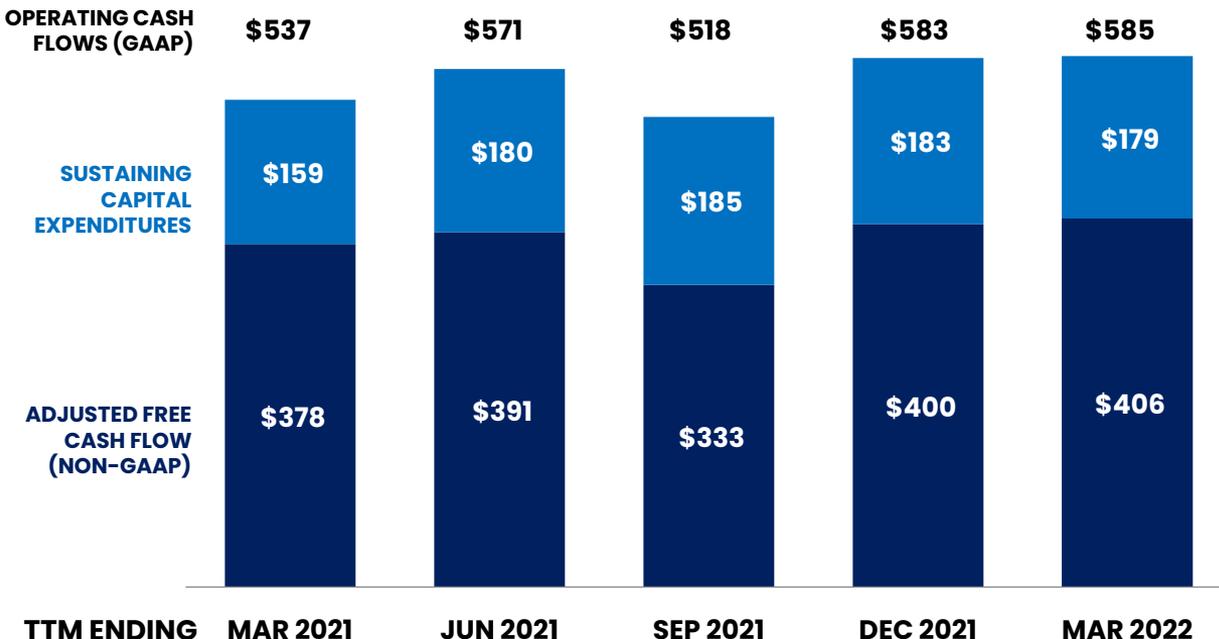


SUSTAINING CAPITAL EXPENDITURES	Cost of planned airframe maintenance, engine overhauls, technology, and other property and equipment.
GROWTH CAPITAL EXPENDITURES	Cost of aircraft acquisitions and freighter modifications.

ADJUSTED FREE CASH FLOW**

-TRAILING TWELVE MONTH TREND

(\$ in millions)

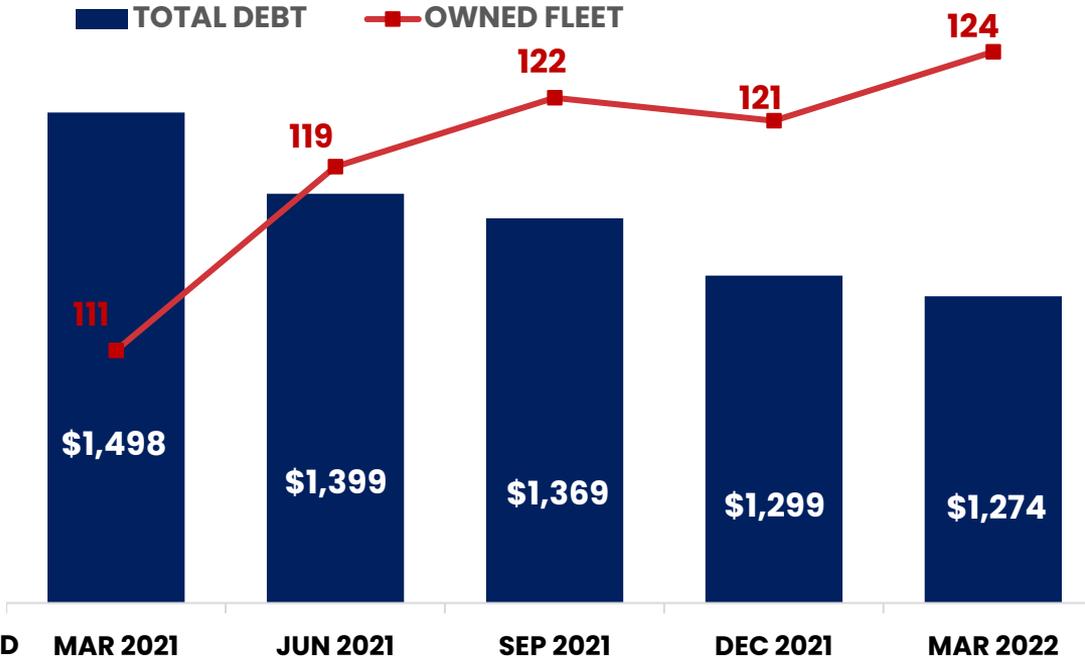


- ATSG received \$158M in non repayable COVID PSP grants through May 2021
- TTM Adjusted Free Cash Flow of \$406 million exceeds projected 2022 Growth Capital expenditures of \$390 million

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

FLEET GROWS WITHOUT ADDITIONAL DEBT

(\$ in millions)



Debt amounts shown reflect long term plus current portion of balance sheet debt at end of month shown.

- CAM owned 124 aircraft at 3/31/2022 including sixteen being converted to freighters
- Debt leverage under bank agreement, which includes government grant proceeds, declined from 2.75x in March 2021 to 1.83x in March 2022
- Total Debt level decreased by 15% while CAM owned aircraft have increased by 12%

2021 ACHIEVEMENTS DRIVING 2022 PERFORMANCE

(\$ in millions)

2021 ACHIEVEMENT

- Amazon, DHL lease twelve more 767s from CAM, nearly all join ABX Air, ATI fleets
- CAM, AGS expand outreach to express airlines abroad as e-commerce demand grows
- CAM to add Airbus A330, A321 to freighter fleet; 767s to remain leading freighter type
- ATSG invests in fuel saving technologies, commits to report progress on environment, social, and governance initiatives

2022 RESULTS

- Block hours up 21% in 1Q21; Amazon, DHL assigning seven more 767 freighters they own or lease elsewhere to ABX Air and ATI
- All but two of this year's new freighter leases will operate outside the U.S. in Europe, Asia or Canada
- 80+ conversion inductions secured for 767s, A300s and A321s through 2026. Orders for more than fifty of them
- ATSG issues first Sustainability Report covering progress in environment, social, and governance initiatives

2022 OUTLOOK



- **Projected Adjusted EBITDA for 2022 up 18% to \$640M**
- **Eleven new freighter leases, including nine 767-300s and two A321-200s**
- **Omni commercial charter and ATI combi flights continue to increase throughout 2022**
- **2022 capital spending projected at \$590M, including \$390M growth plus \$200M sustaining**
- **ATSG business model largely mitigates economic risk from inflation and GDP slowdown through long-term leases, customers responsible for fuel and payload, minimal short-term charter exposure**

QUESTION & ANSWER



APPENDIX



NON-GAAP RECONCILIATION

-ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

Trailing twelve months ended (\$ in 000's)	1Q2021	2Q2021	3Q2021	4Q2021	1Q2022
GAAP Pre-Tax Earnings (Loss) from Cont Ops	\$ (44)	\$ 166	\$ 242	\$ 301	\$ 311
Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense	\$ 61	\$ 60	\$ 59	\$ 59	\$ 56
Depreciation and Amortization	\$ 280	\$ 287	\$ 297	\$ 308	\$ 319
Add customer incentive amortization	\$ 22	\$ 22	\$ 23	\$ 23	\$ 23
Less government grants recognized	\$ (75)	\$ (104)	\$ (112)	\$ (112)	\$ (84)
Add impairment of aircraft and related assets	\$ 39	\$ -	\$ -	\$ -	\$ -
Add non-service components of retiree benefit	\$ (14)	\$ (15)	\$ (17)	\$ (18)	\$ (19)
Less debt issuance costs	\$ -	\$ 7	\$ 6	\$ 7	\$ 7
Less net (gain) loss on financial instruments	\$ 198	\$ 53	\$ 7	\$ (30)	\$ (23)
Add loss from non-consolidated affiliates	\$ 12	\$ 5	\$ 3	\$ 3	\$ 3
	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted EBITDA (non-GAAP)	\$ 479	\$ 481	\$ 508	\$ 541	\$ 593