

**SEPT
2023**

| ATSG

INVESTOR PRESENTATION



RICH CORRADO | PRESIDENT & CEO
rich.corrado@atsginc.com – 937.655.2216

MATT FEDDERS | VP & CONTROLLER
matt.fedders@atsginc.com – 937.655.2240



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.

These factors include, but are not limited to, unplanned changes in the market demand for our assets and services, our operating airline's ability to maintain on-time service and control costs; the cost and timing with respect to which we are able to purchase and modify aircraft to a cargo configuration; fluctuations in ATSG's traded share price and in interest rates, which may result in mark-to-market charges on certain financial instruments; the number, timing and scheduled routes of our aircraft deployments to customers; our ability to remain in compliance with key agreements with customers, lenders and government agencies; the impact of current supply chain constraints, both within and outside the U.S., which may be more severe or persist longer than we currently expect; the impact of the current competitive labor market; changes in general economic and/or industry-specific conditions, including inflation; and other factors as contained from time to time in our filings with the SEC, including ATSG's 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 08/03/2023.

AT A GLANCE

Fleet (6/30/2023)

In-Service: 125 Boeing 757, 767, 777

Owned: 137 Boeing 757, 767, 777 Airbus A321

Key Business Segments:

CAM Leasing: world's largest lessor of freighter aircraft

ACMI Services: three separate airlines providing CMI services to e-commerce and express networks through ABX Air and ATI; passenger charter services through Omni Air Int'l

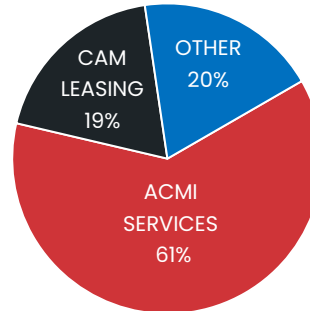
Other: includes heavy and line aircraft maintenance and aircraft conversion services; ground operations and material handling equipment services

Founded in 1980 as a wholly owned subsidiary of Airborne Express; first public offering in August 2003 ; Headquarters located at the Wilmington Air Park in Ohio, which also serves as a regional air hub for Amazon

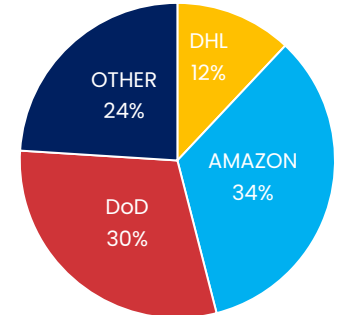
5,400+ employees worldwide



FY 2022 Revenue By Segment*



FY 2022 Revenue By Customer*



*Segment revenue before elimination of internal revenues and revenue by customer percentages are calculated based on FY 2022 results.

-GLOBAL

FLEET STRATEGY

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 |
| B767 staging for lease | 2 |
| <i>IC = in or awaiting conversion</i> | 123 |

Passenger Fleet

| | |
|-------------|-----------|
| 777-200 Pax | 2 |
| 767-300 Pax | 5 |
| 767-200 Pax | 3 |
| 757-Combi | 4 |
| | 14 |

Total 137



767-300 Freighter
Our flagship offering will continue



A321-200 Freighter
We own the STC for conversion & will deliver 4-6 per year in 2023 & 2024



A330-200/300 Freighter
30 conversion slots for delivery
2024-2028



2023

SECOND QUARTER

HIGHLIGHTS

**Customer
Revenues \$529
million**

**Up \$20 million or
4% over 2Q 2022**

**Adjusted Free
Cash Flow****

**Up 19% to \$423
million, trailing
twelve months**

**2Q 2023
Adjusted
EBITDA*
\$157 million,**

Flat vs 2Q 2022



**GAAP EPS (basic)
from Continuing
Operations
\$0.54,**

**vs. \$0.73 in
2Q 2022**

**Adjusted EPS*
of \$0.57,**

**vs \$0.59 in
2Q 2022,
down 3%**

**2023
Adjusted
EBITDA
Guidance of
\$610 – \$620
million**

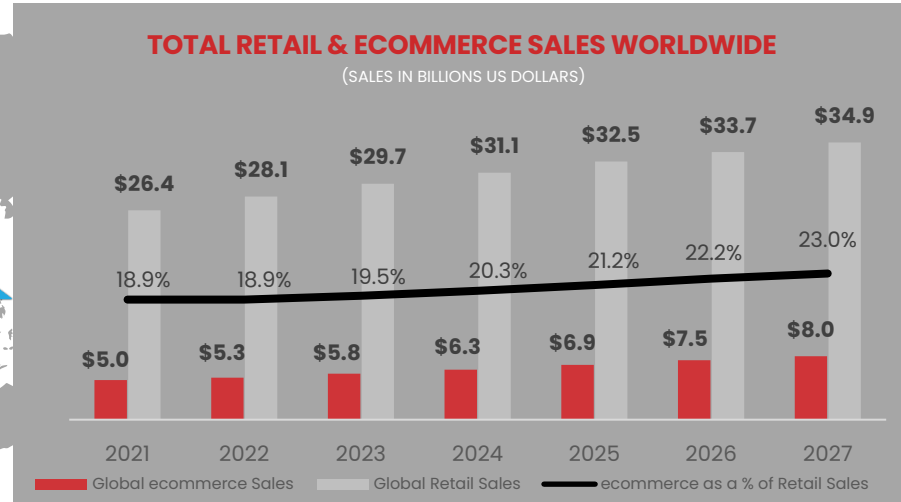
* Non-GAAP measure, please see the company's 8K and accompanying earnings release for GAAP reconciliation furnished and dated August 3, 2023

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

-ATSG GLOBAL GROWTH

SUPPORTED BY E-COMMERCE AND EXPRESS NETWORKS

(Source: emarketer 06/23)



We Are Worldwide

ATSG fleet expansion through 2025 is focused on the growing regional global markets with continued growth in Canada, Mexico, Africa, and Malaysia.

Global E-commerce Growth

Ecommerce growth will still outperform brick-and-mortar. The numbers suggest an in-store growth rate of 6.9% last year falling to 2.7% this year and 3.1% next year, that lags ecommerce growth by a little over 6 percentage points per annum.

ATSG'S DIFFERENTIATED BUSINESS MODEL

ATSG offers mid-size aircraft leasing solutions with an unmatched set of complementary cargo and passenger services



ASSET

- Owned aircraft portfolio focused on mid-size freighters – the asset of choice for express and e-commerce driven regional air networks
- Boeing 767 freighter is ideally suited to regional network flying due to high reliability, cubic capacity and durable performance
- 767 is the fastest growing freighter in regional air networks around the world
- Investment in next generation Airbus A321 and A330 conversion positions ATSG to capitalize on mid-range freighter demand



MARKET

- E-commerce enabler, providing critical service globally to customers including Amazon, DHL, and UPS
- World's largest lessor of freighter aircraft
- Largest provider of passenger charter service to the DoD and other governmental agencies
- Differentiated package of value-added aviation services, building long-term customer partnerships
- Decades of experience with express network airline operations



SERVICES

- Differentiated value-added service offerings improve customer retention – most leasing customers use several services
- Best-in-class CMI airline operations for integrator and e-commerce networks
- Heavy maintenance, line maintenance, conversion, and engine PBC services
- Aircraft and cargo handling, sort operations, MHE and GSE service

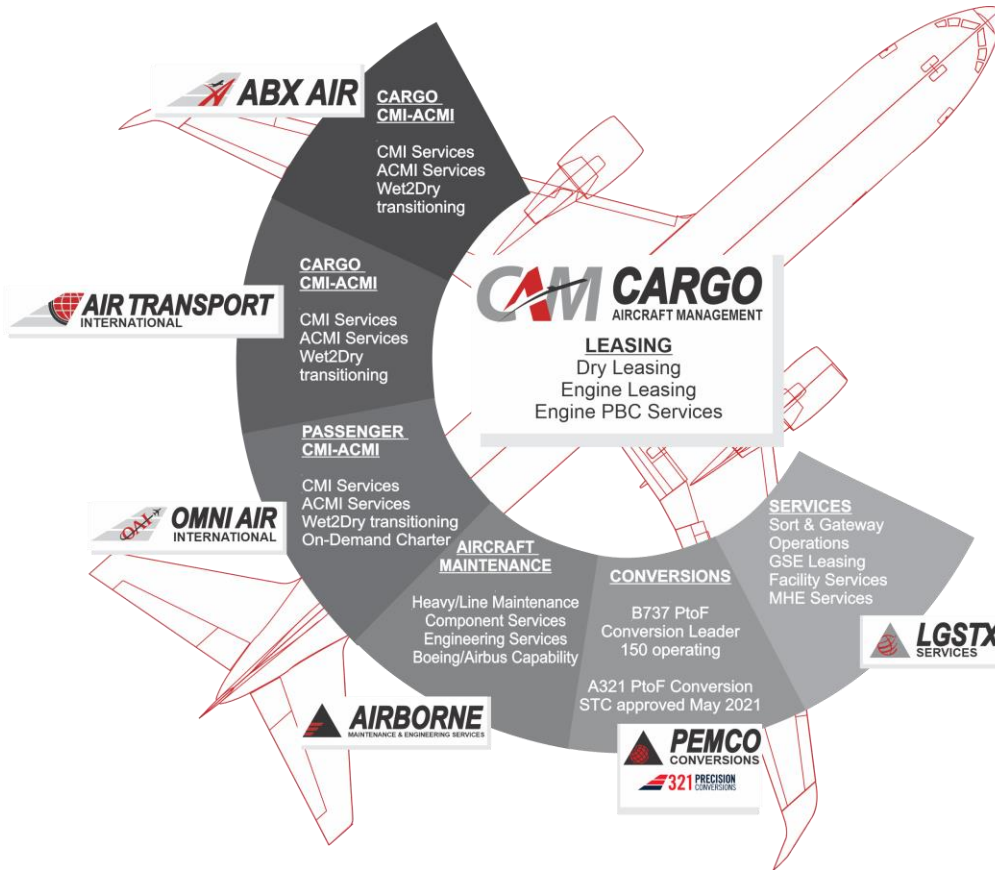


FINANCIALS

- Solid balance sheet and conservative financial policy
- Significant revenue and cash flow visibility through long-term leases and operating contracts with blue-chip customer base
- Business significantly immunized against trade disruptions or GDP cycles
- No payload or fuel risk

-TURNKEY SOLUTIONS FOR

BUNDLED SERVICES



| Amazon | + | + | + | + | + | |
|----------------------------|---|---|---|---|---|---|
| DHL | + | + | + | + | + | |
| Amerijet | + | + | | + | | |
| Cargojet | + | | | + | | |
| UPS | + | + | + | + | + | |
| Northern Aviation Services | + | + | + | + | | |
| DoD | | + | + | | | + |

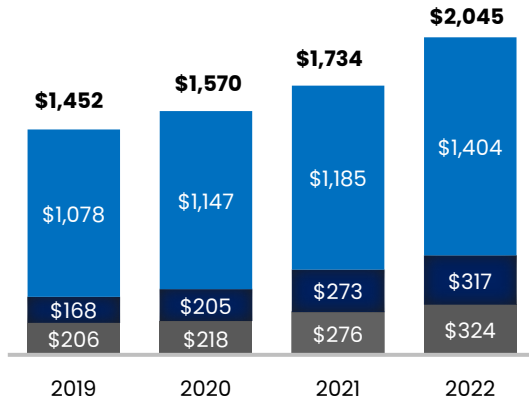
- ANNUAL

FINANCIALS BY REPORTABLE SEGMENT

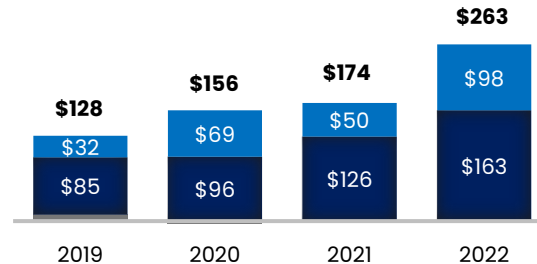


(\$ in millions)

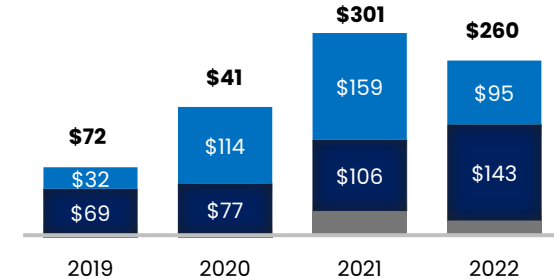
REVENUE



ADJUSTED PRE-TAX EARNINGS*



(GAAP) PRE-TAX EARNINGS

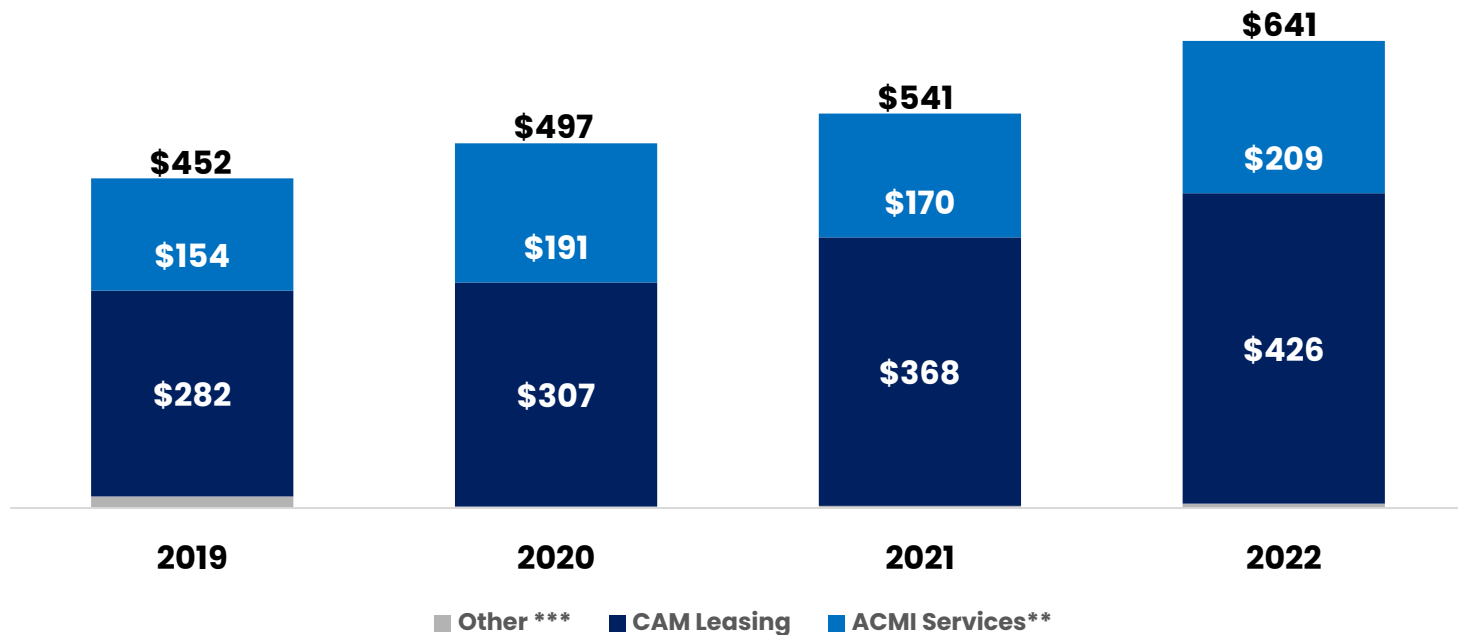


■ ACMI Services ■ CAM Leasing ■ Other**

* Non-GAAP measure, please see enclosed GAAP reconciliation
** Results of non-reportable business segments and reconciling items

-ANNUAL

ADJUSTED EBITDA* BY REPORTABLE SEGMENT



* Non-GAAP measure, please see enclosed GAAP reconciliation

** Results of non-reportable business segments and reconciling items

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

-TRAILING TWELVE MONTH TREND

CAPITAL EXPENDITURES



TOTAL CAPITAL EXPENDITURES

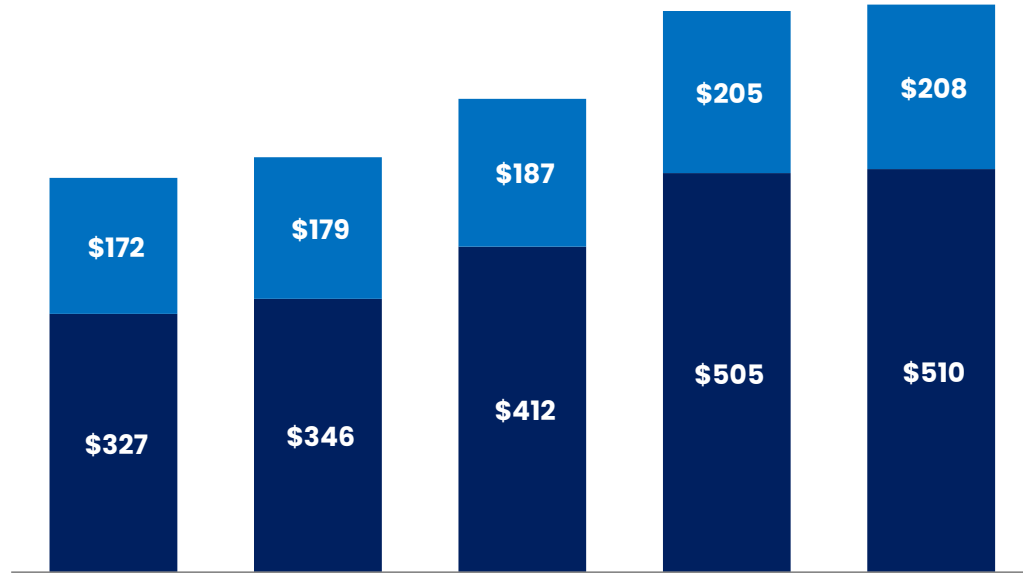
\$499

\$525

\$599

\$710

\$718



TTM ENDING

JUN 2022

SEP 2022

DEC 2022

MAR 2023

JUN 2023

| | |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------|
| 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. |

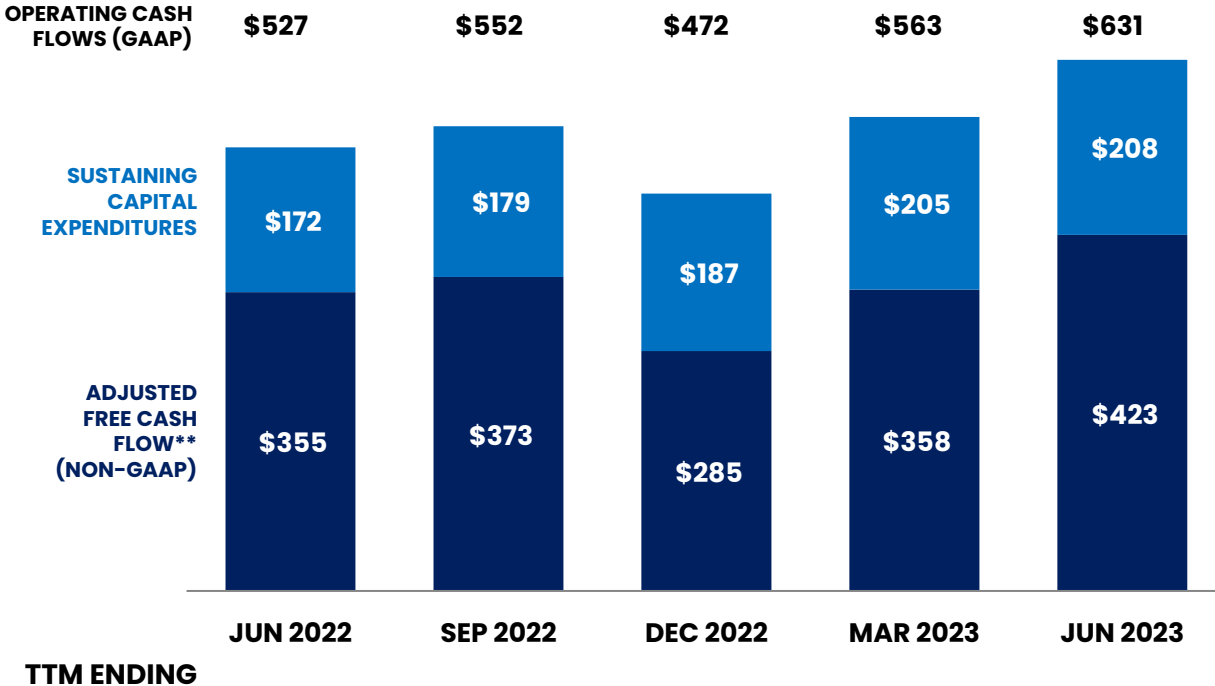
- **Twenty-nine aircraft in or awaiting conversion on June 30, 2023: twenty 767-300s and nine A321s.**
- **Projected 2023 Total Capital spend of \$785M - \$240M for Sustaining and \$545M for Growth.**

-TRAILING TWELVE MONTH TREND

ADJUSTED FREE CASH FLOW*



(\$ in millions)



- Strong growth in adjusted free cash flow, 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 Flow less Sustaining Capital Expenditures

Refinancing and Share Purchases



(\$ in thousands)

| | June 30 2023 as reported | August changes | ProForma* June 30, 2023 |
|-----------------------------------|-----------------------------|-------------------|-------------------------------|
| Senior Secured Revolver | \$670 | (\$65) | \$605 |
| Unsecured Notes | | | |
| 1.125% Convertible Notes | 259 | (204) | 55 |
| 3.875% Convertible Notes | | 400 | 400 |
| Unsecured Notes Payable | 580 | - | 580 |
| Total Debt Maturity Values | \$1,509 | \$131 | \$1,640 |
| Leverage Ratio Bank Agmt | 2.43X | 0.29X | 2.72X |
| Shares outstanding | 70,761 | (5,436) | 65,325 |

- \$400M of convertible senior notes issued on August 14, 2023, including \$50M underwriter option; conversion price of \$31.96
- Proceeds used to repurchase \$204M of existing convertible and concurrently repurchase \$118.5M in stock. Repurchased 7.7% of shares outstanding
- Transactions phases-in a reduction of average diluted shares. Estimate net 10M fewer diluted shares starting in Q4 2023
- 2023 Adjusted EPS now expected in the range of \$1.85 - \$2.00 vs \$1.65 - \$1.80 prior; no changes to EBITDA guidance range of \$610 - \$620M

* June 30, 2023 balances adjusted to reflect recent convertible notes offering and share repurchases

CAPITAL STRUCTURE



(\$ in thousands)

| | December 31, | | ProForma* |
|--------------------------------------|----------------|----------------|----------------|
| | 2021 | 2022 | June 30, 2023 |
| Senior Secured Revolver | \$360 | \$620 | \$605 |
| Unsecured Notes | | | |
| 1.125% Convertible Notes | 259 | 259 | 55 |
| 3.875% Convertible Notes | | | 400 |
| Unsecured Notes Payable | 700 | 580 | 580 |
| Total Debt Maturity Values | \$1,319 | \$1,459 | \$1,640 |
| Leverage Ratio Bank Agreement | 2.06X | 2.22X | 2.72X |

- Supports Growth Capex
- \$419M of unused capacity under senior revolver as of June 30, 2023
- Share repurchases of 9.4 million shares for \$209M since October 2022 removal of CARES restrictions. . Repurchased 12.6% of shares outstanding as of Sept 30, 2022
- Remain modestly leveraged

Revolver is SOFR based, expires Oct 2027, Debt-to EBITDA variable rate, recently 6.5%,

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

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

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

* June 30, 2023 balances adjusted for the recent convertible notes offering

FINANCIALS BY REPORTABLE SEGMENT

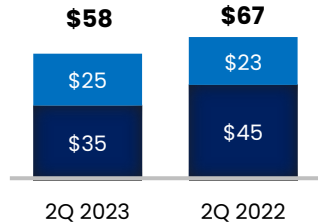


(\$ in millions)

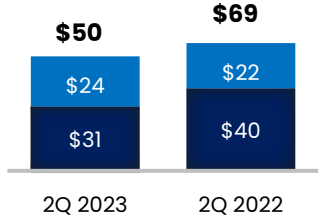
REVENUE



ADJUSTED PRE-TAX EARNINGS*



(GAAP) PRE-TAX EARNINGS*



ADJUSTED EBITDA*



■ ACMI Services ■ CAM Leasing ■ Other

* Non-GAAP measure, please see enclosed GAAP reconciliation

FLEET

INVESTMENTS & RETURNS

- CAM scheduled to lease nineteen newly converted freighters (14-767s, 5-A321-200s) in 2023 to generate double-digit returns on invested capital
- Freighter deployments ramped up in July, with four 767-300s and two A321s delivered since the end of the quarter
- Managing the scheduled return of 767-200s with active discussions to re-lease or sell uncommitted aircraft
- Reduced capital expenditure outlook by \$65 million to \$785 million, reflecting fewer feedstock aircraft purchases for conversion and fewer planned engine overhauls
- A330 conversions continue as planned with three feedstock purchases this year for conversion and lease to customers in 2024

2023

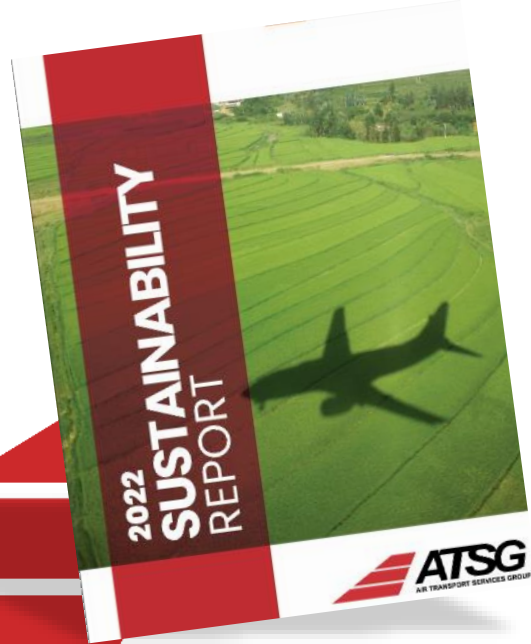
OUTLOOK

- **Adjusted EBITDA for 2023 to be \$610 – \$620 million**
- **Full year 2023 Adjusted EPS revised to be \$1.85 – \$2.00**
- **2023 capital spending \$785 million, including \$240 million in sustaining capex and \$545 million for growth**
- **ATSG remains midsize freighter market leader, with superior customer service record and strong balance sheet**

2022

SUSTAINABILITY REPORT

HIGHLIGHTS



Operational improvements from 2021 to 2022 resulted in a relative reduction in jet fuel usage by 19.9 million gallons and CO2 emissions by 191,000 tons.

This carbon footprint reduction is in addition to fuel-efficiency improvements the company will realize from its ongoing fleet modernization.

The company began offering four weeks of paid parental leave to all eligible employees, regardless of gender, upon the birth, adoption, or foster placement of a child. The new benefit became effective in April 2023.



ATSG formed a Management Sustainability Committee to further integrate ESG matters into the strategy and operations of the company.



Support for charitable causes exceeded \$850,000 during 2022, an increase of more than 65% over the prior year.





- ATTRACTIVE

INVESTMENT OPPORTUNITY

ATSG has a **best-in-class** value proposition for all stakeholders to gain exposure to a **well-positioned** air freight company with **several levers to pull** to progress toward its strategic initiatives and further strengthen its financial profile

| ATSG

QUESTION

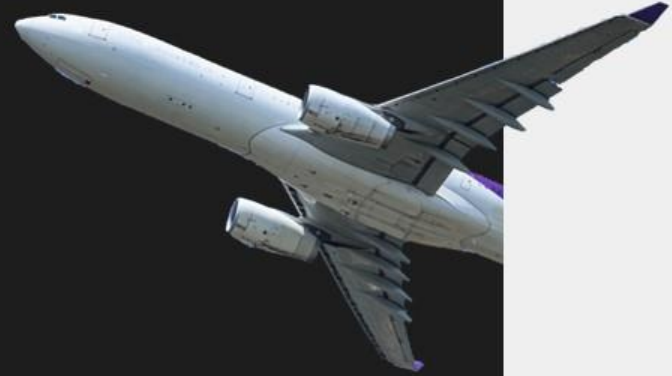
AND

ANSWER



| **ATSG**

APPENDIX



-GLOBAL

FREIGHTER MARKETS



BOEING 767-300

CAM is the global leader leasing more 767 freighters than any other leasing company around the globe

- 767 is an established airframe for the regional express and e-commerce operator
- CAM dominates the leasing market for the 767
- Five of the top ten 767-300 leased freighter operators are CAM customers

AIRBUS A330-200/300

CAM will enter the A330 leasing market in 2024 with the first of at least twenty converted freighters to be leased between 2024 and 2026

- Currently 641 aircraft in PAX configuration for feedstock with an average age of 10.3 years
- Provides flexibility with 141" clear width & 101" clear height, hydraulically operated, and range up to 3,600 nm
- Target Operators – 767, 777 operators, European and Pacific markets for medium range air cargo delivery
- Currently twenty-four A330-300 Freighter Aircraft in service with an average age of 13 years

AIRBUS A321-200

CAM will enter the A321 leasing market in 2023 with six aircraft

- Affordable and available feedstock allowing ATSG to enter the narrowbody freighter leasing market
- Alternative for 737F conversion, provides higher volume and similar efficiencies
- Target operators – B737F, B757F and Airbus PAX carriers
- Through JV, ATSG earns income on the conversion, MRO touch labor, component and kit development

-ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

NON-GAAP RECONCILIATION



Consolidated ADJUSTED EBITDA

| Trailing twelve months ended | 2Q2022 | 3Q2022 | 4Q2022 | 1Q2023 | 2Q2023 |
|-----------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| GAAP Pre-Tax Earnings (Loss) from Cont Ops | \$ 276 | \$ 260 | \$ 260 | \$ 222 | \$ 202 |
| Interest Income | \$ - | \$ - | \$ - | \$ (1) | \$ (1) |
| Interest Expense | \$ 50 | \$ 48 | \$ 47 | \$ 51 | \$ 59 |
| Depreciation and Amortization | \$ 325 | \$ 331 | \$ 331 | \$ 334 | \$ 335 |
| Add customer incentive amortization | \$ 23 | \$ 23 | \$ 23 | \$ 23 | \$ 22 |
| Less government grants recognized | \$ (45) | \$ (15) | \$ - | \$ - | \$ - |
| Add non-service components of retiree benefit | \$ (20) | \$ (20) | \$ (20) | \$ (11) | \$ (3) |
| Less net (gain) loss on financial instruments | \$ 7 | \$ (2) | \$ (9) | \$ (5) | \$ - |
| Add loss from non-consolidated affiliates | \$ 7 | \$ 7 | \$ 8 | \$ 7 | \$ 6 |
| Add hangar foam incident | \$ - | \$ 1 | \$ 1 | \$ 1 | \$ 1 |
| Adjusted EBITDA (non-GAAP) | \$ 623 | \$ 633 | \$ 641 | \$ 621 | \$ 621 |

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

NON-GAAP RECONCILIATION

(\$ in thousands)



| | 2019 | | | | 2020 | | | | 2021 | | | | 2022 | | | |
|-----------------------------------------------------------------|----------------|----------------|-------------------|----------------|----------------|----------------|-------------------|----------------|----------------|----------------|-------------------|----------------|----------------|----------------|-------------------|----------------|
| | CAM | | Other and | Total | ACMI | | Other and | Total | CAM | | Other and | Total | CAM | | Other and | Total |
| | Leasing | Services | Reconciling Items | | Leasing | Services | Reconciling Items | | Leasing | Services | Reconciling Items | | Leasing | Services | Reconciling Items | |
| 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 & 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 |

-ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

NON-GAAP RECONCILIATION

CAM ADJUSTED EBITDA



(\$ in millions)

| Trailing twelve months ended | 2Q2022 | 3Q2022 | 4Q2022 | 1Q2023 | 2Q2023 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Segment Earnings | \$ 137 | \$ 145 | \$ 143 | \$ 142 | \$ 134 |
| Add: net interest expense | \$ 33 | \$ 32 | \$ 31 | \$ 33 | \$ 38 |
| Add: Depreciation & amortization | \$ 219 | \$ 227 | \$ 232 | \$ 236 | \$ 237 |
| Add: lease incentive amortization | \$ 20 | \$ 20 | \$ 20 | \$ 20 | \$ 19 |
| CAM Adjusted EBITDA (non-GAAP) | \$ 409 | \$ 424 | \$ 426 | \$ 431 | \$ 428 |

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

NON-GAAP RECONCILIATION

(\$ in thousands)



| | 2Q 2022 | | | | 2Q 2023 | | | |
|-----------------------------------------------------------------|----------------|---------------|-----------------------|----------------|----------------|---------------|-----------------------|----------------|
| | ACMI | | Other and Reconciling | | ACMI | | Other and Reconciling | |
| | CAM Leasing | Services | Items | Total | CAM Leasing | Services | Items | Total |
| Segment Earnings (GAAP) | 39,617 | 21,837 | 7,796 | 69,250 | 31,020 | 24,054 | (5,332) | 49,742 |
| Remove: Government grants | - | - | - | - | - | - | - | - |
| Add: lease incentive amortization | 5,029 | 793 | - | 5,822 | 3,903 | 816 | - | 4,719 |
| Add: charges for non-consolidated affiliates | - | - | 3,220 | 3,220 | - | - | 2,107 | 2,107 |
| Add: Net loss (gain) on financial instruments | - | - | (6,011) | (6,011) | - | - | (1,818) | (1,818) |
| Add: debt issuance costs | - | - | - | - | - | - | - | - |
| Add: transaction fees | - | - | - | - | - | - | - | - |
| Add: other non-service components of retiree benefit costs, net | - | - | (5,388) | (5,388) | - | - | 3,218 | 3,218 |
| Add: impairment of aircraft and related assets | - | - | - | - | - | - | - | - |
| Add: net charges for handar foam incident | - | - | - | - | - | 152 | (180) | (28) |
| Adjusted Pretax Earnings | 44,646 | 22,630 | (383) | 66,893 | 34,923 | 25,022 | (2,005) | 57,940 |
| Add: net interest expense | 6,224 | 2,648 | 574 | 9,446 | 10,908 | 5,058 | 526 | 16,492 |
| Add: Depreciation & amortization | 56,421 | 24,248 | 703 | 81,372 | 58,091 | 23,835 | 765 | 82,691 |
| Adjusted EBITDA | 107,291 | 49,526 | 894 | 157,711 | 103,922 | 53,915 | (714) | 157,123 |