

ATLAS AIR WORLDWIDE HOLDINGS INC  
Form DEFA14A  
May 10, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES

EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

**ATLAS AIR WORLDWIDE HOLDINGS, INC.**

(Name of Registrant As Specified In Its Charter)

**N/A**

(Name of Person(s) Filing Proxy statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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Shareholder Engagement  
Annual Meeting to be held on May 23, 2018

2017-2018 Updates

Executive Summary

3

Strategic initiatives implemented over the past few years, including Southern Air acquisition and Amazon agreement, have transformed the Company

New era of accelerated business growth and development that has and will continue to create significant value for shareholders

Record financial and operational performance in 2017 expected to continue throughout 2018

A New and  
Transformative Era  
for AAWW

Continued execution of multiyear shareholder outreach effort allowing shareholders to raise issues and provide feedback outside of the annual meeting cycle

In response to 2017 Say-on-Pay outcome, enhanced shareholder engagement with director participation and significant

involvement by Compensation Committee throughout process

Compensation Committee focused on seeking tangible feedback from shareholders to ensure responsiveness to shareholder concerns

Enhanced  
Shareholder

Engagement and  
Responsiveness

Over several years, ongoing review and refinement of Board, corporate governance and executive compensation practices to align with shareholder feedback and evolving best practices

Demonstrated willingness to continuously enhance practices, resulting in substantial changes over time

Long History of  
Making Changes in

Response to  
Shareholders

Recent, meaningful changes to Board leadership and composition demonstrate additional responsiveness to shareholder feedback on executive compensation and corporate governance

Significantly refreshed Board with half of all directors added in the last two years

New director nominees for 2018 closely reflect key topics of shareholder interest, including gender diversity and cybersecurity

Ongoing Changes to  
Board Demonstrate

Additional  
Responsiveness

A New Era of Significant Business Growth and  
Development at AAWW  
Full-Year 2017 Performance Highlights  
Strategic Highlights  
Financial Highlights  
Capitalizing on our strong market position and our focus on  
express, e-commerce and fast-growing global markets  
Volumes

increased 20% to 252,802 block hours

20%

Revenue

grew 17% to \$2.16 billion

17%

Total direct contribution by our business segments

increased 15% to \$422.6 million

15%

Adj. income from continuing operations, net of taxes,

grew 17% to \$133.7 million

17%

Adj. EBITDA rose 12% to \$428.6 million

12%

Over the past year, we have delivered record volumes, record revenue and robust earnings growth, reflecting the key strategic initiatives that we have put in place over many years and that have transformed our company, broadened our customer base, diversified our fleet and created significant shareholder value

4

Expanded

air

transport

services

provided

to

Amazon

Significant

progress

on

the

integration

of

Southern

Air

Entered several

key new customer

agreements



A Strong Start to 2018 for AAWW

Q1 2018 Performance Highlights

Revenue

1Q18

\$590.0M

24%

Block Hours

21%

1Q18

66,495

Direct Contribution

39%

1Q18

\$86.5M

Adj. EBITDA

47%

1Q18

\$93.8M

Adj. Net Income

187%

1Q18

\$23.8M

5

15.5%

-2.0%

3.2%

0.6%

AAWW

Dow Jones Transportation

Russell 2000

S&P 500

TSR Performance vs. Key Indices

1

Meaningful 2018 Year-to-Date TSR outperformance compared with key indices

Shareholder Value Creation

Source: Bloomberg

1

2018 Y-T-D data as of 07-May-2018 close

Our Board was not satisfied with the decline in support for Say-on-Pay at the 2017 Annual Meeting  
In response to the Say-on-Pay result, the Board and Compensation Committee undertook an even more robust shareholder engagement program  
Our enhanced outreach program included:  
The goal of this program was to promote direct communication between shareholders and the Board and

to ensure effective responsiveness to the Say-on-Pay vote  
outcome

We have engaged in extensive and ongoing shareholder outreach over the past seven years

In each of the last two years, we have targeted shareholders representing approximately 75% of our shares outstanding and held discussions with all interested shareholders, representing approximately 50% of shares outstanding. Engagement discussions have taken place throughout the year, offering investors the opportunity to ask questions and provide feedback outside of the annual meeting cycle.

In response to the insights gained during these discussions, we have made significant recent changes to our governance and compensation practices.

Shareholder Engagement Program Enhanced to Ensure Responsiveness

6

AAWW s

Shareholder Outreach and Engagement Process

Twice a year, outreach to holders of ~75% of outstanding shares

...to communicate on key topics including:

Business Strategy and Performance

Corporate Governance

Executive Compensation

Public Disclosures

...with shareholder input

reported back to the relevant committees

and full Board

...and taken into consideration as the

Board contemplates

any changes to our corporate

governance and compensation

programs, communications and

disclosures

Ongoing Best-in-Class Shareholder Engagement Program

Enhanced Outreach in Response to 2017 Say-on-Pay

Participation by a member of the

Compensation Committee

in multiple in-person

and telephonic meetings with shareholders

Solicitation of shareholder feedback on specific

and tangible enhancements

to executive

compensation and corporate governance

practices

Holding of a number of extra Compensation

Committee meetings to determine a course of

action that would be directly responsive to this  
feedback and the Say-on-Pay outcome

In response to our 2017 Say-on-Pay outcome, our Board and Compensation Committee undertook an enhanced shareholder engagement program, with the aim of ensuring that the changes made in response to shareholder engagement would be directly responsive to shareholder concerns

7  
Compensation Program Design and Outcomes Reflect  
Close Link Between Pay and Performance  
Elements of Pay  
Form  
Link to Performance  
Purpose  
Base Salary

Cash

Fixed annual compensation

Attract and retain executive talent

Compensate executives for their responsibility, experience, sustained high performance and contributions to Company success

Annual Incentive

Cash

Adjusted

Net Income

(60%)

Drives

key

business,

operating

and

individual

results

on

an

annual

basis

(all

metrics)

Derived

from

our

annual

operating

plan

(Adjusted

Net

Income)

Strictly performance-based against measurable metrics; no payout guaranteed

Objective

on-time

customer

reliability

metrics

(20%)

Individual

performance

objectives

(20%)

Long-Term

Incentive

PSUs (25%)

and

Performance

Cash (25%)

Adjusted EBITDA Growth (50%)

Links NEO and long-term shareholder interests  
Serves as a key retention tool and a strong long-term performance driver  
Performance-based against measureable metrics; no payout guaranteed  
Close  
alignment to shareholder returns via a relative metric (TSR)  
Specific  
responsiveness  
to  
shareholder  
feedback  
and  
recent  
Say-on-Pay  
outcomes  
ROIC (50%)  
Relative  
TSR Modifier (for awards granted in  
2018 and after)  
RSUs (50%)  
Alignment with shareholder returns  
Multiyear long-term retention  
Value tied to share price  
Compensation Program Design that Emphasizes Pay for Performance Link  
2017 Total CEO  
Compensation Opportunity  
2017 CEO's Long-Term  
Incentive Opportunity  
Performance-Based  
Compensation: 66.5%  
Aligned with Long-Term  
Success of the Company  
Performance Long-  
Term Incentives  
66.5%  
Significant Portion of CEO Compensation  
Opportunity Performance-Based and/or At-Risk  
We design our CEO's compensation opportunity to be  
largely performance-based and at-risk  
66.5% of the maximum total CEO compensation  
opportunity in 2017 was designed to be based on  
attainment of performance metrics, including  
approximately 43.5% in the form of long-term multiyear  
opportunities and 23.0% in annual incentive opportunity  
An additional 22.0% of compensation opportunity was  
granted in the form of RSUs with four-year vesting,  
resulting in  
88.5% of CEO compensation opportunity  
being at-risk  
Annual  
Incentive



23.0%  
Base Salary  
11.5%  
Long-Term  
Incentive RSUs  
22.0  
Performance  
Long-Term  
Incentives  
43.5%  
RSUs  
33.5%

Topic  
What We Heard During Engagement  
What We Did Since the 2017 Annual  
Meeting  
Change-in-Control  
Provisions  
Strong  
preference for strict double-trigger awards

Requested clarification on context around  
payments to CEO relating to Amazon transaction  
Transition to strict double-trigger standard for all awards,  
requiring actual separation from service for second trigger  
Confirmed that CEO received no incremental change-in-  
control  
payments in 2016  
and no LTI payments in 2017 (as  
a result of 2016 acceleration)  
Performance  
Metrics  
Under LTI  
Strong support for the addition of a relative  
performance metric under  
the LTI program  
Addition of relative TSR performance measure to LTI  
awards to further strengthen pay-for-performance link  
Target-Setting  
Disclosure  
Under  
LTI  
Sought a better understanding of the target-setting  
process for LTI performance  
goals  
Understand concerns about providing long-term  
guidance  
Enhanced disclosure regarding target-setting process for  
LTI performance goals  
Share Ownership  
Guidelines  
Supportive of further enhancement to CEO stock  
ownership guidelines, recognizing that existing  
guideline was on-market  
Increased CEO stock ownership guidelines to 6x base  
salary to further align CEO interests with those of  
shareholders  
Board Composition  
and  
Refreshment  
Inquiries regarding the Board's thinking  
around  
gender diversity, annual evaluation process,  
director succession planning, and Committee  
refreshment and rotation  
Nominated two new directors to the Board in 2018, with a  
focus on gender diversity, cybersecurity and banking/finance  
skills  
Rotated  
Chairman of the Board and of the Nominating &  
Governance Committee

Peer Group

Understood the unique characteristics of AAWW's business model and growth profile and the need for continued refinement of the peer group

Made revisions to the peer group to reflect appropriate comparators for our evolving global business

8

Changes in Response to Shareholder Feedback and 2017 Say-on-Pay Outcome

To address the recent Say-on-Pay outcomes, the Board made changes to our executive compensation practices and Board composition that directly responded to the specific and tangible feedback sought from shareholders and closely aligned with the topics shareholders identified as most important

1

2

3

4

5

6

9

Long History of Making Significant Changes in  
Response to Shareholder Feedback

Increased the weight of corporate performance  
goals from 50% to 60% in determining compensation  
of our NEOs under the AIP

Enhanced disclosure to clarify rigor of performance  
goals under the AIP

Formalized existing practice of granting equity awards subject to vesting periods greater than one year by adding minimum vesting language to 2016 Plan

Engaged a new independent compensation consultant, Pay Governance

Reduced CEO LTI award opportunity from 4.75 multiple of salary to 3.75 multiple of salary to be better aligned with peer group levels

Revised CEO LTI award target grant level to approximate median of peers

Executive Compensation

Additional Board refreshment including one new director added in 2017 and two new directors added in 2016

Adopted limits on Director service on other boards in keeping with market best practices and investor input regarding a board's time commitment

Added proxy access provisions to our by-laws

Added enhanced disclosure of our environmental, social and governance policies

Adopted majority voting to elect Directors in uncontested elections

Board of Directors

Corporate Governance

2016 to 2017

Prior to 2016

2016 to 2017

2016 to 2017

Prior to 2016

Over the past few years, the Board has been vigilant in its ongoing review and refinement of our corporate governance and executive compensation structures, to ensure that they continue to respond to the concerns of shareholders and protect shareholder interests

10  
Ongoing Enhancements to the Board of Directors In  
Response to Shareholder Feedback  
New Directors Added Since 2016  
John K. Wulff  
Director since 2016  
Bobby J. Griffin  
Director since 2016

Charles F. Bolden, Jr.

Director since 2017

Jane H. Lute

Sheila A. Stamps

President and CEO of SICPA North America

Special Advisor to the Secretary-General of the United Nations

Formerly Deputy Secretary for the US Department of Homeland Security

Security

Significant technology and cybersecurity experience

Previously EVP at Dreambuilder Investments

Formerly Director of Pension

Investments and Cash

Management at New York State Common Retirement Fund

Held senior positions with Bank of America and Bank One (now J.P.

Morgan Chase)

Significant banking and finance experience

New Director Nominees for 2018

Significant Board Refreshment

In May 2017, the independent directors

elected Robert F. Agnew as the new independent Chairman of the Board

Following the 2017 Annual Meeting, the

Board appointed a new Chair of the

Nominating and Governance Committee

The Board continues to review Committee

leadership structures to identify

opportunities for enhancement

Continuing Board Leadership Changes

Since the 2017 Annual Meeting, the Board

rotated the membership of all three of the

Audit, Compensation and Nominating and

Governance Committee

The Board will continue to refresh the

membership of these Committees as new

directors are added to the Board

Committee Membership Rotation

Since 2016, we have made significant efforts to refresh the leadership and composition of our Board, adding five independent directors bringing new and diverse perspectives, and rotating key leadership positions

Average tenure has decreased from 8 years to approximately 6 years



Highly Qualified, Engaged and Refreshed

Board of Directors

Significantly enhanced Board of Directors, consisting of 10 diverse and engaged director nominees with deep industry and subject-matter expertise that enables them to provide strong leadership and protect shareholder interests

Robert F. Agnew

Independent Chairman

President and CEO, Morten Beyer & Agnew

Committees: Nominating and Governance

Timothy J. Bernlohr

Independent Director

Founder and managing member, TJB

Management Consulting

Committees: Audit (Chair); Nominating and Governance

Charles F. Bolden, Jr.

Independent Director

Former Administrator of the National Aeronautics and

Space Administration (NASA)

Committees: Audit

William J. Flynn

President and CEO

Former

President

and

CEO,

GeoLogistics

Corporation

Committees: None

Bobby J. Griffin

Independent Director

Former President, International Operations, Ryder

System. Director of Hanesbrands, Inc.

Committees: Compensation; Nominating and

Governance

Carol B. Hallett

Independent Director

Of counsel, U.S. Chamber of Commerce, Former U.S.

Ambassador to the Bahamas

Committees: Compensation (Chair); Nominating and Governance

Duncan J. McNabb

Independent Director

Former Commander, United States Air Mobility Command

and USTRANSCOM

Committees: Nominating and Governance (Chair); Audit

John K. Wulff

Independent Director

Former CFO, Union Carbide, Former Chairman, Hercules

Incorporated and member of the Financial Accounting

Standards Board

Committees: Audit; Compensation

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Skills & Qualifications

No. of

Directors

Strategic

Planning

Global Operations

Public Company Board Experience

Corporate Governance  
Current or Previous Senior Executive  
Experience  
Legal, Regulatory & Government Affairs  
Transportation & Security  
Military Affairs  
Supply Chain & Procurement  
Civil & Governmental Aviation  
Finance, Accounting & Risk Management  
Mergers & Acquisitions  
Capital Structure  
International Trade  
Sales & Marketing  
Cybersecurity  
&  
Information  
Technology

10

8

8

7

7

7

7

6

6

5

5

5

4

4

Jane H. Lute

Independent Director

President and CEO, SICPA North America, Special Advisor  
to the Secretary-General of the United Nations

Sheila A. Stamps

Independent Director

Former

Executive

Vice

President,

Dreambuilder

Investments

4

1

Board Skills & Qualifications

Director Tenure

Gender and Ethnic Diversity

6-13

years

4 directors  
14 years  
1 director  
0-2 years  
5 directors  
Other  
board  
members  
50%  
Diverse  
board  
members  
50%

12  
Focused on Sustainability Initiatives and Reporting  
Environmental & Social Policies  
We are dedicated to serving our customers and the communities in which we operate  
Fulfilling this commitment dictates that we build a vibrant, innovative organization that satisfies our customers  
needs and delivers value to our shareholders  
In 2017, we added enhanced disclosure regarding our environmental, social and governance policies  
Setting groundwork to participate in CORSIA,

the global carbon emissions program governing international flying starting on January 1, 2021

Current fleet consists primarily of modern aircraft that are superior in terms of fuel efficiency, range, noise, capacity and loading. 747-8F aircraft are approximately 15% more fuel-efficient than our 400s, which translates into approximately 15% lower carbon emissions. They are also 30% less noisy.

Conserve fuel wherever possible

through our FuelWise

fuel-management information system,

which uses our data to analyze fuel consumption

performance, enabling us to track fuel-burn rates more accurately and efficiently and to identify additional opportunities to conserve fuel.

Work with our customers to plan routes that are more fuel-efficient

Participate in industry and governmental initiatives to optimize air traffic management systems, where advances could result in reduced fuel use and emissions and fewer interruptions at airports.

Prohibition

on acceptance of shipments containing items covered by illegal wildlife trafficking laws

Strong record on the ground, with no significant spills of fuel, de-icing fluids or other liquids

We have affirmative action plans in place to ensure that qualified applicants and employees are receiving an equal opportunity in hiring, selection, advancement

and every other term and privilege associated with employment at AAWW

We have a zero tolerance policy for harassment, discrimination or retaliation of any kind in the workplace

We maintain a formal policy against human trafficking

Health and safety of our employees, particularly our crewmembers, is of paramount importance, and our health and safety track record is a testament to our commitment

Provide

cost-free charter flights for disaster relief and encourage our employees to support disaster relief and related activities

Additional Information

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AAWW

Key Takeaways

Shaping a Powerful Future

New era of significant business growth and development

Fundamental change in markets served

Strategic long-term relationship with Amazon

Southern Air acquisition



Capitalizing on initiatives to drive:

Value and benefit for customers and investors

Key new customer agreements

including

Asiana Cargo, Cathay Pacific Cargo, Nippon Cargo

Airlines, DHL Global Forwarding and FedEx

Strong foundation for

earnings and cash flow

Long-Term Strategic Relationship with Amazon  
Strategic  
Relationship  
Highly  
Complementary  
Alignment of  
Interests  
20 aircraft expected to be placed in service by the end of 2018

10-year dry leases, 7-  
to 10-year CMI agreements  
12 aircraft currently in service  
Expands 767 fleet  
Further broadens an already diverse AAWW fleet  
Amazon granted rights to acquire AAWW equity  
Strengthens long-term relationship and value  
Supporting fast deliveries for Amazon's customers  
Agreement provides for future growth opportunities  
Earnings and cash flow contributions to ramp up as aircraft enter service  
Net leverage ratio expected to decrease over time

15

E-Commerce Growth

Meaningfully

Accretive

Estimated

Amazon

Service

Adjusted Income from Continuing

Operations Accretion Over

Time

2017

2018

2019

2020

Estimated

Amazon

Service

Cash Flows Over

Time

2017

2018

2019

2020

Estimated

Amazon

Service

Net Leverage Ratio Impact Over

Time

2017

2018

2019

2020

Including our agreement with Amazon, we are moving more deeply into faster-growing express and e-commerce markets

Today, more than 70% of our freighters operate for customers in these markets, and that focus will continue as we ramp up from 12 aircraft for Amazon currently to an expected 20 by the end of 2018

Transaction Overview

Southern Air Acquisition  
Strategically Compelling  
Highly Complementary  
All-Cash, Debt-Free  
Immediately Accretive  
Foundation for Growth  
Premier provider of intercontinental and domestic CMI services  
Expands platform into 777 and 737 operations

Provides access to broadest array of aircraft and operating services

All-cash, debt-free transaction valued at ~\$105.8 million

Completed April 7, 2016

Immediately accretive to earnings

Adjusted EBITDA/net income margins in line with AAWW s

Adding ~\$100 million in annualized revenues

Drives greater diversification, scale and global footprint

Provides solid foundation for additional growth

The acquisition of Southern Air has made AAWW a more diversified and profitable company, offering customers access to a wide array of modern, efficient aircraft

The first full-year contribution from Southern Air in 2017 drove higher earnings growth

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Transaction Overview

17  
Aviation News Awards, 2017

Winner for Freighter Financing Transaction of the Year  
Corporate Secretary Governance Awards, 2017

Nominee  
for

Best  
Shareholder  
Engagement  
(Small-  
to  
Mid-Cap)

Nominee  
for  
Best  
Overall  
Compliance  
&  
Ethics  
Program  
(Small-  
to  
Mid-Cap)

Nominee  
for  
Corporate  
Governance  
Team  
of  
the  
Year  
(Small-  
to  
Mid-Cap)  
NYSE Governance Services Leadership Awards, 2016

Winner  
for  
Exemplary  
Shareholder  
Engagement

Finalist  
for  
Exemplary  
CD&A  
Corporate Secretary Governance Awards, 2016

Winner  
for  
Governance  
Professional  
of  
the

Year  
(Small-  
to  
Mid-Cap)

Finalist  
for  
Best  
Overall  
Compliance  
&  
Ethics  
Program  
(Small-  
to  
Mid-Cap)

Finalist  
for  
Corporate  
Governance  
Team  
of  
the  
Year  
(Small-  
to  
Mid-Cap)  
Aviation News Awards, 2016

Winner  
for  
Airline  
Management  
Team  
of  
the  
Year  
Corporate Secretary Governance Awards, 2015

Finalist  
for  
Best  
Overall  
Compliance  
&  
Ethics  
Program  
(Small-  
to



Mid-Cap)

Finalist  
for  
Governance  
Professional  
of  
the  
Year  
(Small-  
to  
Mid-Cap)

Finalist  
for  
Best  
Shareholder  
Engagement  
NYSE Governance Services Leadership Awards, 2015

Finalist  
for  
Best  
Corporate  
Governance  
Team  
of  
the  
Year  
(Small-  
to  
Mid-Cap)

Finalist for Exemplary Shareholder Engagement  
Industry Leader Recognized for Best-in-Class  
Corporate Governance

18  
Total  
Global  
Airfreight  
Tonnage:  
ICAO  
2013

2014,  
IATA  
2015

2018F  
(IATA

December  
2017)

International Global Airfreight: Annual Growth

49.5

51.5

52.8

54.9

59.9

62.5

40

45

50

55

60

65

2013

2014

2015

2016

2017E

2018F

Total Global Airfreight Tonnage Growing from Record Levels

Freight Tonnes

(Millions)

1.4%

4.0%

2.5%

4.0%

9.1%

4.3%

Global Operating Network

2017

252,802

Total Block Hours Operated in 2017

48,983

Flights

422

Airports in 103 Countries

790  
Charters Completed  
80+  
Unique Customers  
19

20

Our Customers Reflect Our Focus on Quality

Long-term, profitable relationships

Resilient business model and predictable revenues

Shippers

Forwarders / Brokers

Express

Airlines

Expanded portfolio of growth-oriented market leaders

Covering the entire air cargo supply chain

High degree of customer integration

Focused on continuous development and growth

Long-term contractual commitments

Our Strengths

and Amazon

AAWW  
Executing Strategic Plan  
21  
Thought Leadership  
Service  
Quality  
Solid Financial  
Structure



Leading  
Assets  
Global Scale  
& Scope  
Diversified  
Mix  
Transformed  
Business

22

\* Includes to-be-converted aircraft

Our Current Fleet

April 2018

11 Boeing 777s

5

CMI 777Fs

6

Titan 777Fs

7 Boeing 737s

5

737-400Fs

1

737-300F Titan

1

737-800 passenger Titan

41 Boeing 767/757s

35

767-200/300Fs\*

5

767-200/300 passenger

1

757-200 freighter Titan

Total Fleet: 106    Operating Fleet: 97

More

than 100 aircraft

Heading to over

40 B767s

More

than 100 aircraft

Heading to over

40 B767s

47 Boeing 747s

10

747-8Fs

29

747-400Fs

4

747-400 passenger

4

Boeing Large Cargo Freighters

(LCFs)

23
Fleet Size and Net Leverage Ratio
Growing and diversifying fleet and managing leverage
* See Non-GAAP reconciliation
78
79
82
84

88

91

98

99

2Q16

3Q16

4Q16

1Q17

2Q17

3Q17

4Q17

1Q18

Fleet Size

5.4x

5.3x

4.8x

4.9x

4.9x

5x

4.8x

4.9x

2Q16

3Q16

4Q16

1Q17

2Q17

3Q17

4Q17

1Q18

Net Leverage Ratio\*

3.0x

3.5x

4.0x

4.5x

5.0x

1Q18

4Q19

Estimated Net Leverage Ratio Trend

Based on estimates of fleet growth, placement dates and financing plans

2018 Objectives

24

Achieve earnings goals

Deliver superior service quality

Maximize

business opportunities

Implement Amazon

service

Continue Southern Air integration  
Realize Continuous Improvement  
In other words  
Continued Growth and Innovation

Capital Allocation Strategy

25

Balance sheet maintenance

Business investment

Share repurchases

2015-2017 actions:

Acquiring/converting 20 767-300s for

Amazon agreements



Acquired Southern Air

Refinanced high-cost 747-400 EETC debt and  
higher-cost 747-8F term loans

Acquired 10

th

747-8F

Acquired two 767s for Dry Leasing; also operating  
them in CMI

Acquired 4th 767 for AMC passenger service

Focused on maintaining healthy cash position

Repurchased >10% of outstanding stock since 2013

Remaining authority for up to \$25 million

26  
Reconciliation to Non-GAAP Measures  
(In \$Millions)  
1Q18  
4Q17  
3Q17  
2Q17  
1Q17

4Q16	
3Q16	
2Q16	
Face Value of Debt	
\$ 2,416.6	
\$ 2,378.8	
\$ 2,259.8	
\$ 2,307.2	
\$ 2,068.1	
\$ 1,943.4	
\$ 1,967.7	
\$ 2,001.7	
Plus: Present Value of Operating	
Leases	
709.7	
656.6	
681.9	
661.0	
678.6	
749.9	
774.7	
799.4	
Total Debt	
3,126.2	
3,035.4	
2,941.8	
2,968.2	
2,746.7	
2,693.2	
2,742.4	
2,801.1	
Less: Cash and Equivalents	
\$ 130.4	
\$ 291.9	
\$ 176.3	
\$ 282.7	
\$ 118.9	
\$ 138.3	
\$ 115.6	
\$ 168.3	
Less: EETC Asset	
27.8	
29.0	
29.9	
30.9	
31.9	
32.3	
34.8	
35.8	
LTM EBITDAR	

\$ 603.0  
\$ 570.4  
\$ 546.8  
\$ 543.1  
\$ 525.6  
\$ 526.0  
\$ 485.9  
\$ 484.7

Net Leverage Ratio

4.9x  
4.8x  
5.0x  
4.9x  
4.9x  
4.8x  
5.3x  
5.4x

EBITDAR: Earnings before interest, taxes, depreciation, amortization, aircraft rent expense, U.S. Tax Cuts and Jobs Act special noncash interest expenses and income, net, gain on disposal of aircraft, special charge, costs associated with transactions, accrued matters and professional fees, charges associated with refinancing debt, and unrealized loss (gain) on financial instruments, as

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This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect Atlas Air Worldwide Holdings, Inc.'s (AAWW) current views with respect to certain current and future events and financial performance. Such forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the operations and business environments of AAWW and its subsidiaries that may cause actual results to be materially different from any future results, express or implied, in such forward-looking statements.

For  
additional

information,  
we  
refer  
you  
to  
the  
risk  
factors  
set  
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documents  
filed  
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AAWW  
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Exchange

Commission. Other factors and assumptions not identified above are also involved in the preparation of forward-looking statements and the failure of such other factors and assumptions to be realized may also cause actual results to differ materially from those discussed.

AAWW assumes no obligation to update the statements in this presentation to reflect actual results, changes in assumptions or changes in other factors affecting such estimates, other than as required by law.

To supplement our financial statements presented in accordance with U.S. GAAP, we oftentimes present certain non-GAAP financial measures to assist in the evaluation of our business performance. Our management uses these non-GAAP financial measures in assessing the performance of the AAWW's ongoing operations and in planning and forecasting future periods. We believe that adjusted measures, when considered together with the corresponding U.S. GAAP financial measures and the reconciliations to measures, provide meaningful information to assist investors and analysts in understanding our financial results and assessing prospects for future performance.

You can find our presentations on the most directly comparable U.S. GAAP financial measures calculated in accordance with accounting principles generally accepted in the United States and our reconciliations in our earnings releases dated February

22,  
2018  
and  
May  
3,  
2018,  
which  
are  
posted  
on  
our  
Web  
site  
at  
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