

ATLAS AIR WORLDWIDE HOLDINGS INC  
Form 10-Q  
August 02, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the quarterly period ended June 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

For the transition period from            to

Commission File Number: 001-16545

Atlas Air Worldwide Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	13-4146982
(State or other jurisdiction of incorporation)	(IRS Employer Identification No.)

2000 Westchester Avenue, Purchase, New York	10577
(Address of principal executive offices)	(Zip Code)

(914) 701-8000

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(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 28, 2017, there were 25,265,748 shares of the registrant's Common Stock outstanding.

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## PART I — FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

Atlas Air Worldwide Holdings, Inc.

Consolidated Balance Sheets

(in thousands, except share data)

(Unaudited)

	June 30, 2017	December 31, 2016
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$271,655	\$123,890
Short-term investments	7,920	4,313
Restricted cash	11,092	14,360
Accounts receivable, net of allowance of \$965 and \$997, respectively	165,013	166,486
Prepaid maintenance	1,899	4,418
Prepaid expenses and other current assets	52,927	44,603
<b>Total current assets</b>	<b>510,506</b>	<b>358,070</b>
<b>Property and Equipment</b>		
Flight equipment	4,156,460	3,886,714
Ground equipment	72,167	68,688
Less: accumulated depreciation	(636,189 )	(568,946 )
Flight equipment modifications in progress	223,489	154,226
<b>Property and equipment, net</b>	<b>3,815,927</b>	<b>3,540,682</b>
<b>Other Assets</b>		
Long-term investments and accrued interest	23,008	27,951
Deferred costs and other assets	232,748	204,647
Intangible assets, net and goodwill	111,104	116,029
<b>Total Assets</b>	<b>\$4,693,293</b>	<b>\$4,247,379</b>
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$80,882	\$59,543
Accrued liabilities	406,440	320,887
Current portion of long-term debt and capital lease	196,136	184,748
<b>Total current liabilities</b>	<b>683,458</b>	<b>565,178</b>
<b>Other Liabilities</b>		
Long-term debt and capital lease	1,949,983	1,666,663
Deferred taxes	307,962	298,165
Financial instruments and other liabilities	158,588	200,035
<b>Total other liabilities</b>	<b>2,416,533</b>	<b>2,164,863</b>
<b>Commitments and contingencies</b>		

## Equity

## Stockholders' Equity

Preferred stock, \$1 par value; 10,000,000 shares authorized; no shares issued	-	-
Common stock, \$0.01 par value; 100,000,000 shares authorized;  30,063,328 and 29,633,605 shares issued, 25,265,748 and 25,017,242  shares outstanding (net of treasury stock), as of June 30, 2017  and December 31, 2016, respectively	301	296
Additional paid-in-capital	703,987	657,082
Treasury stock, at cost; 4,797,580 and 4,616,363 shares, respectively	(192,755 )	(183,119 )
Accumulated other comprehensive loss	(4,491 )	(4,993 )
Retained earnings	1,086,260	1,048,072
Total stockholders' equity	1,593,302	1,517,338
Total Liabilities and Equity	\$4,693,293	\$4,247,379

See accompanying Notes to Unaudited Consolidated Financial Statements

Atlas Air Worldwide Holdings, Inc.

Consolidated Statements of Operations

(in thousands, except per share data)

(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Operating Revenue	\$517,366	\$443,272	\$992,761	\$861,887
Operating Expenses				
Salaries, wages and benefits	111,488	101,542	215,575	195,387
Aircraft fuel	83,486	61,353	165,918	124,573
Maintenance, materials and repairs	64,769	55,435	137,585	112,459
Depreciation and amortization	40,986	37,208	78,880	72,213
Aircraft rent	33,792	36,723	69,865	73,760
Travel	34,891	32,010	67,249	62,333
Passenger and ground handling services	23,573	22,019	48,696	42,898
Navigation fees, landing fees and other rent	25,255	18,777	43,790	40,751
Gain on disposal of aircraft	(93 )	-	(147 )	-
Special charge	-	-	-	6,631
Transaction-related expenses	1,396	16,788	2,312	17,581
Other	39,345	40,593	80,523	72,420
Total Operating Expenses	458,888	422,448	910,246	821,006
Operating Income	58,478	20,824	82,515	40,881
Non-operating Expenses (Income)				
Interest income	(1,342 )	(1,405 )	(2,598 )	(3,009 )
Interest expense	24,670	20,938	46,194	42,240
Capitalized interest	(1,931 )	(690 )	(3,711 )	(1,047 )
Loss on early extinguishment of debt	-	-	-	-