
AIRT INC
A PORTFOLIO OF POWERFUL COMPANIES
DEC
2022
Q2 FY23 Update
NASDAQ: AIRT

Statements in this document, which contain more than historical information, may be considered forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995), which are subject to risks and uncertainties. Actual results may differ materially from those expressed in the forward-looking statements because of important potential risks and uncertainties, including, but not limited to, economic and industry conditions in the Company’s markets, the risk that contracts with FedEx could be terminated or adversely modified, the risk that the number of aircraft operated for FedEx will be reduced, the risk that GGS customers will defer or reduce significant orders for deicing equipment, the impact of any terrorist activities on United States soil or abroad; the Company’s ability to manage its cost structure for operating expenses, or unanticipated capital requirements, and match them to shifting customer service requirements and production volume levels the Company's ability to meet debt service covenants and to refinance existing debt obligations, the risk of injury or other damage arising from accidents involving the Company’s overnight air cargo operations, equipment or parts sold and/or services provided, market acceptance of the Company’s commercial and military equipment and services, competition from other providers of similar equipment and services, changes in government regulation and technology, changes in the value of marketable securities held as investments, mild winter weather conditions reducing the demand for deicing equipment, market acceptance and operational success of the Company’s relatively new aircraft asset management business and related aircraft capital joint venture; and the length and severity of the COVID-19 pandemic. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. The Company is under no obligation, and it expressly disclaims any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. Potential investors should review the Company’s risk factors contained in its reports filed with the Securities and Exchange Commission prior to investing.

SAFE HARBOR

EXECUTIVE SUMMARY

WHO WE ARE

- AIR T, INC. (NASDAQ: AIRT) is an industrious American company focused on generating after tax cash flow per share.
- Founded in 1980, our businesses have a history of growth and cash flow generation.
- Current management has been in place since 2013. The two largest shareholders have seats on the Board of Directors.

OPERATING HIGHLIGHTS

- AIR T, INC. operates 11 companies with 500 employees.
- For fiscal year end 2022, Revenues were $177.1 million and GAAP Operating Income was $8.8 million.
- Since 9/30/13, shares outstanding have declined from 3.7m* to 2.8m or 23%.

*Adjusted for 3/2 stock split

CONTENTS

ABOUT AIR T, INC.

We are an industrious American company established 40+ years and growing.

- Our businesses have a history of growth and cash flow generation.
- We seek to identify and empower individuals and teams who will operate businesses well, increasing value over time.
- We work to activate growth and overcome challenges, ultimately building businesses that flourish over the long-term.
- Management has purchased a significant % of AIRT common stock in the open market, demonstrating real alignment with all common shareholders.
- AIRT's management team has a track record of successfully allocating capital.

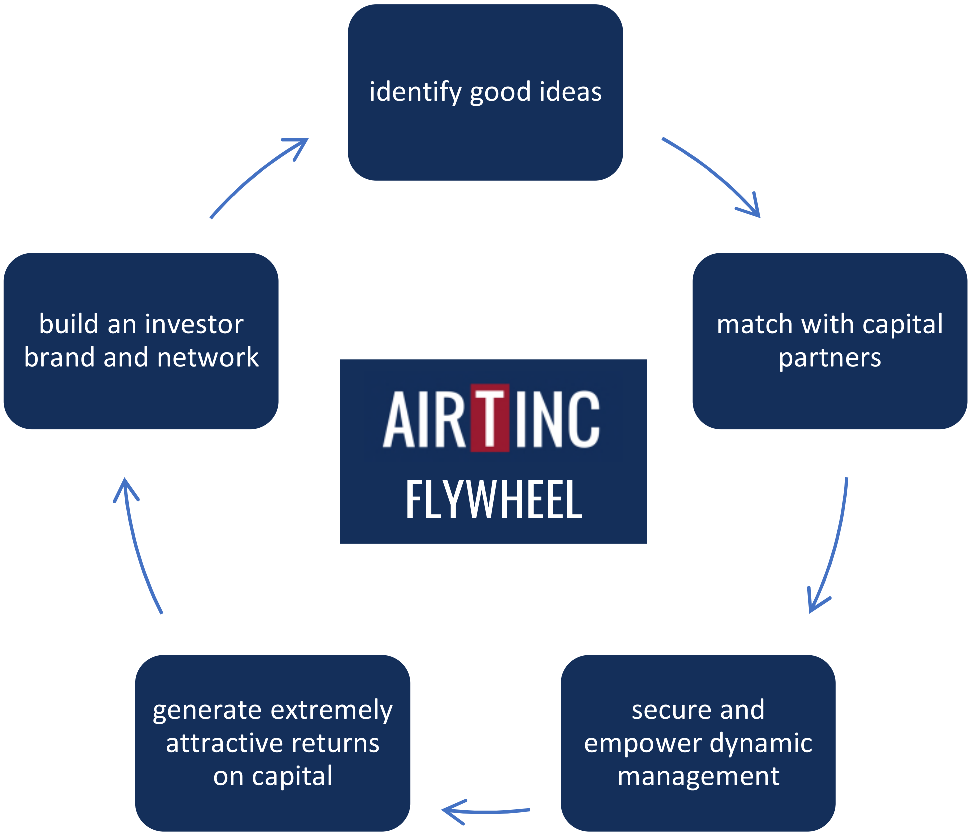
“Investor-Operator Partnership” is designed to drive short and long-term value creation.

“We want our businesses to be managed by dynamic individuals within high-performance teams.

We are set up to make space for dynamos and support their enterprises.

The holding company team seeks to focus resources, activate growth and deliver long-term value for everyone associated with AIR T, INC.”

\- Nick Swenson


identify good ideas
match with capital partners
secure and empower dynamic management
generate extremely attractive returns on capital
build an investor brand and network
AIRTINC FLYWHEEL

$177M	$11.4M	3	11	500
FY22 Revenue	FY22 Adj. EBITDA*	CORE SEGMENTS	COMPANIES	EMPLOYEES

*See Adjusted EBITDA reconciliation on slide 26

AIR T, INC. Financial Highlights
(For the Twelve-Month Period Ended 3/31/22)

	FY22	FY21	FY20
Revenue	$177.1M	$175.1M	$236.8M
Operating Income	$8.8M	($9.2M)	$7.3M
Adjusted EBITDA*	$11.4M	($1.3M)	$9.0M

- FY22 saw revenue increases across both our Air Cargo segment (up $8.1M) and Commercial Jet Engines and Parts segment (up $10.9M), offset by lower revenue at Global Ground Support (down $18.4M). Air Cargo segment revenues increased primarily due to higher aircraft activity levels for both FedEx and Non-FedEx customers. Commercial Jet Engines and Parts segment revenues was up year over year consistent with improved activity levels in commercial aviation as the industry continues to recover from the impacts of COVID-19.

- FY22 operating income was up $18.0M vs. FY21 driven primarily by $9.0M of ERC credits, improved profitability at Mountain Air Cargo and our Commercial Jet Engines and Parts companies, offset by lower income at Global Ground Support. FY21 operating income was negatively impacted by $6.6M of non-cash impairments and inventory write-downs primarily related to our Commercial Jet Engines and Parts business units.

*See Adjusted EBITDA reconciliation on slide 26

AIR T, INC. YTD FY23 Financial Highlights

YTD	FY23	FY22
Revenue	$111.6M	$80.2M
Operating Income	$1.0M	$0.7M
Adjusted EBITDA*	$3.8M	$1.4M

- FY23 saw revenue increases across both our Air Cargo segment (up $4.9M) and Commercial Jet Engines and Parts segment (up $17.3M), and Global Ground Support (up $6.5M). Air Cargo segment revenues increased primarily due to higher aircraft activity levels for FedEx. Commercial Jet Engines and Parts segment revenues was up year over year consistent with improved activity levels in commercial aviation as the industry continues to recover from the impacts of COVID-19. Global Ground Support revenue were up driven by increased deicer sales which are typically large lumpy orders that can vary across quarters from year to year.

- YTD FY23 operating income was up $0.3M vs. FY22 driven higher profitability at our Air Cargo segment (up $0.3M), Global Ground Support (up $0.6M), and our Commercial Jet Engines and Parts companies (up $1.2M). This increase was offset by lower profitability in our Corporate and Other segment (down $1.8M) driven by higher benefits and health care expenses.

*See Adjusted EBITDA reconciliation on slide 26

SEGMENT 1

Commercial Aircraft & Engines

- We buy aircraft and engines, then either lease, trade, or send them to part out.
- We supply parts to maintenance, repair and overhaul facilities (MRO).
- Companies in this segment include Contrail Aviation Support, JetYard, AirCo, and Worthington Aviation.
- This segment has been the most heavily-impacted segment by COVID-19.

YTD	FY23	FY22
Revenue	$41.8M	$24.5M
Operating Income	$2.9M	$1.7M

A niche between aircraft owners and MRO shops, this segment will seek to grow by coordinating activities and raising investment capital.

Overnight Air Cargo

- We operate two of the seven FedEx feeder airlines.
- Business units Mountain Air Cargo and CSA Air have a 40 year history with FedEx.
- Air T Companies since 1982, 1983

YTD	FY23	FY22
Revenue	$42.6M	$37.7M
Operating Income	$1.9M	$1.6M

An asset-light, predictable business.

SEGMENT 3

Aviation Ground Support Equipment

- We manufacture deicing equipment, scissor lift trucks and other ground support equipment.
- Sole-source deicer supplier to the US Air Force for 18 years.
- Highly efficient light manufacturing facility.
- The segment is comprised of Global Ground Support LLC.
- Air T Company since 1998

YTD	FY23	FY22
Revenue	$23.8M	$17.4M
Operating Income	$2.0M	$1.5M

Segment's order backlog was $21.1 million as of 9/30/22 compared to $10.9 million 9/30/21

Investing For Growth

BCCM ADVISORS

Investment manager focused on unearthing fundamentally attractive small and mid-cap opportunities. Allows us to further expand upon our idea generation capabilities to identify, analyze, develop and execute innovative investment strategies that are aimed at building better financial futures for all our stakeholders. Air T company since 2017.

DELPHAX SOLUTIONS — Superior Digital Printing

Digital inkjet press designer and manufacturer, delivering color presses that produce high-quality output without compromising efficiency or budgets. Air T company since 2017.

AHT — AMBRY HILL TECHNOLOGIES

Software developer and solution provider focused on the Aviation MRO and aftermarket community. Developed a suite of cloud-based and mobile applications to provide affordable, common-sense solutions. Air T company since 2018.

NEWS

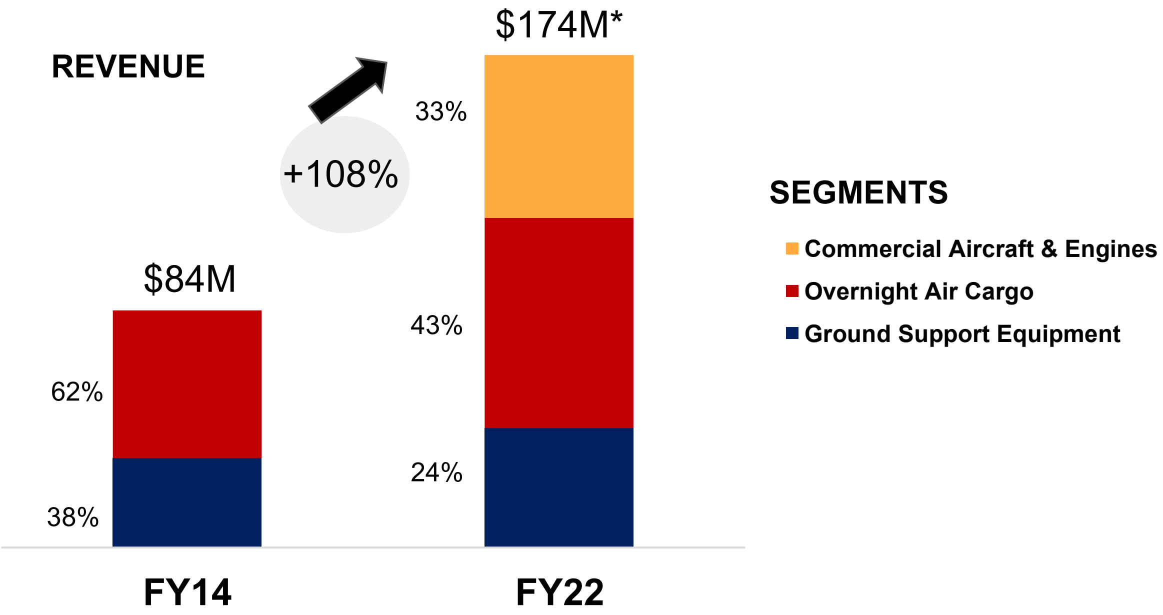
Crestone Air Partners Spinoff

- In July 2022 we announced that we had formed a new wholly-owned subsidiary called Crestone Air Partners who will assume the roles of sourcing and managing aircraft assets of our previously announced aircraft joint venture which was formed in May 2021.

ERC Tax Credit / Tax Refund

- Company expects to collect ~$8m ERC Tax Credit receivable and $2.5m tax refund receivable in the near future.

Over the last seven years, revenue has increased 108% and is more diversified.



*Excludes revenue in FY22 earned outside of our core segments.

Non-Operating Assets

AIR T owns the following public and private securities as of 9/30/22:

AIR T, INC. Non-Operating Assets (In Millions)	9/30/22
Insignia Systems (ISIG) Stock – 0.5M Shares*	$4.3
CCI Investment (18.98%)	$3.4
Investments in BCCM Funds	$0.6
Aircraft Asset Management Investments	$7.7
TFS Partners LLC Investment	$0.5
Other Investments	$2.4
Total	$18.9

*Based on closing price at 12/2/22 of $8.75.

CAPITALIZATION TABLE

AIR T, INC.'s capital structure is designed to appropriately shape our bet sizes; in part by utilizing non-recourse leverage

For example, AIR T guarantees Contrail's bank loans to a maximum limit of $1.6 million.

AIR T, INC. DIRECT & GUARANTEED	Interest Rate	Maturity Date	9/30/2022
Revolver ($22m Capacity)	Greater of 2.5% or Prime - 1%	8/31/2023	$ 17.9
Term Loans A and B	3.42%	8/31/2031	11.0
Corporate Headquarters Real Estate	5.09%	1/1/2028	1.4
Trust Preferred	8%	6/7/2049	25.6
Term Note E*	Greater of 1mo LIBOR +1.5% and 2.5%	6/25/2025	2.0
Promissory Note - CCI	10%	12/31/2022	2.0
Jet Yard Term Loan	4.14%	8/31/2031	1.9
Contrail Guarantee			1.6
Total Direct & Guaranteed			**$ 63.4**
NON- AIR T, INC. GUARANTEED			
Contrail			
Revolver ($25m Capacity)	1mo LIBOR + 3.45%	9/5/2023	10.1
Term Loan G (Main Street Loan)	1mo LIBOR + 3%	11/24/2025	44.9
Term Loan H	WSJ Prime Rate + 0.75%	8/18/2023	12.1
Less Air T, Inc. Guarantee			(1.6)
Total Contrail			**65.6**
Wolfe Lake Mortgage	3.65%	**12/2/2031**	**9.7**
Air T Acquisition 22.1			
Term Loan - Bridgewater	4.00%	2/8/2027	5.0
Term Loan A - ING	3.50%	2/1/2027	2.6
Term Loan B - ING	4.00%	5/1/2027	1.0
Total Air T Acquisition 22.1			**8.6**
AirCo I (Main Street Loan)	1mo LIBOR + 3%	12/11/2025	**6.4**
Total Non-Air T, Inc. Guaranteed			**$ 90.3**
Less: Unamortized Debt Issuance Costs			(1.0)
Total Debt & Preferreds			152.7
Cash & Restricted Cash			(9.5)
Net Debt			**$ 143.2**

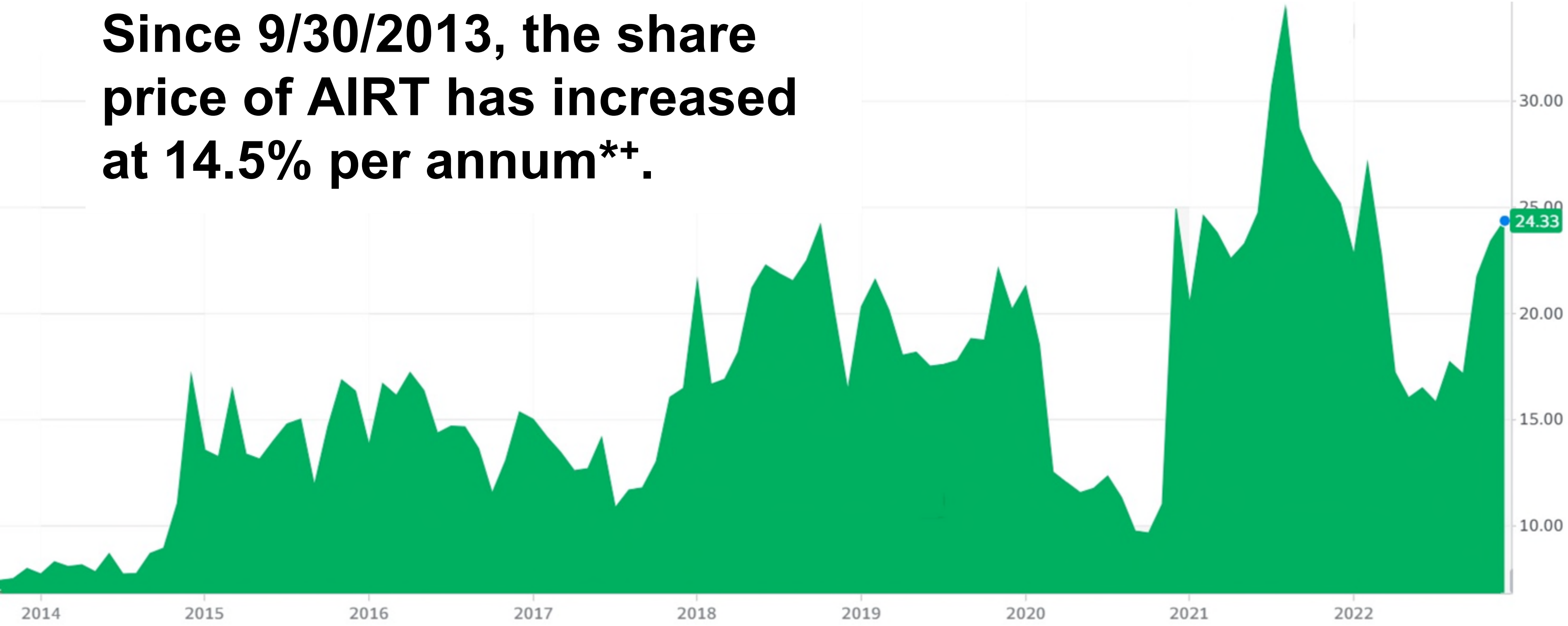
**cash secured loan*

Calibrated Bets & Capitalization Structure

Tailored, Limited, Convex Exposures
- Convexity-promoting organizational design
- Kelly-calibrated bets: sized to edge & bankroll
- Limit downside: tailored exposures

Risk Management: Downside Protection
- Anti-fragile company
- Islands of segregated assets and businesses
- Market driven and savvy risk management program that oversees all of the company

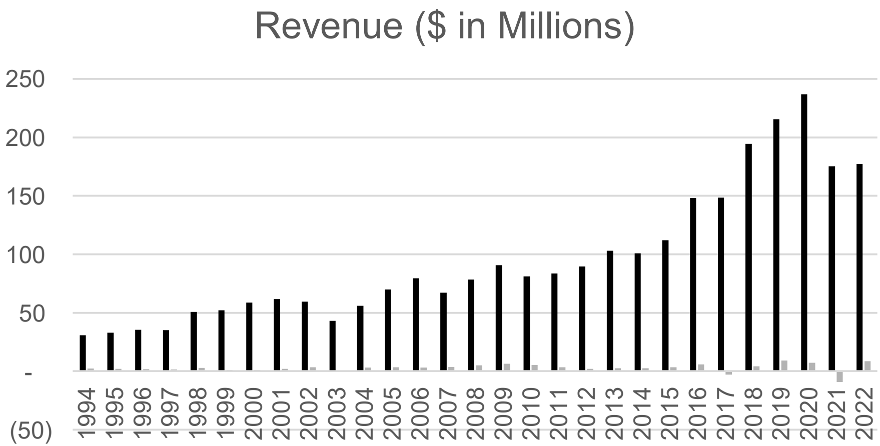
Since 9/30/2013, the share price of AIRT has increased at 14.5% per annum*+.

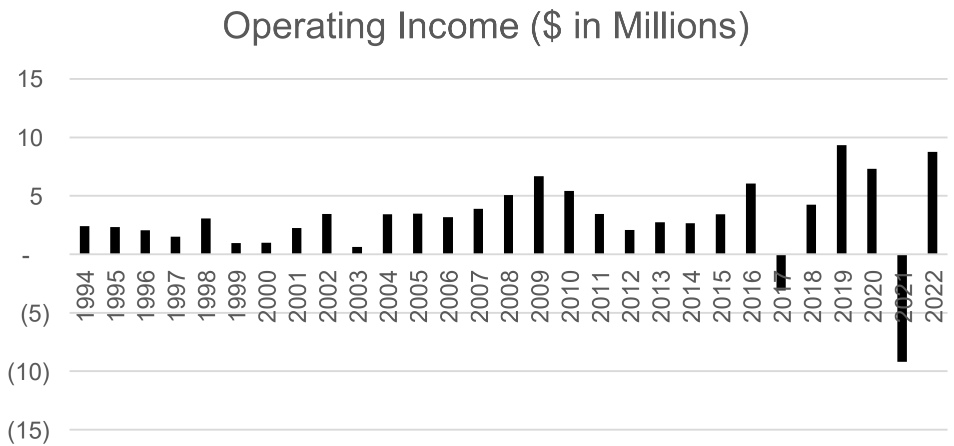


+ Compares to 10.2% return of the SP500 over the same period

*Reporting period 9/30/13 to 12/2/22, includes $4M Trust Preferred dividend to common shareholders

Since 1994, our company has had a history of long-term and sustained financial health.





Note: FY2017 contained large non-cash impairments and inventory write-downs tied to our investment in Delphax Technologies. FY21 results contained $6.6m of non-cash impairments and inventory write downs primarily related to our aircraft parts companies as a result of COVID-19.

GROWTH STRATEGIES

Our four growth strategies are...

- Invest to build our current high-performing businesses.
- Seek to acquire new cash-flow generating businesses.
- Identify great marketable securities or alternative assets.
- Create unique investment products and fund alongside third-party capital partnerships.

We plan to reinvest in projects at our high-performing businesses by...

- Purchasing commercial aircraft for trading, leasing and part-out.
- Purchasing engine parts inventory.
- Funding deicer builds for Global Ground Support.

We seek to acquire new cash-flow generating businesses by...

- Identifying and acquiring high-performing businesses with edge in the marketplace, which either complement our current portfolio or diversify into industries beyond aviation.

We plan to identify great marketable securities or alternative assets by...

- Searching for another committed activist opportunity.
- Investing in distressed and high yield securities.
- Investing in small cap securities.
- Further investing in our current securities portfolio.

We plan to create unique investment products with outside capital partners by...

- Offering thoughtful and sustainable products with attractive return profiles
- Attracting and retaining sophisticated investment professionals and creating space for talented asset managers.

Theoretical Toy Model
Public Company versus Private Equity Fund

Question: Does a permanent capital vehicle like a public company have a structural advantage compared to a 7-year PE fund vehicle?

Hypothesis: For the straightforward reason that PE funds trade assets every 7 years, the public companies tend to have a significant structural advantage at every timescale.

Complicating Factors:
- Do annual corporate tax burdens of a public C-corporation differ from a company owned by a public company?
- Does the inherent churn of buying and selling businesses within a public company overstate the advantage vs PE Fund?
- Theoretically, the public company can buy and sell assets without regards to the calendar, therefore at better prices.
- Cost and burden of being a public company.

ASSUMPTIONS	
Annual Return on Investment	5%
Taxes Paid by PE Fund @ 7-year Intervals	30%

Year	Public Company $1	Private Equity Fund $1		Taxes Paid
0	$1.00	$1.00		$0.00
7	$1.34	$1.24		$0.10
14	$1.89	$1.59		$0.15
21	$2.65	$2.04		$0.19
28	$3.73	$2.63		$0.25
35	$5.25	$3.38		$0.32
42	$7.39	$4.34		$0.41
49	$10.40	$5.57		$0.53
			Total	$1.96

Note: In this model we assume that assets are sold by the private equity fund every seven years and reinvested after paying capital gains taxes on the gain on the sale. It is also assumed that the Public Company does not sell the assets and therefore does not pay capital gains tax. The model does not consider taxes paid on operational results.

This projection, forecast or estimate is a forward-looking statement and is based upon certain assumptions which are speculative in nature and may vary materially from actual results.

Adjusted EBITDA Reconciliation

	FY22	FY21	FY20
Operating Income (GAAP)	**$8.8M**	**($9.2M)**	**7.3M**
Depreciation (excluding leased engine depreciation)	$1.6M	$1.2M	$1.3M
Asset Impairment, write-downs, restructuring	$0.8M	$6.6M	$0.0M
Gain on sale of PP&E	$0.0M	($0.0M)	($0.0M)
Security Issuance Expense	$0.3M	$0.0M	$0.4M
Adjusted EBITDA	**$11.4M**	**($1.3M)**	**$9.0M**

Adjusted EBITDA Reconciliation

YTD	FY23	FY22
Operating Income (GAAP)	**$1.0M**	**$0.7M**
Depreciation (excluding leased engine depreciation)	$1.3M	$0.6M
Asset Impairment	$1.5M	$0.0M
Gain on sale of PP&E	($0.0M)	$0.0M
Security Issuance Expense	$0.0M	$0.1M
Adjusted EBITDA	**$3.8M**	**$1.4M**

APPENDIX

Risk Factors

SUMMARY RISK FACTORS

The purchase of securities of Air T, Inc., the “Company,” is highly speculative and involves a very high degree of risk. An investment in the Company is suitable only for persons who can afford the loss of their entire investment. Accordingly, in making an investment decision with respect to the Company’s securities, investors should carefully consider all material risk factors, including the risks, uncertainties and additional information set forth below as well as set forth in (i) our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Currents Reports on Form 8-K, and our definitive proxy statements, all which are filed with the SEC, and (ii) our prospectus, filed as a part of our Registration Statement on Form S-3, which is filed with the SEC, and any supplement to the prospectus, including information in any documents subsequently incorporated by reference into the prospectus. Additional risks not presently known or are currently deemed immaterial could also materially and adversely affect our financial condition, results of operations, business and prospects.

General Business Risks

- The ongoing global coronavirus (“COVID-19”) pandemic could harm our business and results of operations.
- Market fluctuations may affect our operations.
- Inflation could impact our profitability.
- We could experience significant increases in operating costs and reduced profitability due to competition for skilled management and staff employees in our operating businesses.
- Legacy technology systems require a unique technical skillset which is becoming scarcer.
- Our business may be adversely affected by information technology disruptions.
- Security threats and other computer intrusions could hard our information systems, which in turn could hard our financials results.
- We may not be able to insure certain risks adequately or economically.
- Legal liability may harm our business.
- Our business might suffer if we were to lose the services of certain key employees.

SUMMARY RISK FACTORS

Risks Related to Our Segment Operations

- The operating results of our four segments may fluctuate, particularly our commercial jet engine and parts segment.
- Our Air Cargo Segment is dependent on a significant customer.
- Our dry-lease agreements with FedEx subject us to operating risks.
- Because of our dependence on FedEx, we are subject to the risks that may affect FedEx's operations.
- A material reduction in the aircraft we fly for FedEx could materially adversely affect our business and results of operations.
- Sales of deicing equipment can be affected by weather conditions.
- We are affected by the risks faced by commercial aircraft operators and MRO companies because they are our customers.
- Our engine values and lease rates, which are dependent on the status of the types of aircraft on which engines are installed, and other factors, could decline.
- Upon termination of a lease, we may be unable to enter into new leases or sell the airframe, engine or its parts on acceptable terms.
- Failures by lessees to meet their maintenance and recordkeeping obligations under our leases could adversely affect the value of our leased engines and aircraft which could affect our ability to re-lease the engines and aircraft in a timely manner following termination of the leases.
- We may experience losses and delays in connection with repossession of engines or aircraft when a lessee defaults.
- Our commercial jet engine and parts segment and its customers operate in a highly regulated industry and changes in laws or regulations may adversely affect our ability to lease or sell our engines or aircraft.
- Our aircraft, engines and parts could cause damage resulting in liability claims.
- We have risks in managing our portfolio of aircraft and engines to meet customer needs.
- Liens on our engines or aircraft could exceed the value of such assets, which could negatively affect our ability to repossess, lease or sell a particular engine or aircraft.
- In certain countries, an engine affixed to an aircraft may become an addition to the aircraft and we may not be able to exercise our ownership rights over the engine.
- Higher or volatile fuel prices could affect the profitability of the aviation industry and our lessees' ability to meet their lease payment obligations to us.

SUMMARY RISK FACTORS

Risks Related to Our Segment Operations (continued)

- Interruptions in the capital markets could impair our lessees' ability to finance their operations, which could prevent the lessees from complying with payment obligations to us.
- Our lessees may fail to adequately insure our aircraft or engines which could subject us to additional costs.
- If our lessees fail to cooperate in returning our aircraft or engines following lease terminations, we may encounter obstacles and are likely to incur significant costs and expenses conducting repossessions.
- If our lessees fail to discharge aircraft liens for which they are responsible, we may be obligated to pay to discharge the liens.
- If our lessees encounter financial difficulties and we restructure or terminate our leases, we are likely to obtain less favorable lease terms.
- Withdrawal, suspension or revocation of governmental authorizations or approvals could negatively affect our business.

Risks Related to Our Structure and Financing/Liquidity Risks

- Our holding company structure may increase risks related to our operations.
- A small number of stockholders has the ability to control the Company.
- An increase in interest rates or in our borrowing margin would increase the cost of servicing our debt and could reduce our cash flow and negatively affect the results of our business operations.
- Our inability to maintain sufficient liquidity could limit our operational flexibility and also impact our ability to make payments on our obligations as they come due.
- Future cash flows from operations or through financings may not be sufficient to enable the Company to meet its obligations.
- A large proportion of our capital is invested in physical assets and securities that can be hard to sell, especially if market conditions are poor.
- To service our debt and meet our other cash needs, we will require a significant amount of cash, which may not be available.
- If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to seek alternatives.
- The transition away from LIBOR may adversely affect our cost to obtain financing and may potentially negatively impact our interest rate swap agreements.

SUMMARY RISK FACTORS

Risks Related to Our Structure and Financing/Liquidity Risks (continued)

- Despite our substantial indebtedness, we might incur significantly more debt, and cash may not be available to meet our financial obligations when due or enable us to capitalize on investment opportunities when they arise.
- Our current financings arrangements require compliance with financials and other covenants and a failure to comply with such covenants could adversely affect our ability to operate.
- Further acquisitions and dispositions of businesses and investments are possible, changing the components of our assets and liabilities, and if unsuccessful or unfavorable, could reduce the value of the Company and its securities.
- We face numerous risks and uncertainties as we expand our business.
- Our business strategy includes acquisitions, and acquisitions entail numerous risks, including the risk of management diversion and increase costs and expenses, all of which could negatively affect the Company’s ability to operate profitably.
- Strategic ventures may increase risks applicable to our operations.
- Rapid business expansions or new business initiatives may increase risk.
- Our policies and procedures may not be effective in ensuring compliance with applicable law.
- Compliance with the regulatory requirements imposed on us as a public company results in significant costs that may have an adverse effect on our results.
- Deficiencies in our public company financial reporting and disclosures could adversely impact our reputation.