



# Fortress Transportation and Infrastructure Investors LLC

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## Jefferies Global Industrials Conference

August 8, 2019



FORTRESS  
TRANSPORTATION  
& INFRASTRUCTURE

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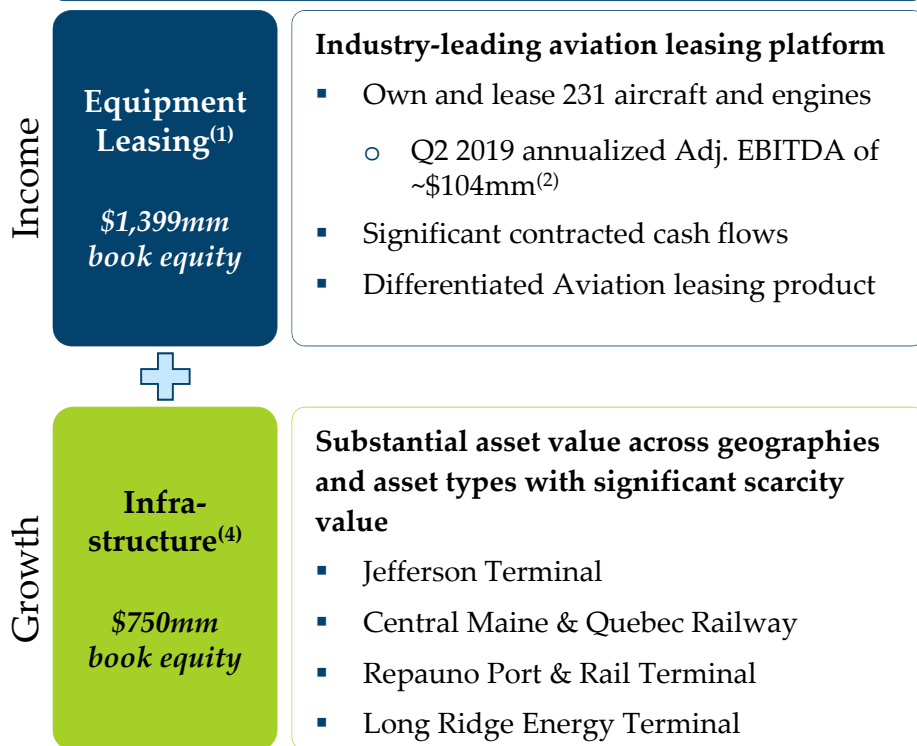
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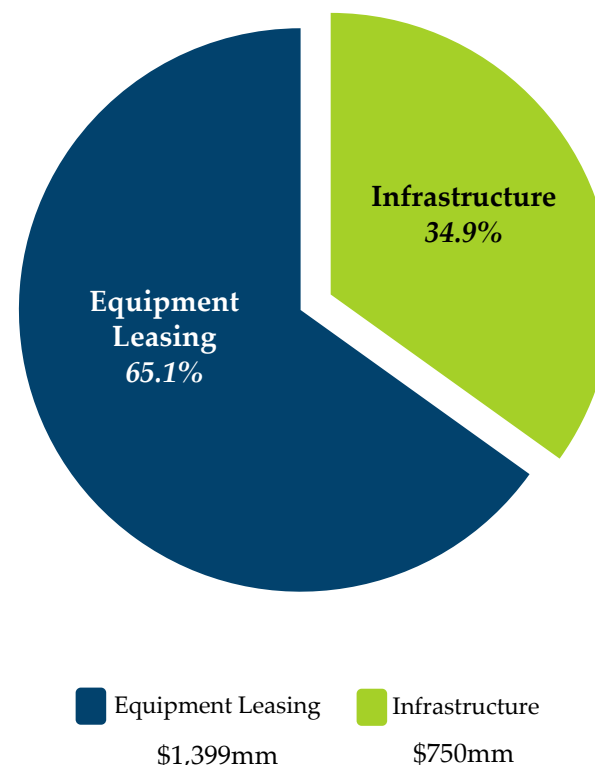
# FTAI Overview

- Owns and acquires *high quality* transportation equipment and infrastructure assets
- Diversified portfolio across the aviation, energy, port and rail sectors
- Combine *income & growth* through a mix of *equipment & infrastructure*

## Two Primary Business Units



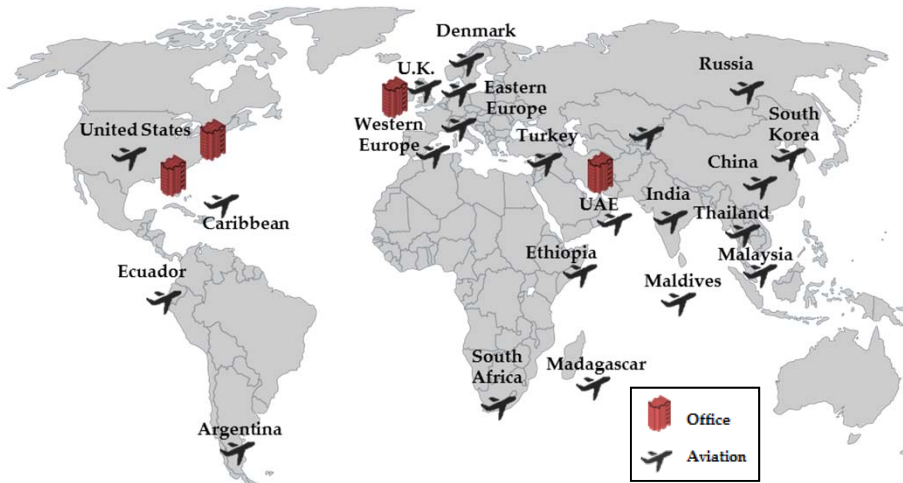
## Book Equity Contribution<sup>(3)</sup>



1) Equipment Leasing business consists of Aviation Leasing, and Offshore Energy and Shipping Containers (which were previously separate segments and are now included in Corporate and other). Book equity is calculated as total equity less non-controlling equity interest in equity of consolidated subsidiaries as of June 30, 2019.  
 2) Excludes gain on sale of assets; Annualized Adjusted EBITDA is a non-GAAP measure. Please see “Disclaimers” at the beginning of the Presentation. Please refer to appendix slide “Aviation Annualized Adj. EBITDA and Net Income Reconciliation” for more detail.  
 3) Excludes non-controlling equity interest and Corporate.  
 4) Infrastructure business consists of Jefferson Terminal, Ports & Terminals, and Railroad segments. Book equity is calculated as total equity less non-controlling equity interest in equity of consolidated subsidiaries as of June 30, 2019.

# Aviation: A Differentiated Model – Engines the Key!<sup>(1)</sup>

## Engines and Aircraft for Dividend Coverage



### Aviation Leasing

- 70 passenger aircraft
- 161 commercial jet engines
- *Shareholders' equity of \$1.25 billion*



- Engine leasing core competency
- Annualized Adjusted EBITDA Return on Equity<sup>(2)</sup> of 26.5%
- No debt on portfolio
- Approximately \$340.0 million of LOIs as of June 30, 2019
- Team, capital structure, focus = sustainable advantage – becoming a brand



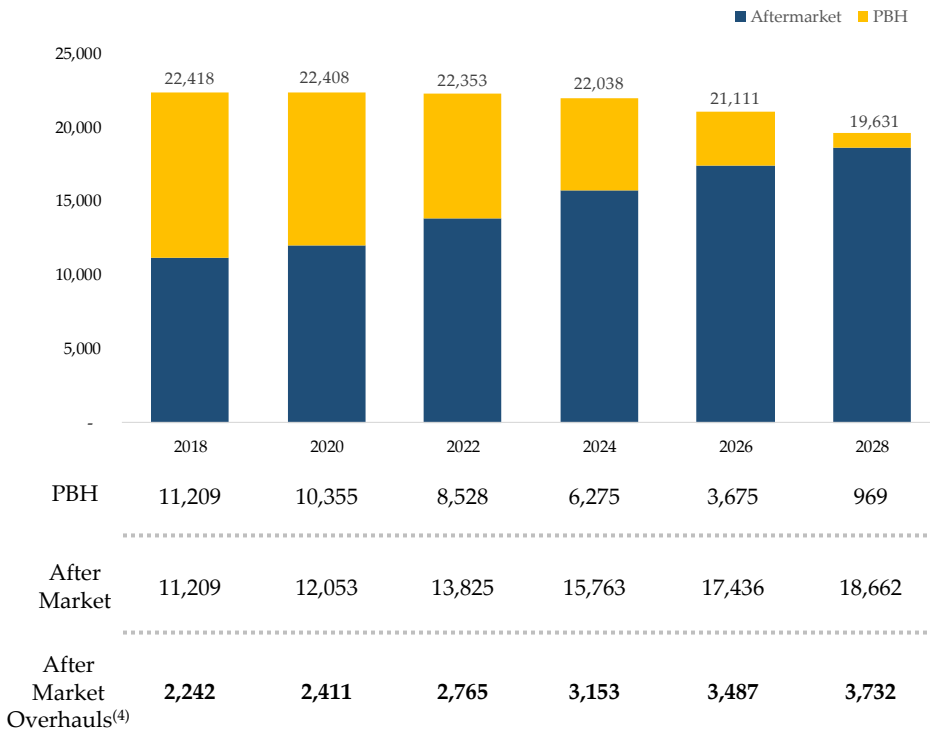
1) As of June 30, 2019.

2) Adjusted EBITDA is a non-GAAP measure. Annualized Adjusted EBITDA is Annualized Adjusted EBITDA Return on Equity excluding gain on sale of assets, for Q2 2019. Annualized data is presented for illustrative purposes only, and should not be considered indicative of future performance or actual results for any period. Please refer to the Aviation Leasing Historical Returns and Reconciliation of Non-GAAP Measures sections, included in the Appendix of the Company's Q2 2019 Earnings Supplement posted on the Company's website, for a reconciliation to the most comparable GAAP measure.

# CFM56-5B/7B Engine Market Overview and Opportunity

- Largest engine market ever with ~22,000 engines<sup>(1)</sup>
  - By 2020 aftermarket engines will surpass those under Power By Hour (“PBH”) contracts
  - In 10 years over 90% of current engines will exit their initial PBH contracts
  - Cost of CFM56-5B/7B engine shop visits expected to double in 10 years
- FTAI has the potential to generate *meaningful EBITDA contribution* per shop visit<sup>(2)</sup>

## 5B/7B Engine Market<sup>(1)</sup>



## Average After Market Shop Visit Cost<sup>(1)</sup>

\$ in thousands

	2018	2020	2022	2024	2026	2028
LLPs <sup>(3)</sup>	\$1,814	\$2,065	\$2,350	\$2,676	\$3,047	\$3,469
Airfoils	\$2,646	\$3,001	\$3,404	\$3,861	\$4,379	\$4,967
Labor	\$445	\$467	\$490	\$514	\$539	\$565
<b>Total</b>	<b>\$4,905</b>	<b>\$5,533</b>	<b>\$6,244</b>	<b>\$7,051</b>	<b>\$7,965</b>	<b>\$9,001</b>

1) Per 2017 MBA aviation report.

2) Based on management's estimates. Actuals may vary.

3) Life Limited Parts.

4) Estimated annual after market overhauls; assumes 5 year mean time between removal (“MTBR”) of after market engines.

# Existing Infrastructure Investments

## *Assets with multiple growth avenues*



*Jefferson Terminal*

- Terminal in Beaumont, Texas, one of North America's largest crude oil refining regions
  - Currently handles crude, ethanol and refined products destined for Mexico
  - Located near 6 major refineries with 2.2 mm b/d capacity
- Strategically located to serve the Gulf coast with international export capabilities
  - Rare Class I rail connectivity (UP, BNSF, KC)
- Sole handler of liquid hydrocarbons in Beaumont



*CMQR*

- Short line railroad from Montreal to Maine
- Acquired out of bankruptcy
  - 480 miles of owned track
  - ~25,000 annual carloads
- Improving undermanaged assets
- Experienced management team driving organic growth
- Evaluating industrial development opportunities along the railroad



# Additional Infrastructure Opportunities

## *Assets under development*



### *Repauno Port*

- 1,630 acre deep-water seaport and logistics hub
- On the Delaware River near Philadelphia
- Active industrial market
  - Liquid storage logistics and warehouse facility
  - Water Depth: 40'
  - Rail connectivity to Conrail
  - Access to I-295 / I-95



### *Long Ridge Energy Terminal*

- 1,660 acre industrial port and rail facility
- Heart of the Marcellus and Utica
  - Currently dry bulk storage and logistics facility
- Existing site infrastructure, connectivity, and access to low-price gas
- Permitting completed on 485 MW gas-fired power plant
- Potential for NGL logistical facility and integration with Repauno

# Capital Structure & Financing Strategy

- Conservative approach to leverage
  - Leverage of approximately 61.1%<sup>(1)(2)</sup> of total capital
- Total book value attributable to FTAI shareholders is approximately \$1.0 billion, or \$11.66 per share<sup>(3)</sup>

(\$s in millions)	June 30, 2019
Cash & Cash Equivalents	\$115.6
<b>Total Debt<sup>(2)(4)</sup></b>	<b>\$1,631.1</b>
Shareholders' Equity	\$988.8
Non-controlling Interest	49.4
<b>Total Equity</b>	<b>\$1,038.2</b>
<b>Total Capitalization</b>	<b>\$2,669.3</b>
<b>Debt/Total Capital</b>	<b>61.1%</b>

1) As of June 30, 2019.

2) Includes \$69.1mm of non-recourse debt, net of \$2.4mm of deferred financing costs; gross debt outstanding was \$71.5mm at June 30, 2019.

3) Book value per share calculation based on \$988.8mm Shareholders' Equity divided by 84.8mm shares outstanding at June 30, 2019.

4) Total debt is net of approximately \$21.9mm of deferred financing costs; gross debt outstanding was \$1,653.0mm at June 30, 2019.



# FTAI: Summary<sup>(1)</sup>

- Aviation:** Growing portfolio generating significant contracted cash flow to cover dividend.
- Infrastructure:** Attractive, well located, North American port and railroad terminals with multiple opportunities to grow over many years.<sup>(2)</sup>

## Valuation

	2019 Dividend Yield Sensitivity				Book Value Multiple Sensitivity		
	10.0%	7.5%	5.0%		2.0x	1.5x	1.0x
Implied Stock Price	\$13.20	\$17.60	\$26.40	Implied Stock Price	\$23.32	\$17.49	\$11.66
% Change <sup>(3)</sup>	-13%	16%	74%	% Change <sup>(3)</sup>	54%	15%	-23%



(1) As of August 5, 2019. For illustrative purposes only. This presentation does not constitute a recommendation or offer to purchase or sell shares of FTAI. Please see "Disclaimers" at the beginning of this presentation.

(2) See "Disclaimers" at the beginning of the Presentation.

(3) Compared against August 5, 2019 stock price of \$15.17.