



# Fortress Transportation and Infrastructure Investors LLC

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## **Supplemental Information** **Fourth Quarter 2019**



FORTRESS  
TRANSPORTATION  
& INFRASTRUCTURE

# Disclaimers

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**IN GENERAL.** This disclaimer applies to this document and the verbal or written comments of any person presenting it. This document, taken together with any such verbal or written comments, is referred to herein as the “Presentation.”

**FORWARD-LOOKING STATEMENTS.** Certain statements in this Presentation may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, of Fortress Transportation and Infrastructure Investors LLC (referred to in this Presentation as “FTAI,” the “Company,” or “we”), including without limitation, ability to achieve key investment objectives, expansion and growth opportunities, pipeline activity and investment of existing cash, ability to successfully close deals for which we have letters of intent or “LOIs”, actual results as compared to annualized data, expectations regarding additional Funds Available for Distribution (“FAD”) and/or EBITDA from investments, growth of and ability to expand Jefferson Terminal, Repauno and Long Ridge, whether equipment will be able to be leased, completion of new infrastructure and commencement of new operations within the Infrastructure business, bank borrowings and future debt and leverage capacity, financing activities and other such matters. These statements are based on management’s current expectations, estimates and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. FTAI can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements made in this Presentation. For a discussion of some of the risks and important factors that could affect such forward-looking statements, see the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s most recent annual report on Form 10-K and quarterly report on Form 10-Q (when available) and other filings with the U.S. Securities and Exchange Commission, which are included on the Company’s website ([www.ftandi.com](http://www.ftandi.com)). In addition, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this Presentation. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

**PAST PERFORMANCE.** Past performance is not a reliable indicator of future results and should not be relied upon for any reason. Annualized data is presented for illustrative purposes only and should not be considered indicative of future performance or actual results for any period.

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**Non-GAAP FINANCIAL INFORMATION.** This Presentation includes information based on financial measures that are not recognized under generally accepted accounting principles (GAAP), such as Adjusted EBITDA and FAD. You should use Non-GAAP information in addition to, and not as an alternative to, financial information prepared in accordance with GAAP. See Reconciliation and Glossary in the Appendix to this Presentation for reconciliations to the most comparable GAAP measures and an explanation of each of our Non-GAAP measures. Our Non-GAAP measures may not be identical or comparable to measures with the same name presented by other companies. Reconciliations of forward-looking Non-GAAP financial measures to their most directly comparable GAAP financial measures are not included in this Presentation because the most directly comparable GAAP financial measures are not available on a forward-looking basis without unreasonable effort.

# FTAI Overview

*Fortress Transportation and Infrastructure Investors (NYSE: FTAI) owns and operates high quality transportation and infrastructure assets*

- Diversified portfolio across the equipment leasing and infrastructure sectors
- Key investment objectives<sup>(1)</sup>:
  - Combine *income & growth* through a mix of equipment & infrastructure
  - Pay a *stable & growing* dividend

## Equipment Leasing<sup>(2)</sup>

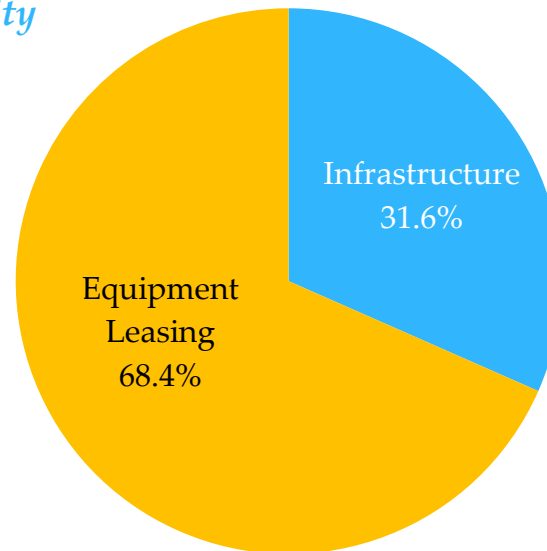
~\$1,561 million book equity

- ✓ Aviation Platform
- ✓ Contracted cash flows
- ✓ Differentiated aviation leasing product

## Infrastructure<sup>(3)</sup>

~\$722 million book equity

- ✓ Jefferson Terminal
- ✓ Long Ridge Terminal
- ✓ Repauno Delaware Port



1) See "Disclaimers" at the beginning of the Presentation.

2) Equipment Leasing business is comprised of the Aviation Leasing segment, and Offshore Energy & 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 interest in equity of consolidated subsidiaries as of December 31, 2019.

3) Infrastructure business is comprised of Jefferson Terminal, Ports & Terminals, and rail car cleaning assets (which are now included in Corporate and Other). Book equity is calculated as total equity less non-controlling interest in equity of consolidated subsidiaries as of December 31, 2019.

# Fourth Quarter Highlights

## Financial Performance

- Net Income Attributable to Shareholders of \$183.6 million
- Total Funds Available for Distribution (“FAD”)<sup>(1)</sup> of \$288.6 million
- Adjusted EBITDA<sup>(1)</sup> of \$234.0 million

## Investment Activity

### *Aviation*

- Invested ~\$266.2 million in Aviation leasing equipment in Q4'19; ~\$536.3 million in 2019
- Continue to divest non-core aviation assets; sold 21 engines and 3 airframes for \$67.6 million in total proceeds and a gain of \$20.6 million

### *Infrastructure*

- Advancing on expansion projects at Jefferson Terminal and Ports & Terminals
- Purchased 50% interest in ethanol joint venture for ~\$30.0 million (Jefferson now owns 100%)
- Completed the sale of 49.9% interest in Long Ridge for \$150.0 million in cash plus an earn-out potential; resulted in a \$116.7 million gain in Q4'19
- Completed the sale of Central Maine and Quebec Railway (“CMQR”) rail assets for \$130.0 million in purchase price; resulted in a \$77.5 million gain in Q4'19

## Capital Structure

- Total investable cash was approximately \$190.6 million<sup>(2)</sup>
- Issued \$115.0 million of 8.00% perpetual preferred equity in Nov'19 at \$25.00 per share



# Consolidated Financial Results

## Q4'19 Financial Results

- ✓ Net Income Attributable to Shareholders of \$183.6 million
- ✓ Net Cash Provided by Operating Activities of \$58.3 million
- ✓ Total FAD of \$288.6 million<sup>(1)</sup>
- ✓ Adjusted EBITDA of \$234.0 million<sup>(1)</sup>

## Q4'19 Balance Sheet

- ✓ Total Assets of \$3.2 billion
- ✓ Total Debt of \$1.4 billion (net of \$18.1mm deferred financing costs)
- ✓ Total Cash of \$226.5 million

## Financial Overview

(\$s in millions, except per share amounts)

Quarter Over Quarter Results	Q4'18 <sup>(2)</sup>	Q3'19 <sup>(2)</sup>	Q4'19
Net Income Attributable to Shareholders	\$1.0	\$25.7	\$183.6
Net Cash Provided by Operating Activities	\$47.3	\$34.6	\$58.3
FAD <sup>(1)</sup>	\$57.7	\$120.7	\$288.6
Adjusted EBITDA <sup>(1)</sup>	\$61.8	\$112.0	\$234.0
(Losses) Earnings Per Common Share – Continuing Operations	(\$0.01)	\$0.29	\$1.30
Earnings Per Common Share – Discontinued Operations	\$0.02	\$0.01	\$0.83
ROE <sup>(3)</sup>	0.4%	10.0%	62.2%

Balance Sheet & Liquidity	December 31, 2019
Aviation Leasing Assets	\$1,694.8
Infrastructure Assets	1,147.8
Corporate and Other Assets	394.3
<b>Total Assets</b>	<b>\$3,236.9</b>
Debt	1,420.9
Total Equity	1,338.9
<b>Total Debt + Total Equity</b>	<b>\$2,759.8</b>
Total Debt to Capital Ratio	51.5%

1) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

2) Excluding cash flow metrics, all prior periods have been restated to exclude discontinued operations resulting from the sale of CMQR rail assets for comparison purposes

3) ROE is calculated as net income (loss) attributable to shareholders for the quarter divided by quarterly average total equity excluding non-controlling interest in equity of consolidated subsidiaries. The average is based on quarter-end equity amounts over the two most recently completed quarters. ROE for quarterly periods is shown as an annualized return. Annualized data is presented for illustrative purposes only and should not be considered indicative of future performance or actual results for any period. Please see "Disclaimers" at the beginning of the Presentation.





# Aviation Leasing

- As of December 31, 2019, we owned and managed 238 aviation assets, including 74 aircraft and 164 engines, with 69 of 74 aircraft and 108 of 164 engines on lease
- Invested ~\$266.2 million in aviation equipment during Q4'19; \$536.3 million in 2019
- Sold 21 engines and 3 airframes in Q4'19 for \$67.6 million in total proceeds and a gain of \$20.6 million

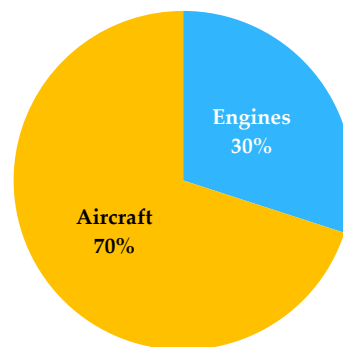
## Financial Summary

(\$s in millions)

Statement of Operations	Q4'18	Q3'19	Q4'19
Total Revenue	\$65.6	\$86.3	\$105.0
Total Expenses	(31.1)	(36.4)	(35.1)
Other <sup>(1)</sup>	(2.1)	35.3	15.9
Net Income Attributable to Shareholders	\$32.4	\$85.2	\$85.8
ROE <sup>(2)</sup>	12.1%	27.3%	25.8%
<b>Non-GAAP Measure</b>			
Adjusted EBITDA <sup>(3)</sup>	\$71.5	\$126.8	\$128.4

## Operating Data & Metrics

### Net Leasing Equipment



(\$s in millions)

	As of December 31, 2019		
	Engines	Aircraft	Total
# Assets	164	74	238
Net Leasing Equipment	\$455.7	\$1,061.9	\$1,517.6
Utilization <sup>(4)</sup>	60.7%	90.6%	80.1%
Remaining Lease Term (months) <sup>(5)</sup>	10	29	(n/a)

1) Includes Total other income, Provision for income taxes, less Net income attributable to non-controlling interest in consolidated subsidiaries.

2) ROE is calculated as net income attributable to shareholders for the quarter divided by quarterly average total equity excluding non-controlling interest in equity of consolidated subsidiaries. The average is based on quarter-end equity amounts over the two most recently completed quarters. ROE for quarterly periods is shown as an annualized return. Annualized data is presented for illustrative purposes only and should not be considered indicative of future performance or actual results for any period. Please see "Disclaimers" at the beginning of the Presentation.

3) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

4) Utilization is based on the net asset value of our on-hire leasing equipment as a percentage of the total net asset value of our leasing equipment at December 31, 2019.

5) Remaining Lease Term is based on the average remaining months for our aircraft and engine portfolios, weighted by the net asset value of the respective assets, which is gross asset value including lease intangibles, as applicable, net of accumulated depreciation, accumulated amortization and maintenance deposits, as applicable.



# Aviation Leasing Historical Returns<sup>(1)</sup>

- Scaled the Aviation segment from an Average Book Equity<sup>(2)</sup> of \$975.9 million in Q3'18 to \$1,329.3 million in Q4'19, while maintaining a strong return profile
  - Consistent ~25% Annualized Adjusted EBITDA Return on Equity excluding gain on sale of assets

Financial Metrics	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19
<i>(\$s in thousands)</i>						
Average Book Equity <sup>(2)</sup> {A}	\$975,891	\$1,073,655	\$1,160,647	\$1,220,830	\$1,250,963	\$1,329,336
Annualized Net Income <sup>(3)</sup>	\$162,976	\$129,420	\$142,712	\$255,032	\$340,984	\$343,024
Annualized Net Income excluding gain on sale of assets <sup>(3)</sup> {B}	\$162,116	\$134,568	\$135,840	\$164,592	\$192,744	\$260,760
<b>Annualized Return on Equity excluding gain on sale of assets % {B/A}</b>	16.6%	12.5%	11.7%	13.5%	15.4%	19.6%
Annualized Adjusted EBITDA <sup>(3)</sup>	\$289,808	\$286,056	\$296,840	\$414,440	\$507,032	\$513,424
Annualized Adjusted EBITDA excluding gain on sale of assets <sup>(3)</sup> {C}	\$288,948	\$291,204	\$289,968	\$324,000	\$358,792	\$431,160
<b>Annualized Adjusted EBITDA Return on Equity excluding gain on sale of assets % {C/A}</b>	29.6%	27.1%	25.0%	26.5%	28.7%	32.4%

## Operating Metrics

Aircraft	62	70	73	70	69	74
Engines	135	142	146	161	152	164
<b>Total Aviation Assets</b>	<b>197</b>	<b>212</b>	<b>219</b>	<b>231</b>	<b>221</b>	<b>238</b>

1) See schedule in the Appendix for additional information and comparability to the last twelve months.

2) Determined by taking the average of Book Equity excluding Non-controlling interest of the two most recently completed quarters.

3) Annualized Net Income and Annualized Adjusted EBITDA are calculated by multiplying Net Income or Adjusted EBITDA, respectively, for the applicable period by four. 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 Appendix for more information.

# Jefferson Terminal

- Well-positioned to take advantage of growing local and export refined products and crude markets
- Net Loss decreased from Q3'19 primarily due to improved results from our core business operations (terminalling and storage) coupled with a gain resulting from the acquisition of remaining 50% interest in our ethanol joint venture, offset by wind down costs related to exiting Canadian crude marketing program during the quarter
- Total throughput volume and overall storage capacity increased 29.3% and 46.8%, respectively, from prior quarter

## Financial Summary

(\$ in millions)

Statement of Operations	Q4'18	Q3'19	Q4'19
Total Revenue	\$49.3	\$60.5	\$40.3
Total Expenses	(56.0)	(79.4)	(58.5)
Other <sup>(2)</sup>	3.4	5.7	9.1
Net Loss Attributable to Shareholders	(\$3.3)	(\$13.2)	(\$9.1)
ROE <sup>(3)</sup>	(4.1%)	(14.1%)	(8.9%)
<b>Non-GAAP Measure</b>			
Adjusted EBITDA <sup>(4)</sup>	(\$0.8)	(\$2.1)	(\$0.2)

## Operating Data & Metrics

(Figures in bbls)

Quarterly Operating Data <sup>(5)</sup>	Q3'19	Q4'19
Refined Products Volume	1,611,130	1,818,229
Ethanol Volume	1,384,682	1,384,685
Crude Volume	6,913,148	9,606,378
Total Volume	9,908,960	12,809,292
Storage Capacity	2,934,832	4,309,027

1) Please see "Disclaimers" at the beginning of the Presentation.

2) Includes Total other income, Equity investment income, Provision for income taxes, less Net loss attributable to non-controlling interest in consolidated subsidiaries.

3) ROE is calculated as net income attributable to shareholders for the quarter divided by quarterly average total equity excluding non-controlling interest in equity of consolidated subsidiaries. The average is based on quarter-end equity amounts over the two most recently completed quarters. ROE for quarterly periods is shown as an annualized return. Annualized data is presented for illustrative purposes only and should not be considered indicative of future performance or actual results for any period. Please see "Disclaimers" at the beginning of the Presentation.

4) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

5) Volume data comprised of the greater of the minimum volume commitments or actual revenue generating inbound or/and outbound volumes.



# Ports and Terminals

- Ports and Terminals is comprised of the Repauno Port and Long Ridge Energy Terminal
- Q4'19 Net Income includes a gain of \$116.7 million from the sale of 49.9% interest in Long Ridge offset by related acquisition and transaction costs and income taxes resulting from the sale

## Financial Summary

(\$s in millions)

<i>Statement of Operations</i>	Q4'18	Q3'19	Q4'19
<i>Total Revenue</i>	\$11.9	\$4.2	\$10.0
<i>Total Expenses</i>	(12.3)	(7.6)	(20.0)
<i>Other<sup>(1)</sup></i>	(0.1)	(0.5)	97.1
<i>Net (Loss) Income Attributable to Shareholders</i>	(\$0.5)	(\$3.9)	\$87.1
<i>ROE<sup>(2)</sup></i>	(0.8%)	(4.2%)	104.3%
<b><i>Non-GAAP Measure</i></b>			
<i>Adjusted EBITDA<sup>(3)</sup></i>	\$2.2	(\$0.9)	\$117.0

1) Includes Total other income, Provision for income taxes, less Net (loss) income attributable to non-controlling interest in consolidated subsidiaries.

2) ROE is calculated as net income attributable to shareholders for the quarter divided by quarterly average total equity excluding non-controlling interest in equity of consolidated subsidiaries. The average is based on quarter-end equity amounts over the two most recently completed quarters. ROE for quarterly periods is shown as an annualized return. Annualized data is presented for illustrative purposes only and should not be considered indicative of future performance or actual results for any period. Please see "Disclaimers" at the beginning of the Presentation.

3) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

# Corporate and Other

- Corporate and Other includes G&A expenses, management fees, incentive allocations, acquisition and transaction costs, interest expense, and expense reimbursement, as well as operating results from rail car cleaning, Offshore Energy, and Shipping Containers
- Total Revenue increased \$4.3 million compared to Q3'19 primarily due to higher revenue generated from Offshore Energy assets
- Total Expenses increased (\$9.5) million compared to Q3'19 primarily due to a higher capital incentive fee resulting from the sales of aviation assets, CMQR rail assets, and 49.9% interest in Long Ridge, during the quarter

## Financial Summary

(\$s in millions)

<i>Statement of Operations</i>	Q4'18 <sup>(3)</sup>	Q3'19 <sup>(3)</sup>	Q4'19
Total Revenue	\$1.8	\$1.7	\$6.0
Total Expenses	(30.9)	(46.1)	(55.6)
Other <sup>(1)</sup>	0.1	1.1	(1.9)
Net Loss Attributable to Shareholders	(\$29.0)	(\$43.3)	(\$51.5)
<i>Non-GAAP Measure</i>			
Adjusted EBITDA <sup>(2)</sup>	(\$11.1)	(\$11.7)	(\$11.2)

1) Includes Total other income, Provision for income taxes, income from discontinued operations, and preferred dividend distributions less Net loss attributable to non-controlling interest in consolidated subsidiaries.

2) This is a Non-GAAP measure. See Reconciliation of Non-GAAP Measures section in Appendix for a reconciliation to the most comparable GAAP measure.

3) All prior periods have been restated to exclude discontinued operations resulting from the sale of CMQR rail assets for comparison purposes.