



# Fortress Transportation and Infrastructure Investors LLC

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**2017 Citi Industrials Conference**

June 2017



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 cover future dividends, expectations regarding additional FAD and/or EBITDA and/or Annualized EBITDA from investments, growth of Jefferson Terminal and CMQR, future development of Hannibal and Repauno, financing activities and other such matters. These statements are based on management’s current expectations 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 recently filed reports on Form 10-K and quarterly reports on Forms 10-Q (when available), 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.

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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 Net Income, 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 the Company’s Q1 Earnings Supplement posted on the Company’s website 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.

# FTAI Overview

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

- Diversified portfolio across the aviation, energy, intermodal transport and rail 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>

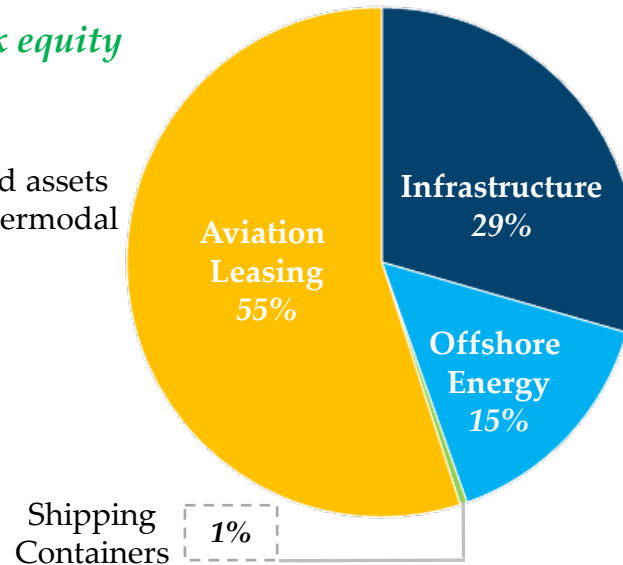
~\$752 million book equity

- ✓ Aviation Platform
- ✓ Opportunistically acquired assets in offshore energy and intermodal transport
- ✓ Contracted cash flows

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

~\$312 million book equity

- ✓ Jefferson Terminal
- ✓ Central Maine & Quebec Railway
- ✓ Repauno Delaware Port
- ✓ Hannibal Terminal<sup>(4)</sup>



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

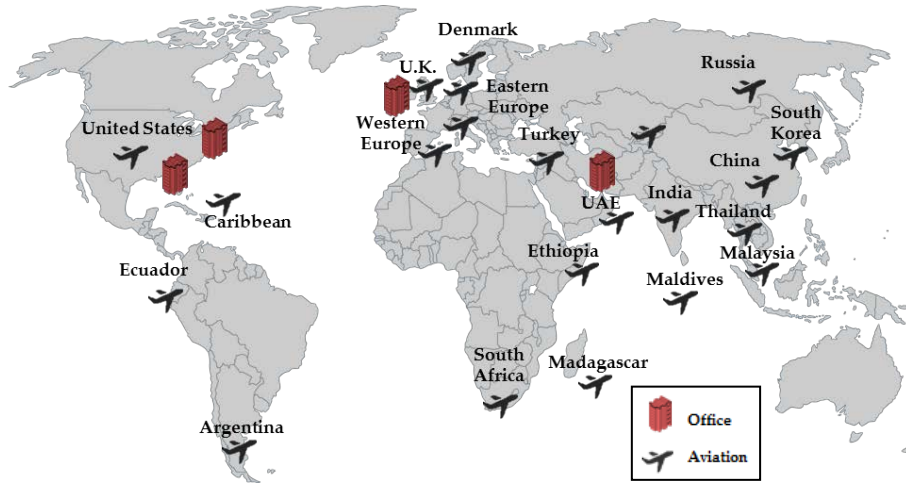
2) Equipment Leasing business is comprised of Aviation Leasing, Offshore Energy, and Shipping Containers segments. Book equity is calculated as total equity less non-controlling interest in equity of consolidated subsidiaries as of March 31, 2017.

3) Infrastructure business is comprised of Jefferson Terminal, Ports & Terminals, and Railroad segments. Book equity is calculated as total equity less non-controlling interest in equity of consolidated subsidiaries as of March 31, 2017.

4) We are currently reviewing various purchase settlement options with the owner. There can be no assurance that we will be successful in acquiring such assets or, if acquired, that they will generate returns meeting our expectations, or at all. Some of our committed investments and pipeline investments are subject to definitive documentation, agency consent and board approval. Committed investments and pipeline investments are also subject to varying degrees of diligence. There can be no assurance that we will complete any such investments. See "Disclaimers" at the beginning of the Presentation.

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

## Engines and Aircraft for Dividend Coverage



### Aviation Leasing

- 31 passenger aircraft
- 78 commercial jet engines
- *Shareholders' equity of \$583.8 million*



- Engine leasing core competency
- Annualized Adjusted EBITDA<sup>(2)</sup> is in excess of 20% of equity.
- No debt on portfolio
- Approximately \$220.0 million of LOIs at the end of 1Q 2017
- Team, capital structure, focus = sustainable advantage – becoming a brand



1) As of March 31, 2017.

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 Q1 2017. 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 Q1 2017 Earnings Supplement posted on the Company's website, for a reconciliation to the most comparable GAAP measure.

# 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 and soon ethanol and refined products (recently executed initial contract to transload refined products headed to Mexico)
  - 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

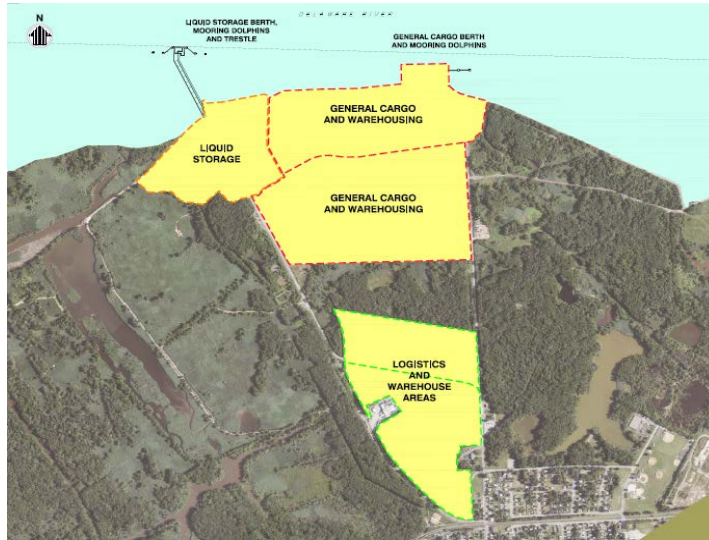


*CMQR*

- 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: currently 37'; dredging to 40'
  - Rail connectivity to Conrail
  - Access to I-295 / I-95



### Hannibal, Ohio Port<sup>(1)</sup>

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

# Capital Structure & Financing Strategy

- Conservative approach to leverage
  - Current leverage of approximately 30% of total capital with longer term objective not to exceed 50%
  - Significant additional leverage capacity<sup>(1)</sup>
- Total book value attributable to FTAI shareholders is approximately \$1.0 billion, or \$13.58 per share<sup>(2)</sup>

(\$s in millions)	March 31, 2017
Cash & Cash Equivalents	\$221
Total Debt <sup>(3)</sup>	\$495
Shareholders' Equity	\$1,030
Non-controlling Interest	107
Total Equity	\$1,137
Total Capitalization	\$1,632
Debt/Total Capital	30.3%

1) Based on management's current views. Significant additional leverage capacity refers to our belief that we have the ability to access additional non-equity capital through an array of sources, including, but not limited to, our ability to obtain corporate debt. Our ability to access corporate debt is subject to a number of factors, including market conditions, company performance and the willingness of lenders to lend to us. For the avoidance of doubt, we do not currently have committed unused financing in place, and we cannot assure you that we will be able to obtain corporate debt on attractive terms or at all. Please see "Disclaimers" at the beginning of the Presentation.

2) Book value per share calculation based on \$1,029.4mm Shareholders' Equity divided by 75.8mm shares outstanding at March 31, 2017.

3) Total debt is net of approximately \$12.5mm of deferred financing costs; gross debt outstanding was \$508.0mm at March 31, 2017.

# 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.

## Valuation

	2017 Dividend Yield Sensitivity		
	8.0%	6.0%	4.0%
Implied Stock Price	\$16.55	\$22.07	\$32.95
% Change <sup>(2)</sup>	11%	48%	121%

	Book Value Multiple Sensitivity		
	1.25x	1.50x	1.75x
Implied Stock Price	\$17.00	\$20.43	\$23.71
% Change <sup>(2)</sup>	14%	37%	59%

