

Amazon Prime Air | Operating lease | 09-21 | 12x767-300ERBDSF

Air Transport Services Group has announced the lease of 12 additional Boeing 767-300 converted freighter aircraft to Amazon.com Services.

All 12 aircraft will be leased to Amazon for 10 years, with options for Amazon to extend for three additional years.

Cargo Aircraft Management (CAM), ATSG's aircraft leasing subsidiary, delivered the first aircraft on 29 May. The remaining 11 units are planned to deliver in 2021.

CAM currently leases 27 767 converted aircraft to Amazon. In December 2018, Amazon committed to lease 10 additional aircraft. Six units delivered in 2019 while another four will deliver by the end of 2020.

ATSG says the new agreement will see CAM lease 31 aircraft by the end of 2020 and 42 by the end of 2021.

Pursuant to the terms of the parties' December 2018 transaction, Amazon will be granted approximately seven million warrants to purchase ATSG common shares in exchange for its commitment to these 12 additional leases. The cash exercise price for these warrants will be \$20.4 per share, based upon the volume-weighted average price of ATSG's stock for the 30 trading days concluded prior to the contractual commitment for the leases.

At 31 March, 2020, Cargo Aircraft Management owned 12 767-300 aircraft that were either already undergoing, or awaiting, induction into the freighter conversion process.

Currently, CAM expects six passenger aircraft to be converted during 2020.

ATSG expects to end 2020 with 78 owned 767 freighter aircraft in operation, 71 of which will be leased to 11 external customers.

Transaction Overview

Structure

Product category: Operating lease

Product type: Operating lease

Structure Operating lease

Use of proceeds Operating Lease

Transaction Categories

Regions:

[North America](#) |

[United States](#) |

Tagged as:

[G8](#) |

Transaction Roles

Borrower/Issuer

Company Name	Role	Client
Amazon Prime Air	Borrower/Issuer	

Lessor

Company Name	Role	Client
Amazon Prime Air	Lessee	

Cargo Aircraft Management	Lessor	
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Transaction Timeline

10/09/2021	Financial close	
01/07/2019	Finance mandated	Cargo Aircraft Management signs 10-year 767 leases

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MSN	Quantity	Model	BodyType	Manufacturer
MSN 1234 12		767-300ER	Widebody	Boeing

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Coverage

[ATSG eyes busy conversion year for 2023](#)

Cargo leasing subsidiary expected to complete conversion of an expected leased fleet of 30 A330-300s this year.

[CAM hires new head of aircraft trading](#)

Cargo Aircraft Management and ABX Air, both subsidiaries of Air Transport Services Group, recently signed agreements with DHL.

[ATSG responds to strong freighter leasing demand](#)

ATSG now sees greater opportunity to lease freighter units.

[Lessor places 767-300BDSF](#)

US lessor finds new customer for 30-year old aircraft.

[Cargo Aircraft Management signs 10-year 767 leases](#)

Amazon will be granted approximately seven million warrants to purchase ATSG common shares in exchange for the new leases.

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