

ABX AIR CARGO EXPRESS UPDATE

First Quarter 2022

Top stories in this issue



Wings of Excellence



2021 Year in Review



Mental Health Resources

Wings of Excellence Presented to Hayden Meyer and Jeff White

ABX recently awarded two employees with the coveted Wings of Excellence award.



Maintenance Station Supervisor **Jeff White** received the Gold Wings of Excellence award for upholding the highest standards and attention to detail, working long hours on multiple days in a row to oversee the induction of aircraft 651GT and 650GT into ABX Air service. He coordinated with multiple departments to make the project successful. Jeff proves himself to be a valuable asset to our operation on a daily basis. Thank you, Jeff!

Maintenance Station Supervisor **Hayden Meyer** received the Silver Wings of Excellence award for his work in supporting and coordinating the induction of aircraft 651GT and 650GT into the ABX Air fleet. Hayden worked multiple days in a row for weeks supporting our customers in the CVG operations during the conformity bridging check. His hard work and dedication display the highest standards of ABX Air. Thank you, Hayden!



The Wings of Excellence program was established to recognize and reward our people who demonstrate extraordinary performance, commitment to the company, or community involvement. There are two award levels: the Silver Wings of Excellence and the Gold Wings of Excellence. The Gold Wings of Excellence is ABX Air's highest honor.



2021 Year In Review

The ABX Air team once again excelled in 2021. Below is a review of our accomplishments in each department and throughout the company.

2021 Key Accomplishments Overview

- Exceeded both our planned Revenue and Earnings before Interest and Taxes (EBIT) targets
- Renewed DHL ACMI Transatlantic operations with two rate increases to cover additional costs and maintain profitability.
- Initiated CMI operations with DHL from New York (JFK) to Leipzig (LEJ) and Madrid (MAD) – now operating CVG-Cologne (CGN).
- Flew 38 extra sections for DHL in 2022 due to volume, maintenance coverage, or crew issues for other airlines.
- Added two growth aircraft to the DHL fleet: 650GT and 651GT.
- Increased DHL crew counts from 39.5 at the beginning of the year to 59 at the end of the year.
- Managed 119 schedule changes for DHL and Amazon, including new operations into Europe for DHL and multiple new stations across the Amazon network: ABE, AFW, DEN, JFK, LAL, PHX, SFO, and SMF.
- Agreed to term sheet with DHL for 6-year extension of the DHL CMI Agreement with a minimum of 12 aircraft.
- Operated 3 aircraft for UPS in December.
- Implemented the new pilot CBA.
- Spent over \$600k in 2021 to protect employees from COVID-19 and ensure our ability to maintain the integrity of our customers' networks.
- Fully tested Lufthansa suite of products to replace Sabre platform in Crew Scheduling, Dispatch, and Aircraft Movement Control.
- Achieved 2021 Overall On-Time Performance of 98.01%. Amazon 2021 OTP was 98.20%. DHL 2021 OTP was 97.85%. Operated with an average of 1.5 spare aircraft throughout the year vs. a target of 2.



Safety

- Completed IOSA Registry renewal with 99.38% compliance rate across all IATA Standards and Recommended Practices.
- Implemented GE EMS and CEFA software products to upgrade the ABX Air FOQA & MOQA Programs.
- Enhanced Disaster Recovery Program with upgraded equipment, and revised procedures to support continued operations during facilities or operational systems failures.
- Developed new safety metric dashboard for use by the ABX Accountable Executive.

Maintenance

- Awarded the FAA Diamond and NATA Employer Awards for superior Maintenance Technician training.
- Implemented ChronicX software, which uses artificial intelligence to allow Maintenance Technicians to identify chronic defects and use defects analysis to improve aircraft safety and reliability.
- Qualified an ABX auditor to CASE level 3 status, allowing use of 53 Repair and Overhaul vendors audits.
- Obtained FAA approval for Electronic Record Keeping to track and store training records.
- Created a Maintenance Program Bridging tool to allow ABX Air to streamline the process of adding aircraft to our Operations Specifications.
- Developed an interactive Hydraulic Component Identification Program to quickly identify parts needed to repair hydraulic leaks.

Flight Operations

- Pilot sick time reduced by 25% versus 2020.
- Hired 87 pilots and upgraded 22 First Officers to Captains to support growth initiatives and offset attrition / retirements.
- Completed certification of two B767-200's with Pratt & Whitney JT9 engines and the Rockwell Collins Large Display System upgrade.
- Converted our B767-300 fleet from Kilograms to Pounds to facilitate the Pegasus FMC upgrade initiative. This will reduce our annual navigation database costs by \$400K.
- Converted 67% of all ABX Technical Publications to the ProAuthor software, which is scalable for future growth.



Crew Relations

- Flight Crew OTP of 99.86% for 2021.
- Developed Joint Training / CBA Implementation document in collaboration with Union Leadership.
- Reduced pilot grievances by over 60% compared to 2020.
- Implemented numerous COVID preventative measures to ensure the safety of our crews and ensure business continuity.

Crew Scheduling

- Implemented new CBA into Crew Scheduling, Crew Planning, and Pilot Bonus Pay, including new rules for assigning Reserves in advance, SAP, Premium Open Flying, etc.
- CBA Scorecard developed and reported on monthly.
- Completed testing on new crew scheduling software Lufthansa Netline Crew across Crew Scheduling, Crew Planning, Crew Training, and Pilot Bonus Pay.
- Implemented new S3RUS pairing and line build software for crew productivity optimization.
- \$825K reimbursed by DHL through the end of the year for additional crew costs related to schedule changes.

Ground Operations

- Completed the IOSA Audit with zero findings in three designated areas: GRH, CGO and SEC.
- Started and supported ABX aircraft ground operations for DHL in Europe at Brussels (BRU), Leipzig (LEJ), and Madrid (MAD).
- Started and supported ABX aircraft ground operations for Amazon at ABE, AFW, DEN, LAL, SFO, SMF simultaneously during the March schedule reset. Also started and supported operations for Amazon at PHX in Q3 and JFK in Q4.
- Partnered with DHL to coordinate the ABX 767-300 conversions from kilograms to pounds safely and without any interruptions in service.



System Control

- Completed testing of new Aircraft Movement Control software, Lufthansa Netline Ops++.
- Implemented two DHL hot spares, including detailed procedures for tracking, evaluating, and setting up launches.
- Supported over 100+ DHL and Amazon schedule changes.

Contracts / Procurement

- Incorporated Project Harmony processes into daily procurement / buying process to track results against projections and report on vendor issues.
- Contracted to exclusively use SAFRAN brakes for the 767-300s resulting in approx. \$10M in savings across ATSG and \$2.2M for ABX across the life of the 6-year contract.
- ATSG Aramark contract finalized in Q4.
- Negotiated new AVI contract including a ~\$300K investment in the Cafeteria.

Finance

- Established monthly directors' meeting to report on ABX financials, including latest Actuals vs. Budget/Forecast P&L comparisons.
- Developed new monthly report on Aircraft Maintenance costs and KPIs.
- Revamped Ad Hoc Charter Financial Model.

Human Resources

- Managed impact of COVID-19 pandemic on workforce, including administration of vaccine requirements across non-bargaining and bargaining employees.
- Implemented new wellness program, allowing employees to qualify for 25% discount by completing an annual physical.
- Increased Marathon Health Clinic engagement by 17%.
- Selected new HCM/HRIS system across ATSG companies.
- Administered Management training classes in conflict resolution, coaching, and sponsorship.

Feeling Stressed? Anxious? Depressed? Help is Available!

We all experience difficult periods and trying times in our lives. Please know that you are not alone. People are available to listen and help.

- **ABX Air's Employee Assistance Program** (liveandworkwell.com or 800-888-2998) offers confidential counseling and referrals for employees and their family members at no cost. Please use 703940 as your access code.
- **Marathon Health** (marathon-health.com or 513-964-0830) offers patient-centered, outcomes-based treatment for stress, anxiety, depression, grief, substance abuse and more, including collaboration with health center providers who support medication management, referrals, and care coordination.
- **Ohio CareLine** (800-720-9616) is a free emotional support hotline maintained by the Ohio Department of Mental Health & Addiction Services. Trained behavioral health professionals answer the lines 24/7 and provide support during stressful times.
- **Ohio mental health services** include publicly funded ADAMH boards whose staff can answer your questions and talk to you about the level of care you need and make recommendations for services. Find local resources by county at <https://www.opencounseling.com/public-mental-health-oh>.
- **Sanvello** is an app from UnitedHealthcare that you can download on your phone. It offers clinical techniques to help dial down the symptoms of stress, anxiety, and depression. Look for it in the app store, or find out more at sanvello.com.
- **Other Hotlines** that offer free, immediate support include UnitedHealthcare's Substance Use Treatment Hotline (855-780-5955) and the National Suicide Prevention Hotline (800-273-8255)

