

Fourth Quarter 2019 Results Presentation

March 4, 2020



Full Year 2019 Highlights

Operations & Network



- 74 million passengers, +5 million YoY
- 26 new routes in 2019
- Most punctual airline group in the world
- CASK ex-fuel stable at 4.5 cents

Customer Experience



- Focus of investments in passengers
- Acquisition of Multiplus
- New cabins (A320, A321, B767, B777)
- *“Best Airline in South America”*¹

Commercial Agreements



- Framework Agreement with Delta
- US\$1.1bn reduction in fleet commitments 2020-2022
- New codeshare partners, leaving **oneworld** on May 1, 2020

Financial position



- EBIT 7.1% / Net income US\$190 million
- US\$1.1bn cash flow after investments²
- Leverage 4.0x (from 4.2x in September)
- US\$2.1 bn liquidity (20% LTM Revenues)

¹Skytrax World Airline Awards and APEX Passenger Choice awards

²Cash flow from operating activities - Cash flow used in investing activities - Payments for changes in ownership interests in subsidiaries (Multiplus)

Fourth Quarter 2019 Financial Summary

(US\$ Millions)	4Q19	4Q18	Change	FY19	FY18	Change
Total Operating Revenues	2,871	2,788	3.0%	10,431	10,368	0.6%
Passenger	2,478	2,327	6.5%	9,006	8,709	3.4%
Cargo	280	312	-10.3%	1,064	1,186	-10.3%
Others	113	149	-24.2%	361	473	-23.7%
Total Operating Costs	-2,520	-2,445	3.1%	-9,689	-9,481	2.2%
Fuel	-744	-832	-10.6%	-2,929	-2,983	-1.8%
Ex-fuel	-1,776	-1,613	10.1%	-6,760	-6,498	4.0%
Operating Income	350	343	2.1%	742	887	-16.4%
Operating Margin	12.2%	12.3%	-0.1 p.p.	7.1%	8.6%	-1.4 p.p.
Net Income	227	390	-41.8%	190	310	-38.5%
EBITDA	741	685	8.1%	2,212	2,260	-2.1%
EBITDA Margin	25.8%	24.6%	1.2 p.p.	21.2%	21.8%	-0.6 p.p.

Fourth Quarter 2019 Operating Statistics

% YoY	System Capacity	Capacity (ASK)	Traffic (RPK)	Load Factor	RASK/RATK (USc) ¹ (% YoY)
		-5.4%	-5.2%	83.2% (+0.2 p.p.)	6.0 (+4.6%)
		+17.7%	+20.0%	85.2% (+1.7 p.p.)	7.1 (+5.9%)
		+9.0%	+3.8%	78.3% (-3.9 p.p.)	6.6 (-4.7%)
Passenger		+3.2%	+3.0%	82.9% (-0.2 p.p.)	6.5 (+3.1%)
Cargo ²		+0.6%	-0.6%	56.4% (-0.7 p.p.)	17.1 (-8.7%)

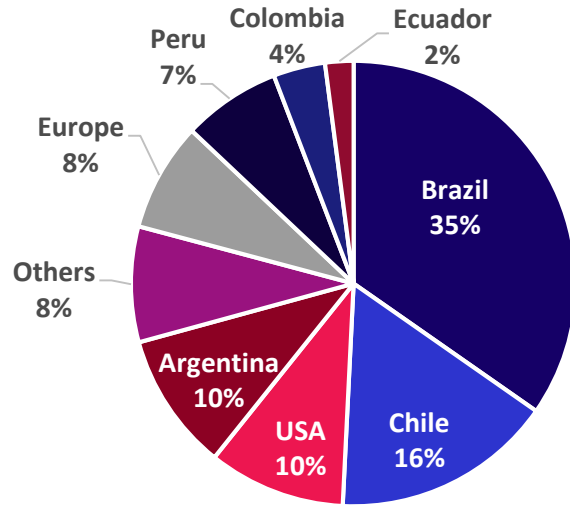
BRL
4Q19: +13.0%

¹ RASK by business unit includes ticket revenue, breakage, frequent flyer program contribution and ancillary revenues

² Excluding the sale of MasAir

Revenues by point of sale last twelve months evolution

Full year 2018

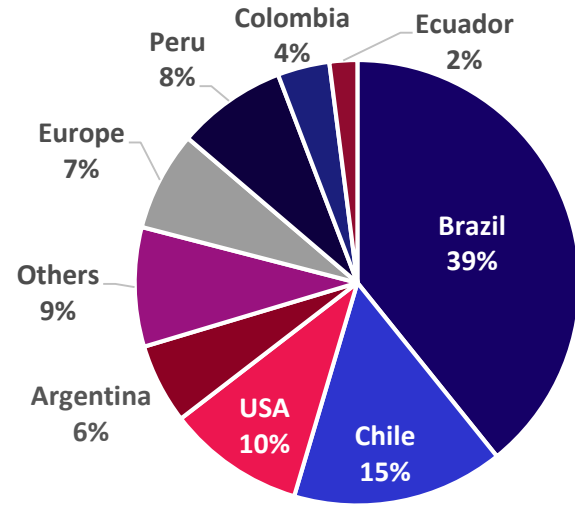


Passenger + Cargo revenues = US\$9,895 million

+2%

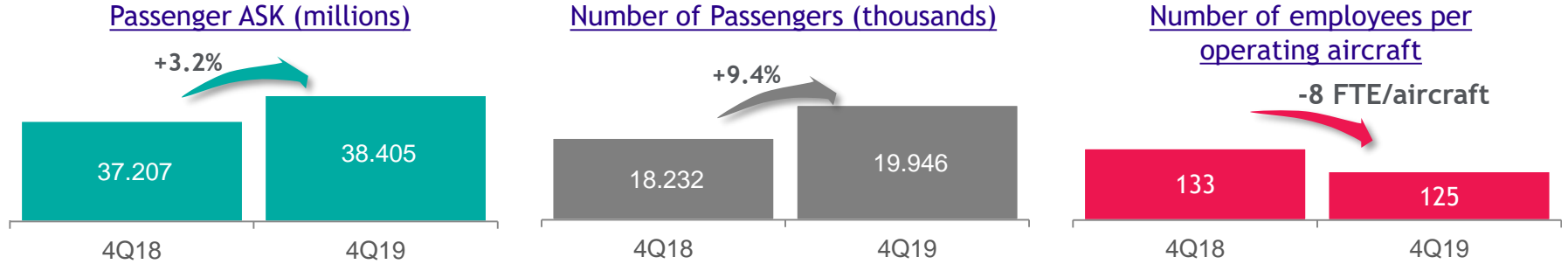


Full year 2019



Passenger + Cargo revenues = US\$10,070 million

Cost per ASK fell by 0.1% YoY in fourth quarter



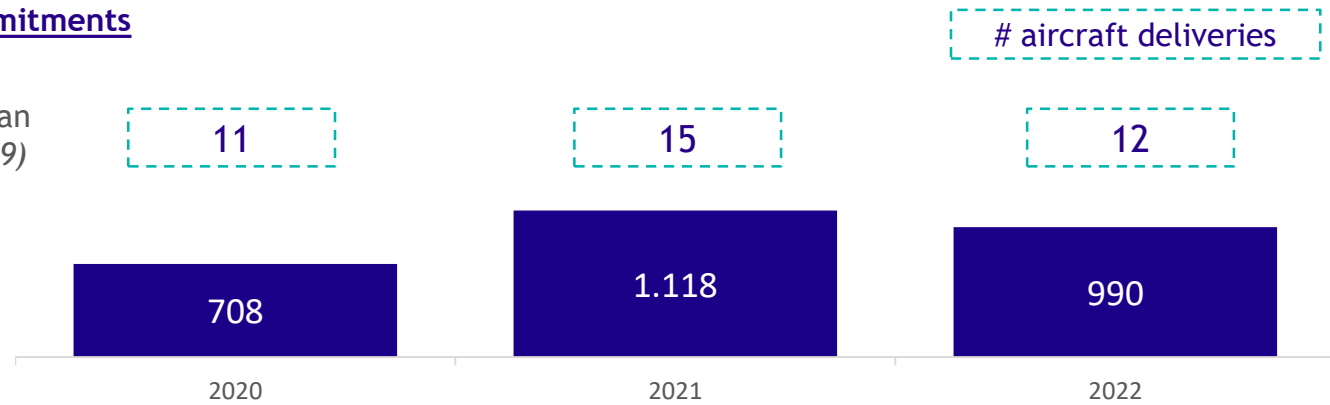
Total Costs US\$MM	4Q19	4Q18	Change
Fuel Cost	744	832	-10.6%
Wages & Benefits	440	466	-5.7%
Fleet Cost	519	419	+23.9%
Others	818	728	+12.4%
Operating Costs	2,520	2,445	+3.1%
CASK(US cents)	6.6	6.6	-0.1%
CASK ex-fuel (US cents)	4.6	4.3	+6.7%

LATAM adjusts its fleet commitments for 2020-2022

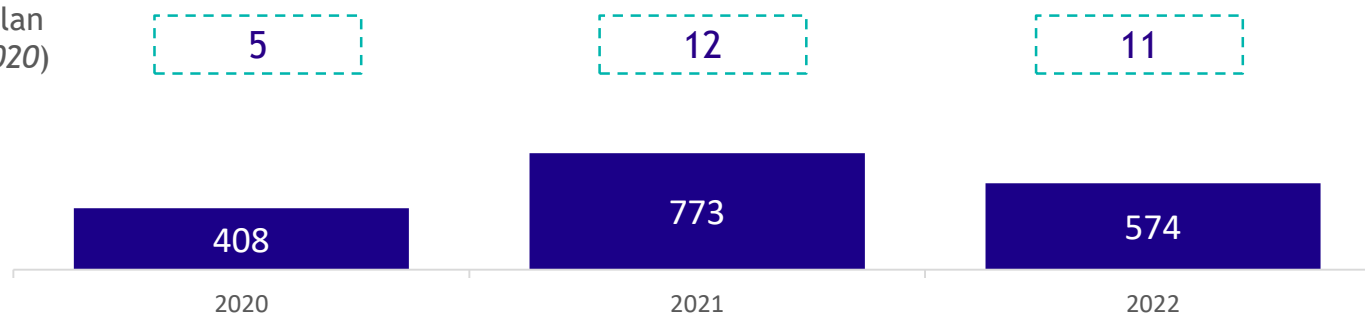
Fleet commitments

US\$ million

Previous Plan
(March 2019)



Current Plan
(March 2020)



US\$1.1bn
reduction

Continued investing in transforming the customer experience

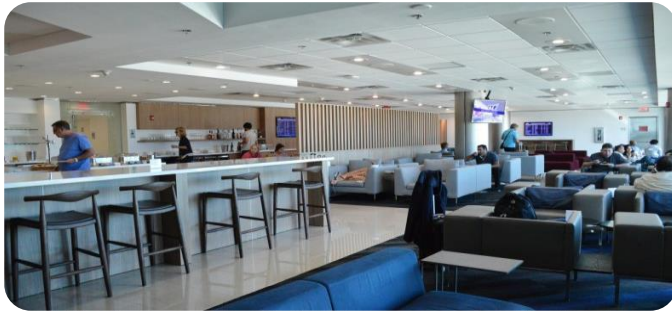
New cabins



Self-Bag Drop



New VIP Lounge in MIA

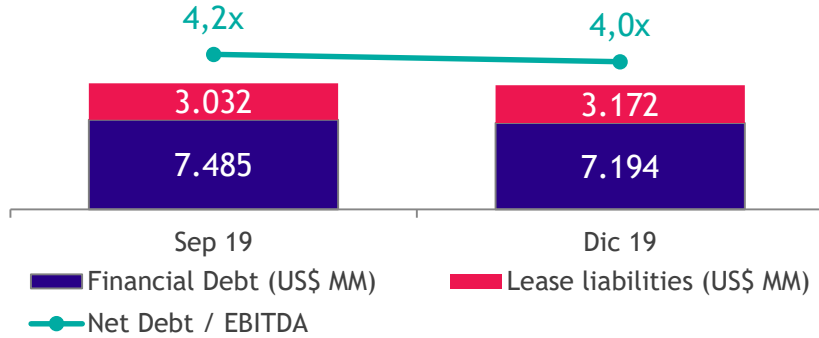


New Premium Economy

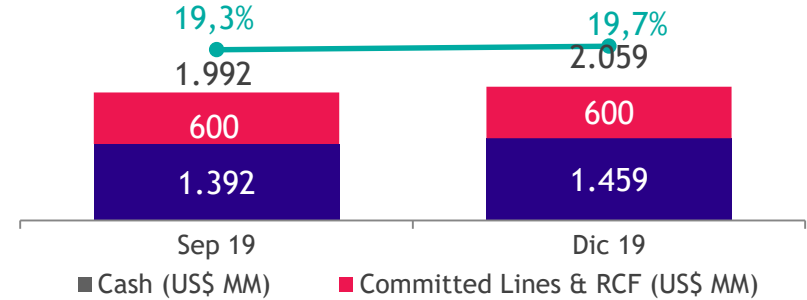


Fourth quarter 2019 credit metrics

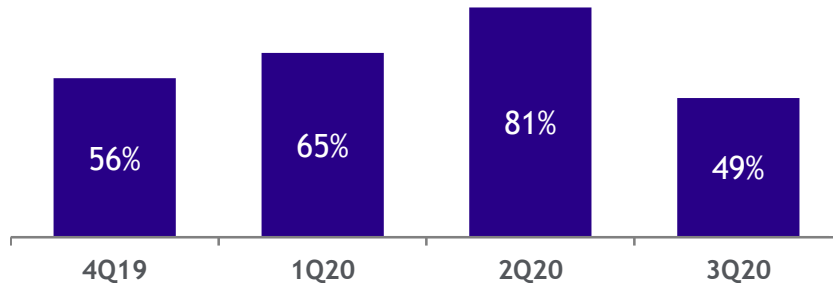
Net Debt / EBITDA LTM



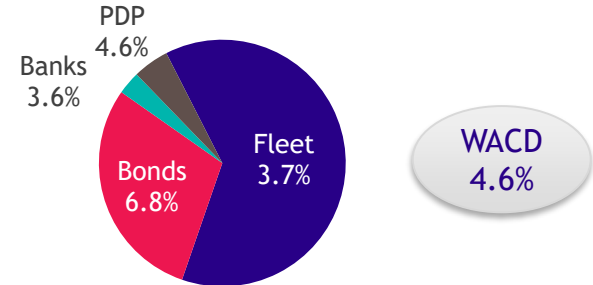
Cash and Equivalents as % of LTM revenues






Fuel Hedge (% consumption)



Cost of debt as of December 31, 2019



Guidance 2020

		Guidance 2020
Passenger (ASK) 	International	0% - 2%
	Domestic Brazil	7% - 9%
	Domestic Spanish Speaking Countries	6% - 8%
	Total	3% - 5%
Cargo (ATK) 		4% - 6%
Operating Margin (%) 		7% - 8.5%

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