



**LATAM**  
AIRLINES

**INVESTOR DAY**  
**2024**



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## **Use of Non-GAAP Financial Metrics and Other Key Financial Metrics**

This Presentation includes certain non-IFRS financial measures such as EBIT (which consists of earnings for the period before income taxes and financial costs and financial income), EBITDA (which consists of earnings for the period before income taxes and financial costs and financial income, plus depreciation and amortization expense) and EBITDAR (which consists of earnings for the period before income taxes and financial costs and financial income, plus depreciation and amortization expenses and rentals expenses). In addition EBIT margin which is calculated by dividing EBIT by total operating revenue) These non-IFRS measures are an addition to, and not substitute for or superior to, measures of financial performance prepared in accordance with an IFRS alternative to net income or any other measures derived in accordance with IFRS. LATAM believes that these non-IFRS measures of financial results provide useful supplemental information to investors about LATAM. LATAM’s non-IFRS measures may not be directly comparable to similarly titled measures of other companies.

# Today's presenters



**Roberto Alvo**  
*Chief Executive Officer*



**Paulo Miranda**  
*Chief Customer and  
Experience Officer*



**Hernan Pasman**  
*Chief Operating Officer*



**Ramiro Alfonsin**  
*Chief Financial Officer*

# Agenda



**1. Leading LATAM towards sustainable and profitable growth.**

Speaker: Roberto Alvo

**2. Elevating the travel experience and delivering a world class product.**

Speaker: Paulo Miranda

**3. Committed to exceptional operational performance**

Speaker: Hernan Pasman

**4. Fleet expansion and financial strength drive LATAM group toward sustainable growth.**

Speaker: Ramiro Alfonsin

**5. Q&A.**

**6. Luncheon with management.**

# *Leading LATAM towards sustainable and profitable growth*



**Roberto Alvo**  
*Chief Executive Officer*



# LATAM is the largest airline group in South America and the 10th largest worldwide



## Best-in-class product and service

- **#1** clear market share leader within South America (>2x share of second largest carrier)<sup>1</sup>
- **#10** largest player worldwide<sup>2</sup>
- **319** passenger aircraft fleet including 56 widebodies<sup>1</sup>
- **47%** of passenger revenues from international travel<sup>1</sup>



## Most comprehensive cargo network in the region

- **Largest** air cargo carrier group in South America
- **22** dedicated cargo aircraft (plus belly in all passenger aircraft)<sup>1</sup>
- **164** destinations (15 cargo only)<sup>1</sup>



## Growing base of Premium Travelers

- **48mm+** members<sup>1</sup>
- **#1** FFP in South America
- **#7** FFP in the world
- **62%** Elite Customer Satisfaction<sup>3</sup> (+8 points since October 2023)



1) As of 3Q-24. 2) Based on 2Q-24 flights and seats flown. 3) Elite customers includes Gold to Black signature tier.

# LATAM group has an unparalleled and expansive passenger network



**149**

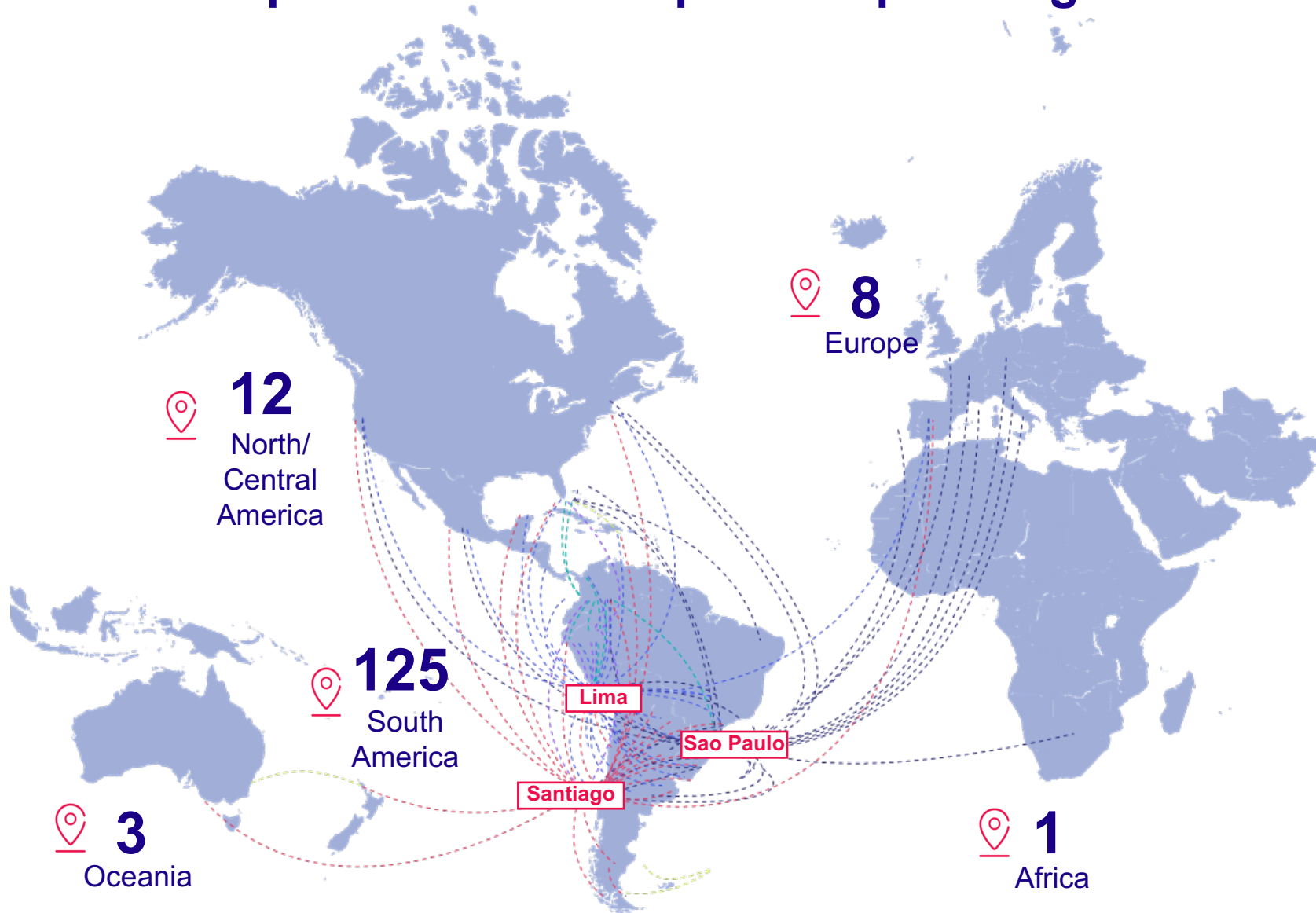
Destinations

**26**

Countries

+ Commercial agreements with **57 airlines**

+ Codeshare agreements with **27 airlines**



**Joint Venture Agreement**

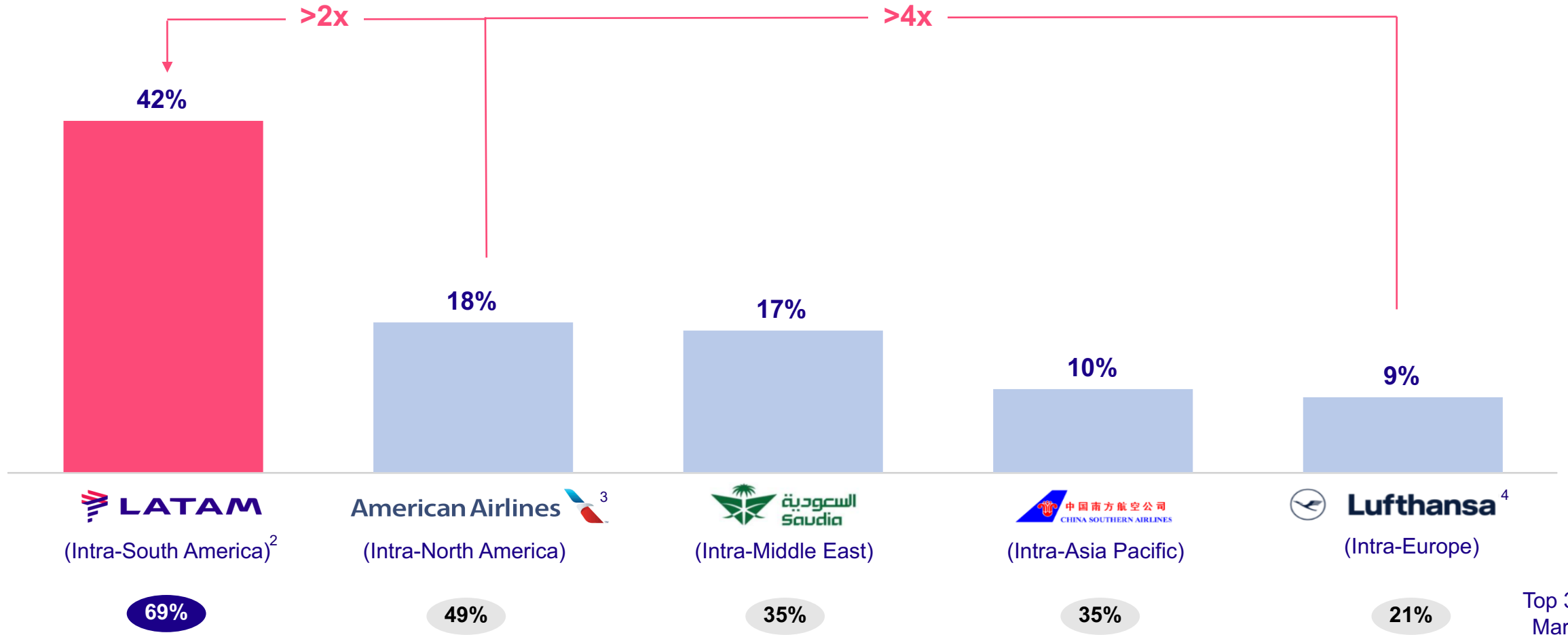
**38%**  
Joint Capacity Share

**+25%**  
Average Daily Flights  
Q3-24 vs Q3-19

# LATAM group is more important to the South American region than any other full service, global carrier in its home market



Q2 2024 Regional Market Share<sup>1</sup>

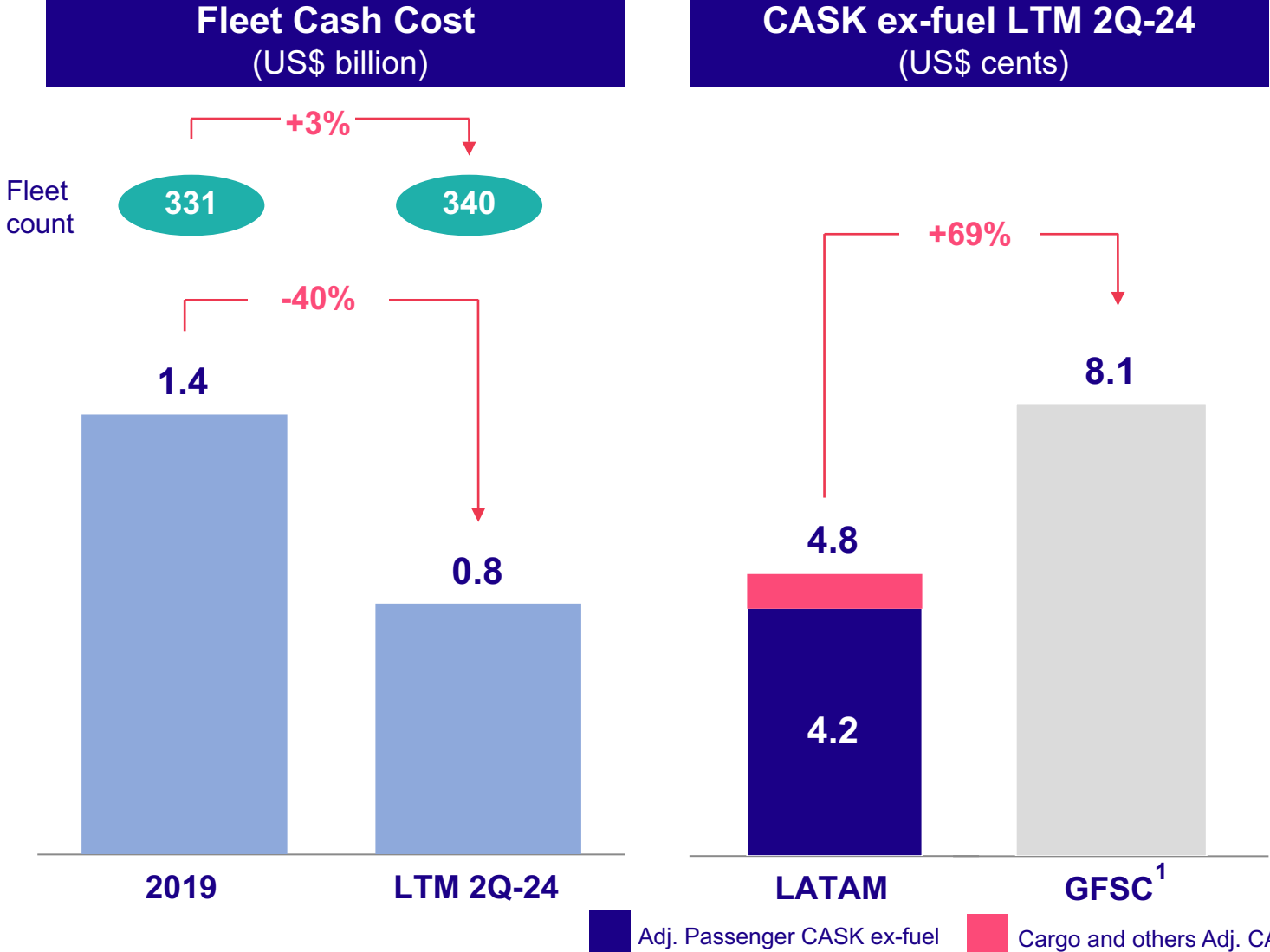


Top 3 Carriers Market share

(1) Source: Diio.net (ASKs) (2) Calculated in the following countries; Brazil, Colombia, Chile, Peru and Ecuador (3) Includes flying through American and American Eagle (4) Includes flying through Lufthansa, Austrian, Brussels Airlines, Eurowings and Swiss.



# Significant cost reductions have enabled LATAM group to be extremely competitive



- Over \$1.3 billion in annual durable cost savings initiatives implemented during the restructuring process.
- Substantial progress on digital transformation, supporting customer experience while also promoting cost efficiencies.
- Fewer employees than in 2019 while operating more capacity.
- Fleet contracts successfully renegotiated, and fleet types were harmonized during restructuring.
- In-house MRO capabilities, unlike other South American airlines.

1) Corresponds to average CASK ex-fuel of global full service carriers. This includes Delta Air Lines, American Airlines, United Airlines, Air France/KLM, Lufthansa and IAG.

# A reliable airline group driven by operational excellence and best-in-class product



## LTM Q2 2024 Key Stats

Total Revenue

**\$12.7bn**

+17% YoY Growth

Adj. Net Leverage

**1.9x**

Adj. EBITDAR

**\$2.8bn**

+37% YoY Growth

Adj. EBITDAR Margin

**22.2%**

Adj. Operating Income

**\$1.5bn**

+70% YoY Growth

Adj. Operating Margin

**11.8%**

 Operational and service excellence

 Profitable growth

 Efficient operation; and lowest cost in class

 Creating shareholder value

# Operating in an extensive and underpenetrated region with significant growth potential



Underdeveloped and under-penetrated market



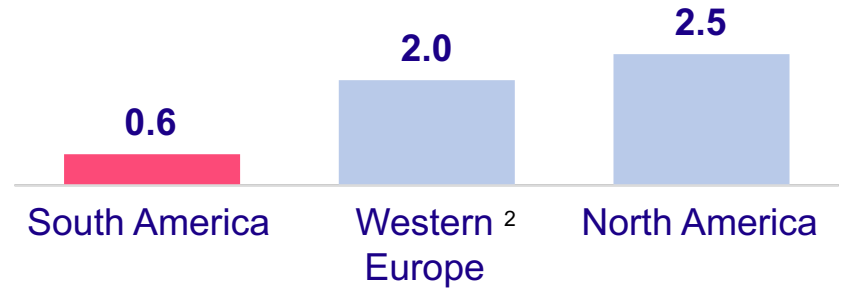
Limited connectivity and geographic barriers



Strained infrastructure for ground transportation

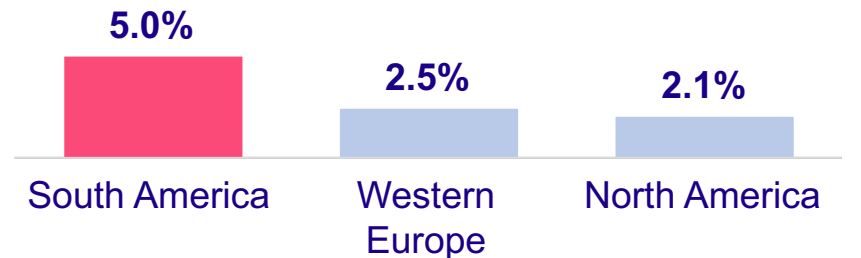


## Trips per capita 2023<sup>1</sup>



	Brazil	Chile	Colombia	Ecuador	Venezuela
Trips per capita	0.45	1.14	0.60	0.86	0.47
Population (millions)	216	19.8	33.6	51.5	18.1

## Passenger growth (CAGR 2025E – 2031E)<sup>1</sup>

























1) Source: IATA/Tourism economics APF, Dec. 2023. Airbus Global Market Forecast as of 2023. 2) Source IATA as of December 2019

# South America has seen the recent exit of many airlines across geographies



## LATAM is the leading air carrier group

Country	Key Carriers
 ASKs: 120bn <sup>(3)</sup>	  Filed Chapter 11 in Jan 2024  Facing financial challenges  Ceased Operations in Market  Liquidated
 ASKs: 21bn <sup>(3)</sup>	  Ceased Operations in Peru 
 ASKs: 11bn <sup>(3)</sup>	  Liquidated
 ASKs: 20bn <sup>(3)</sup>	   Liquidated 
 ASKs: 2bn <sup>(3)</sup>	 Liquidated   Liquidated

## Ongoing industry constraints

 OEM production ramp up challenged

 Amplified engine durability shortfalls

 Industry-wide supply chain challenges

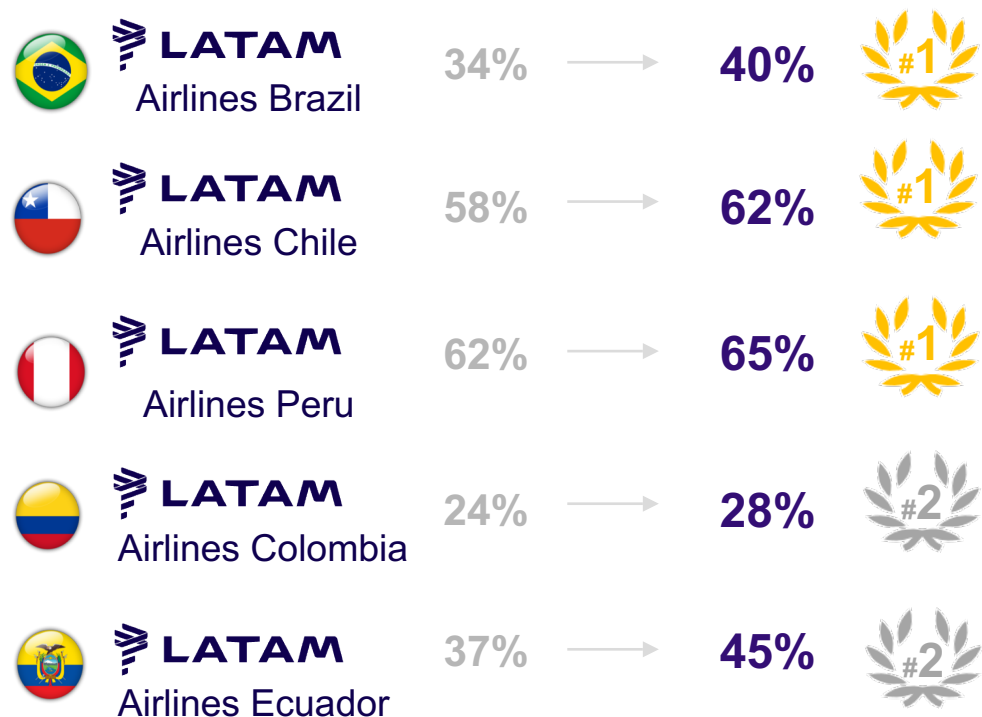


# LATAM affiliates continue to increase their respective market shares throughout the region



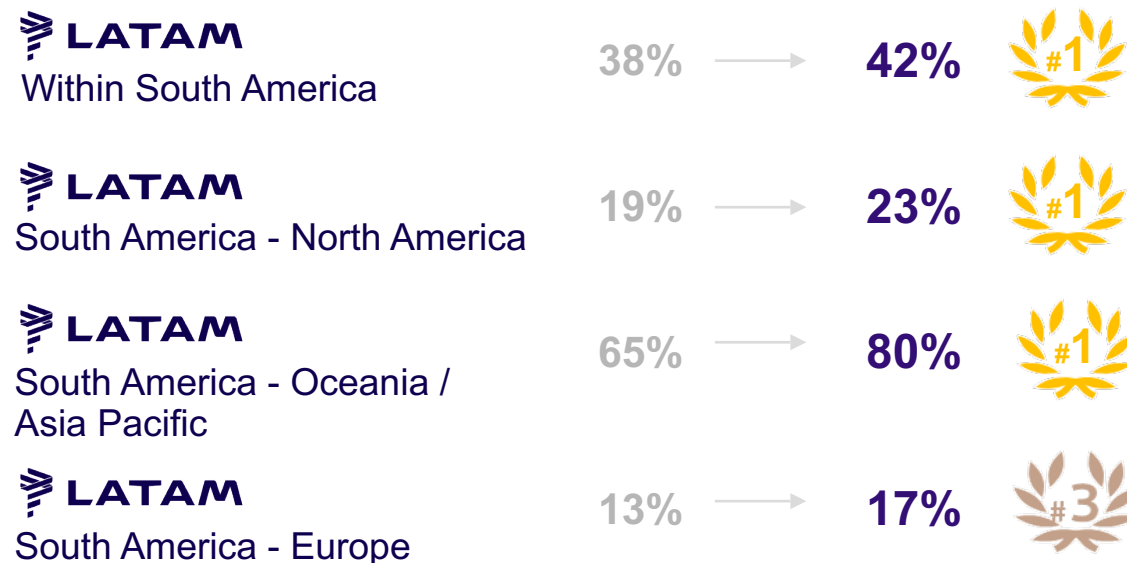
*Today, almost one in every two passengers in South America flies with LATAM group*

## LATAM is the leading air carrier group

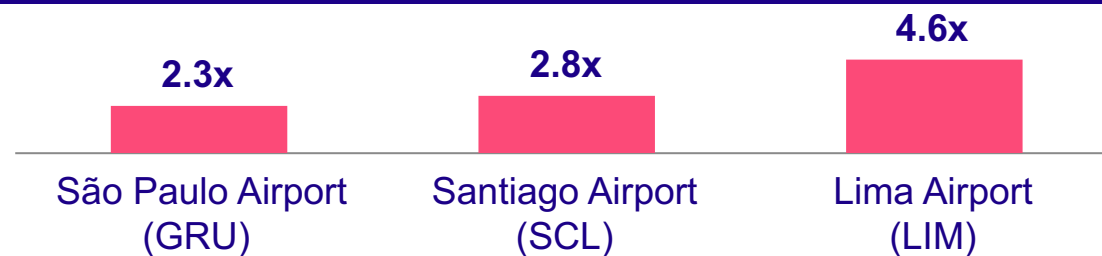


■ 2019 ■ 2Q-24

## International Capacity Shares



## Relative frequency share vs next competitor<sup>1</sup>



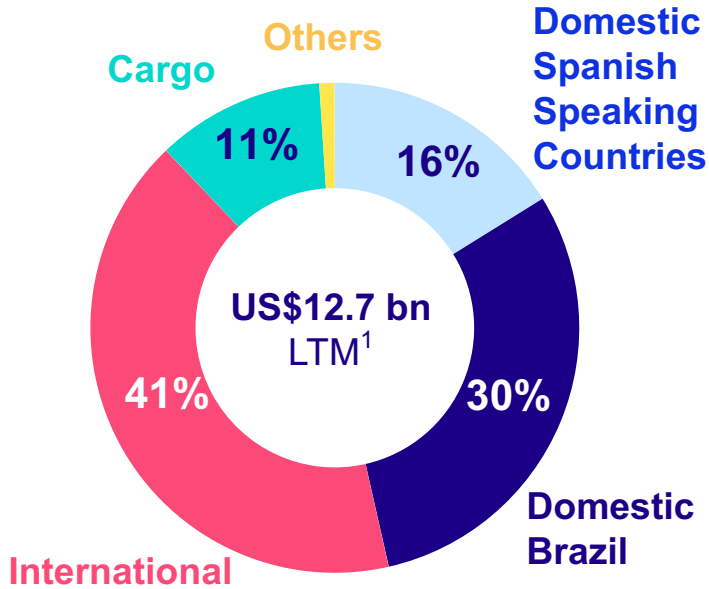
# And LATAM group has the tools to continue its robust growth



## Revenue Diversification

## Flexibility of Assets

## Superior Product



**Flexibility:** Fleet can be re-deployed from any geography to any other geography.

**Speed:** At a speed that allows LATAM to capture opportunities.

**Cost Variability:** Variable cost base for marginal capacity.

**Customer Preference:** Delivering premium quality without compromising cost-efficiency.

**Choice:** Providing unparalleled choice to our customers from a wide range of products.

**Dependability:** With one of the most reliable operations in the industry.

# Maintaining healthy financial metrics across the board

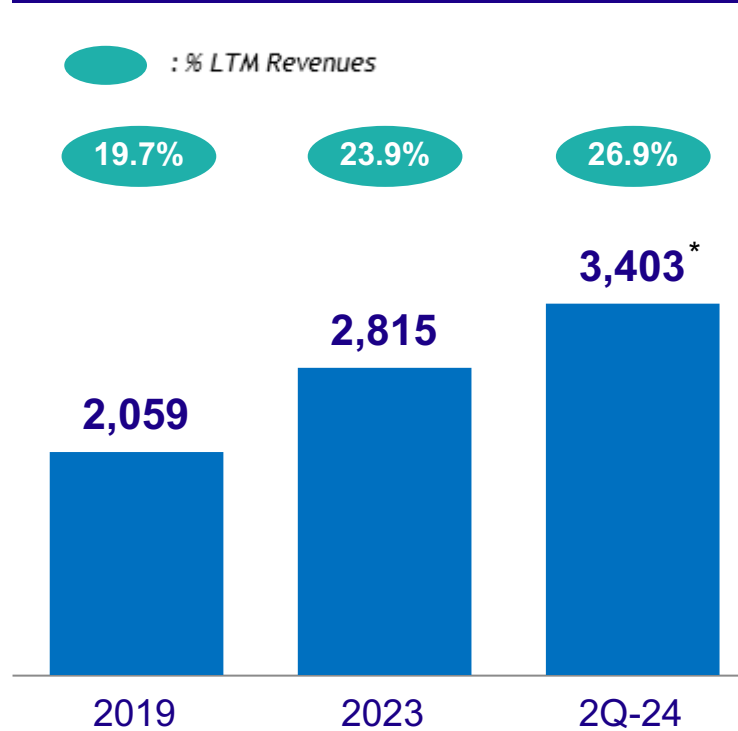


**Adj. EBITDAR**  
(US\$ million)



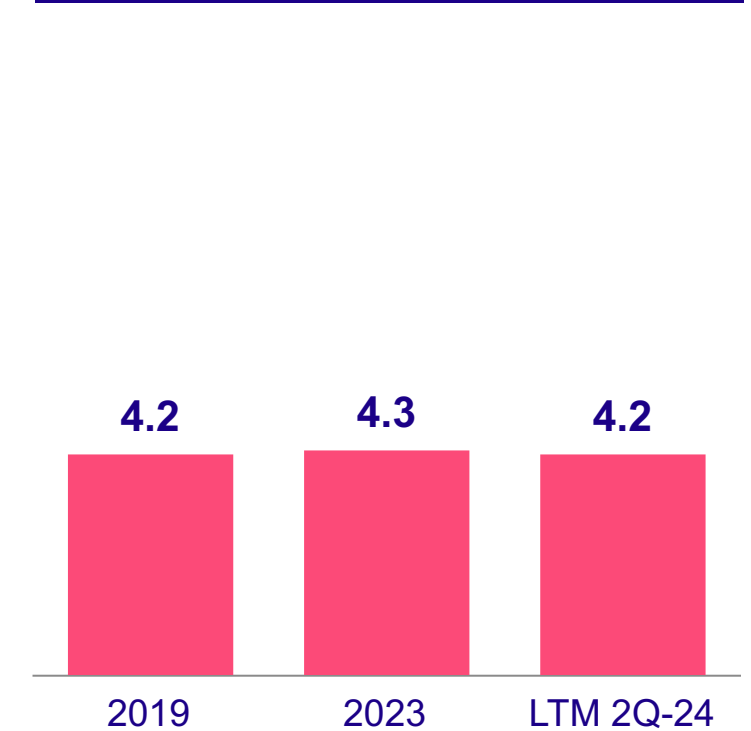
**Driving incremental profitability year over year**

**Liquidity**  
(US\$ million)



**Improving liquidity over time**

**Adj. Passenger CASK ex-fuel<sup>1</sup>**  
(US\$ cents)



**Cost containment as a key driver for LATAM's solid results**

\* Pro-forma liquidity, including the increase in revolving credit facility to US\$1.55 billion. 1) Adjusted Passenger CASK ex-fuel excludes cargo costs associated with belly and freighter operations, adjusted to add back the effect of other gains and losses, variable aircraft rental expenses (non-cash P&L effect), and employee compensations associated with the Corporate Incentive Plan.

# In summary, this is where LATAM group stands today



## Financial strength

A leader in financial strength within the region coupled with a highly competitive cost structure driving shareholder returns.

## Relative financial and operational status

Unlike LATAM, most competitors in the region did not de-lever or adjust cost structures during the pandemic.

## Footprint

Absolute largest market share in one geographical region of any airline group in the world.





# LATAM group is shaped by its people, driven by customers and powered by technology



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## Purpose

LATAM group's people are the most valuable asset.

## Customers

LATAM group must work towards providing the best experience to its customers, while always seeking to improve and deliver what was promised.


## Sustainability & technology


LATAM is already implementing and leveraging next-generation technology.




# LATAM group's people are the cornerstone of its strategy

 Committed to taking care of customers

 Customer-driven focus on giving the best service

 Operational excellence to ensure punctuality and safety

 Always being fair, empathic, transparent and simple



Total employees  
~35,500

Pilots  
~4,000

Cabin Crew  
~8,500

Airports  
~8,000

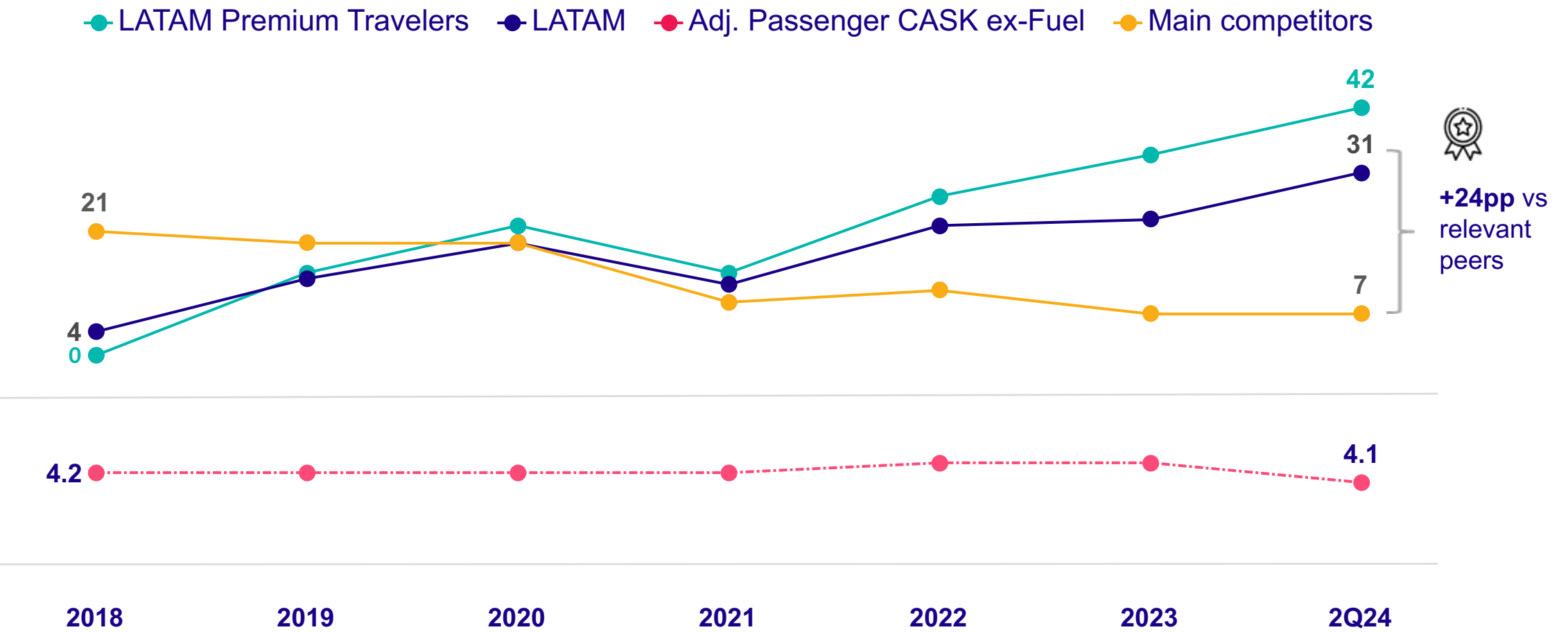
Maintenance  
~5,000

Professionals and  
administrative  
~10,000

# Significantly improving customer metrics, while holding unit costs down



## Strategic NPS & Adj. Passenger CASK ex-fuel<sup>1</sup> (US\$ cents)



Source: LATAM Airlines group filings. Strategic NPS survey. 1) Adjusted Passenger CASK ex-fuel excludes cargo costs associated with belly and freighter operations, adjusted to add back the effect of other gains and losses, variable aircraft rental expenses (non-cash P&L effect), and employee compensations associated with the Corporate Incentive Plan.



# Which has allowed LATAM group to boost its premium revenue mix

LATAM Brazil's Corporate Revenue Share

% of LATAM passengers flying Premium Cabins

- LATAM's full service product includes premium cabin options on all flights.
- Premium economy cabins are considered the best in the region with a +15pp NPS advantage over domestic competitors.
- The Premium Economy cabins are flexible in order to suit different routes.



+11pp  
27%  
38%

3.5x  
1.9%  
6.6%

2019

2024

2019

1H 2024

# Leveraging technology to improve revenue, customer service and costs

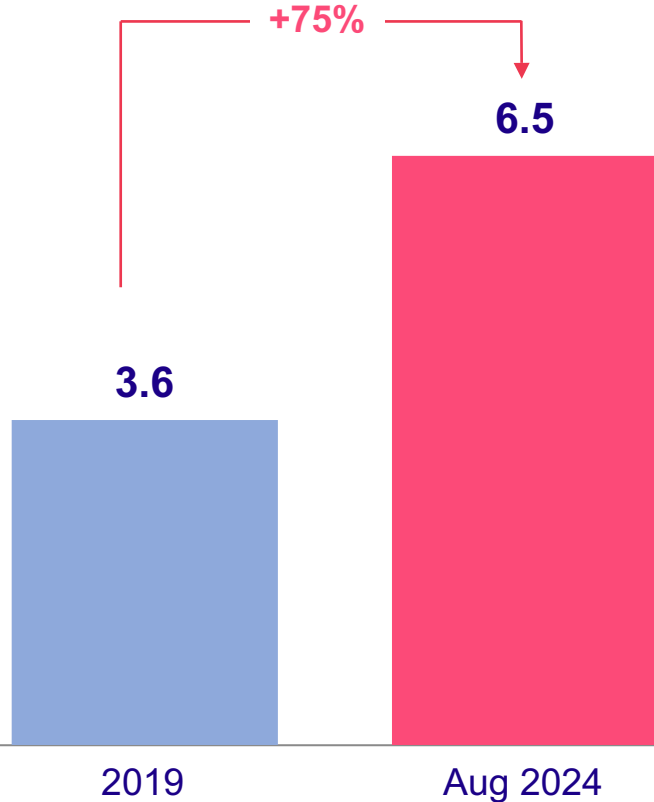


*More passengers are completing their purchases with LATAM group*

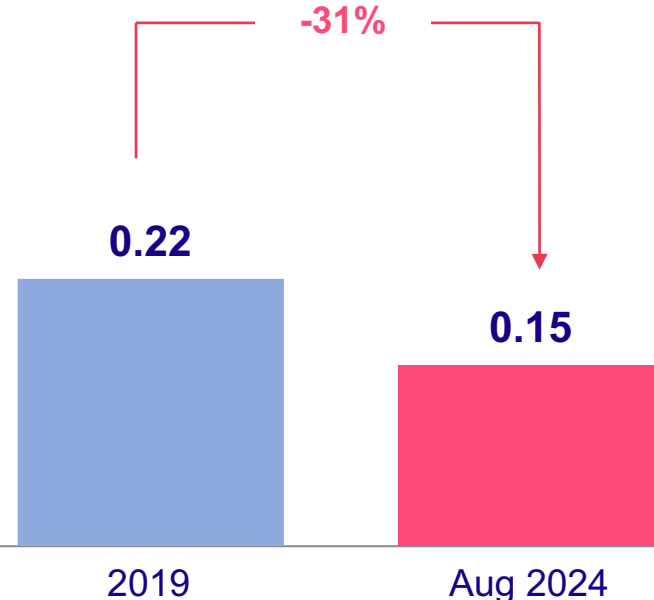
*While experiencing a simpler, better-served experience*

*Which together with its relative size makes LATAM group one of the largest e-retailers in Latin America*

Conversion (%)



Contact rate (%)



LATAM.com per year



1 billion visits

245 million quotations

15 million orders

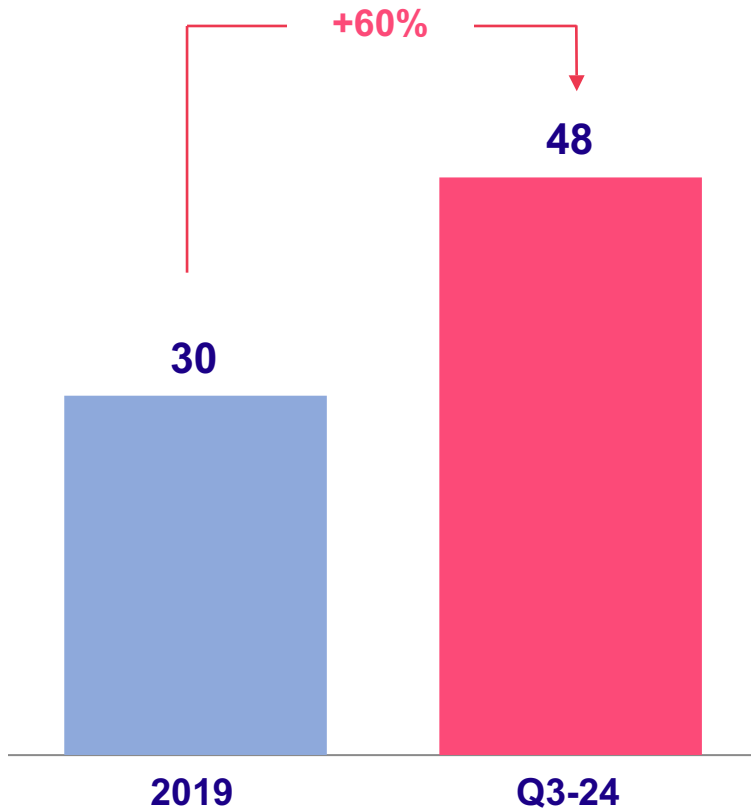
23.6 million Followers on social media

U.S. e Commerce retailer

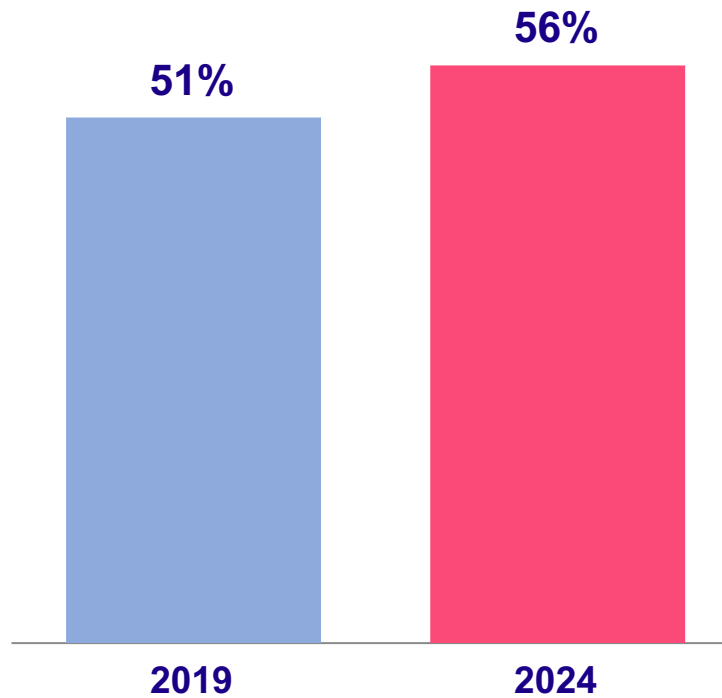


# Which has also boosted the LATAM industry leading Frequent Flyer Program

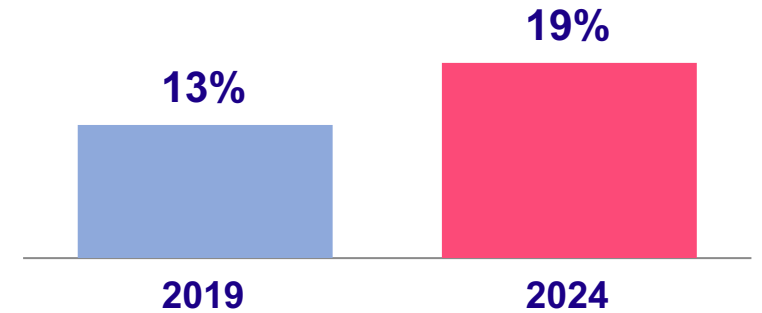
**Total LATAM Pass Members  
(millions)**



**Segment flown by  
LATAM Pass members**



**Segment flown by  
Elite members**



# Working every day to become more sustainable and a meaningful contributor to society

## ENVIRONMENTAL MANAGEMENT



**Certification of the Environmental Management System** under the standard of the voluntary IATA Environmental Assessment (IEnvA) program in Stage 2 in the affiliates of Brazil, Chile, Colombia, Ecuador and Peru.

## CIRCULAR ECONOMY



**97%\*** of single-use plastics reduced from operations in 2023, equivalent to +1,700 tons.

## CLIMATE CHANGE



**850,932 thousand tons** of greenhouse gas emissions managed by reduction or compensation in 2023.

## SHARED VALUE



**LATAM's Avión Solidario program** has offered free transport for health, environmental, and disaster relief efforts.

*\*The remaining 3% of the baseline corresponds to those elements that cannot be replaced or eliminated for legal, safety, health or operational reasons or because there are no replacement options available on the market.*



# LATAM group's strategy rests on four solid pillars

The only airline group in the world that leads in market share in its region

A group dedicated and focused on giving the best solution to its customers

A financially strong and healthy group of companies

A sustainable group of companies that embraces technology

Unparalleled network throughout Americas connecting South America and the world

Largest Frequent Flyer Program in the region, #7 in the world

Robust fleet plan that provides sustainable growth and capitalizes on future opportunities



A firm culture, oriented toward serving its customers

Dependability, focused on adequately selling and servicing always

Choice, to make LATAM group for everyone

Superior Commercial Performance, strengthening of the network and driving profitability

Cost position & Operational Excellence, a relentless pursuit of improving costs continuously

Healthy and strong Balance Sheet

Transforming the organization to take full advantage of technology

Relevant social player, that contributes to society via its role of air connectivity

A sustainable group of airlines, making sustainability part of its culture to preserve the environment



*Elevating the travel experience and  
delivering a world class product*

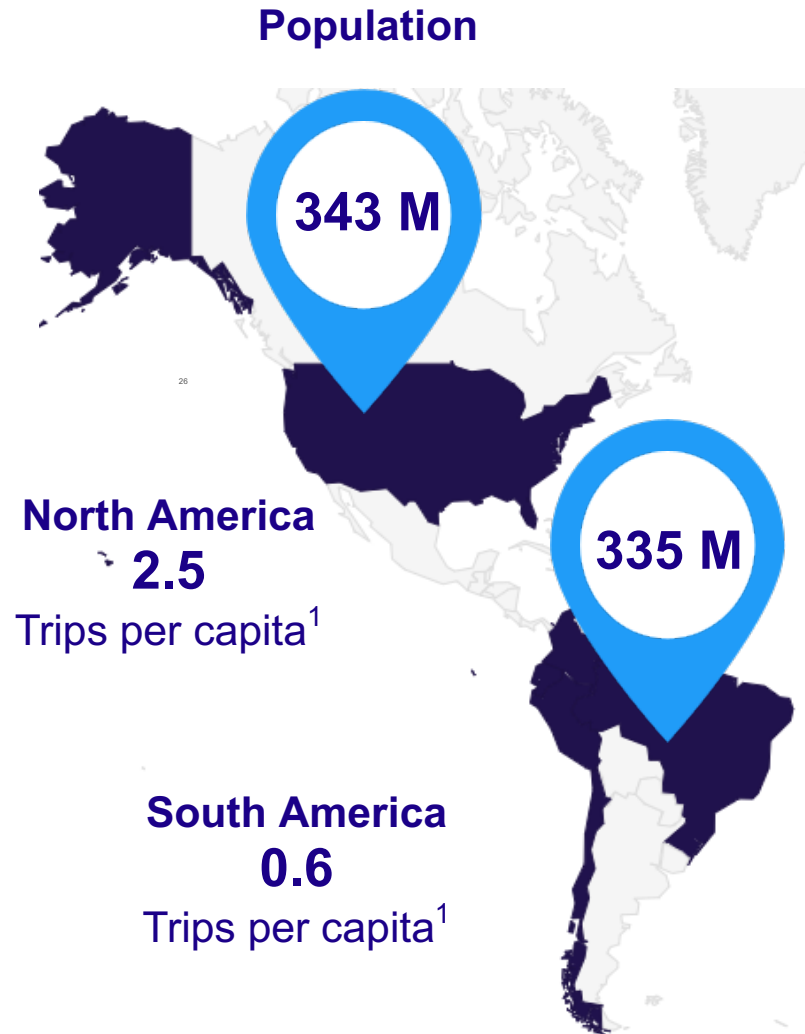


**Paulo Miranda**  
*Chief Customer and Experience Officer*





# LATAM is a leading carrier group in a market of similar size to that of the United States



**LATAM group home markets are comparable to the US in population size**

*Brazil, Chile, Colombia, Ecuador, and Peru*

# The region projects an increase in passengers with even greater demand for premium products

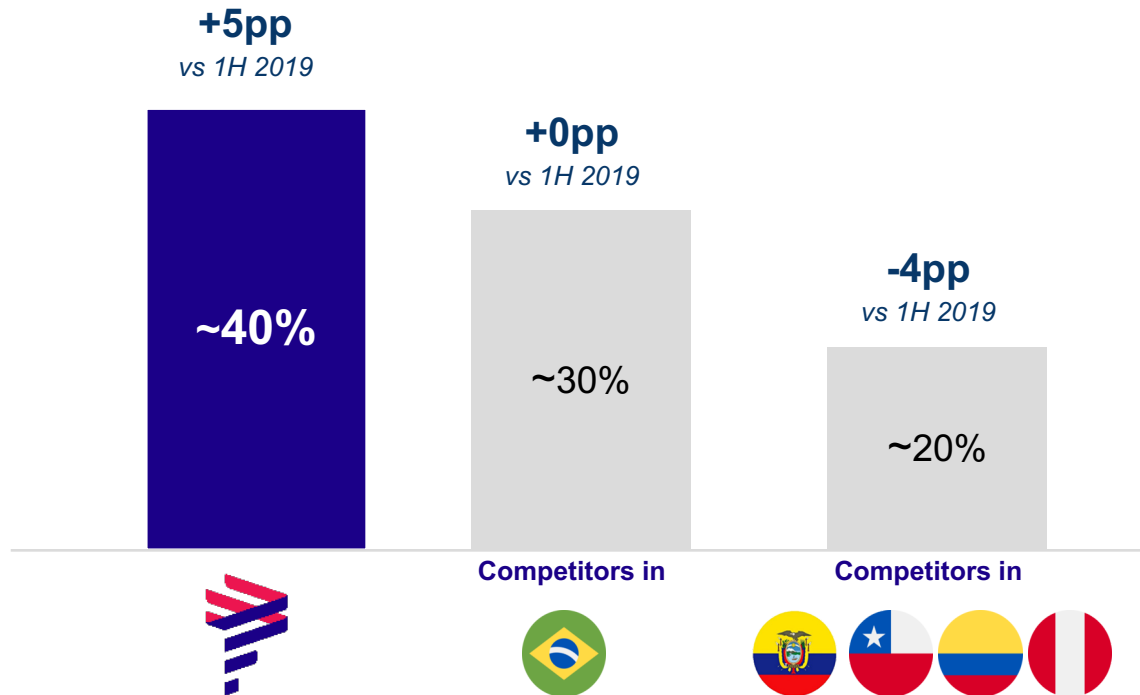
-  Latin America and Caribbean is projected to have a higher growth rate in air traffic growth compared to Europe and North America<sup>1</sup>.
-  Latin American luxury market, expected to reach US\$50 billion by 2032, offers greater growth potential and less saturation than the mature markets of North America and Europe<sup>2</sup>.
-  High-net-worth individuals are expected to grow more in Brazil(+22%) and Chile (+17%) surpassing the world (~14%)<sup>3</sup>.



# In a market ready to pay for premium travel, LATAM is the only global full service air carrier group



## Percentage of customers declaring they choose airline for experience



Experience-driven customers yield >10% versus price-driven ones

## The only full service air carrier group in the region

- ✓ **Global Network**  
Domestic, regional and long haul
- ✓ **Premium Cabins on all flights**  
Premium Economy and Premium Business
- ✓ **WIFI in all Narrow Bodies<sup>1</sup>**  
Regional and domestic flights
- ✓ **World Class Loyalty Program**  
For use within or outside LATAM

# Design pillars: Global reach with a human touch



## Care

**PERSONALIZING AND HUMANIZING THE CUSTOMER RELATIONSHIP**

Developing true customer- centricity and building customer loyalty



## Choice

**BUILDING A WORLD-CLASS PRODUCT**

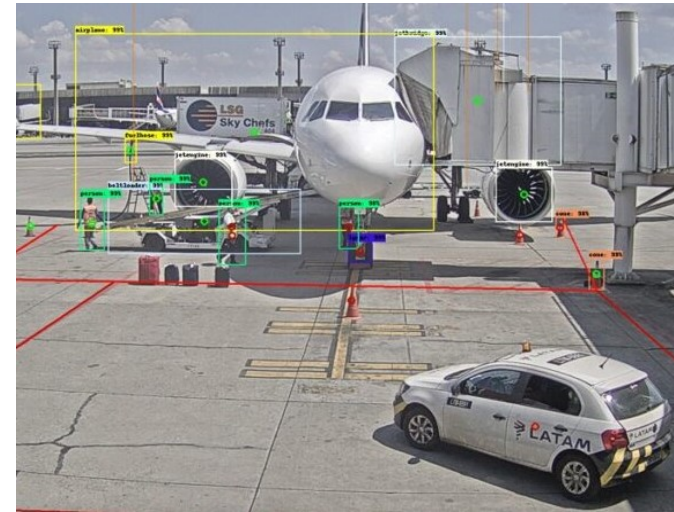
Designing the next generation experience



## Dependable

**OPERATIONAL RELIABILITY AND PERFORMANCE TRACKING**

Excellence and consistency in our standards



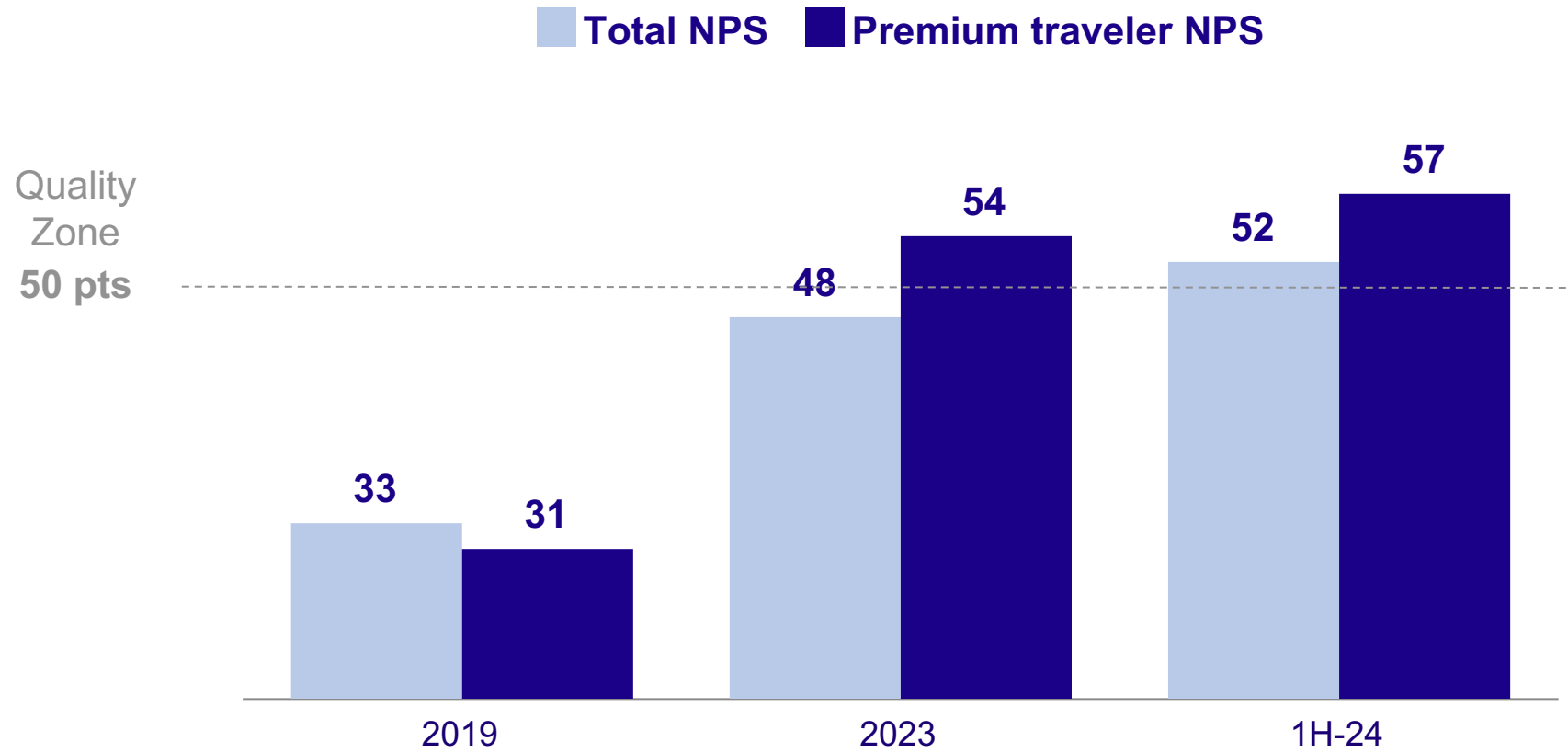
# Customer NPS improved significantly, with greater gains for Premium Travelers



NPS by year (points)

Total NPS  
**1.6x**  
vs 2019

Premium Travelers  
NPS  
**1.8x**  
vs 2019



# Intelligently investing in sustainable, competitive in-flight improvements and Premium Cabins on all flights



**Business Class**  
Wide Body



- **Full Flat** recline in all wide-body fleet.
- New Seat Model “**Suite Type**” available in 2025.

**Flexible Premium Economy**  
Narrow Body

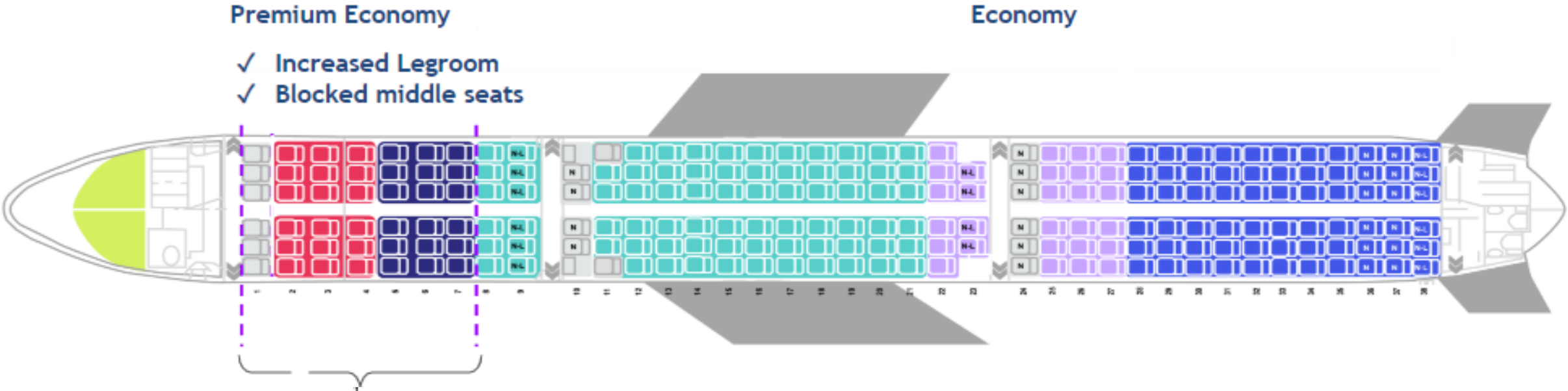


- **The best** Domestic and Intra- South America product in the region, +15pp NPS vs Competitors.

# Streamlining cabin configuration of narrow-body aircraft to enhance efficiency and increase flexibility



## Smart capacity - Flexible Premium Economy



Premium Economy

Economy

- ✓ Increased Legroom
- ✓ Blocked middle seats

Flexibility to Increase Premium Economy by **3.5x**

From 2 rows to up to 7 rows on a single turnaround

Retrofit of the A320 family fleet simplified from **10+** configurations to **one for each model**



# Creative and innovative continuous process to deliver differentiated experiences

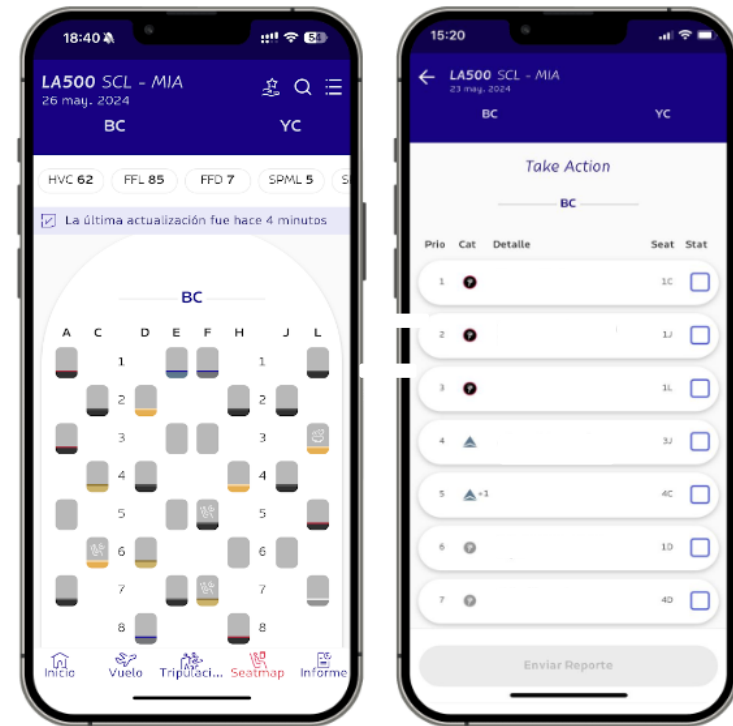


**Audi partnership**  
used for boarding instead of buses\*



**>6pp** in NPS for passengers who boarded with the Audi service

**Personalizing at Scale**



**>10pp** NPS of customers greeted by name

# Elevating the experience for premium travelers in key hubs and select destinations



## LATAM group VIP lounges location



- 6 VIP Lounges owned
- Signature lounge: Most premium offering

## Santiago, Chile signature lounge



>80pp customer satisfaction.



# A world class loyalty ecosystem that optimizes customer behavior insights for enhanced monetization opportunities



**48 million members<sup>1</sup>**



**>1.5 Million Elite Tiers**

**#7 Largest loyalty program worldwide**

- **30%+** Active Members (last 24 months).
- **60pp+** Customer Satisfaction (average 2024).
- **25k+** Redeemed flights per day using miles (average 2024) *equivalent to ~10% of daily passengers.*

# Top-tier partnerships drivers enhanced member engagement



6

Co-branded cards with leading banks in South America

100+

Commercial partners for every day opportunities

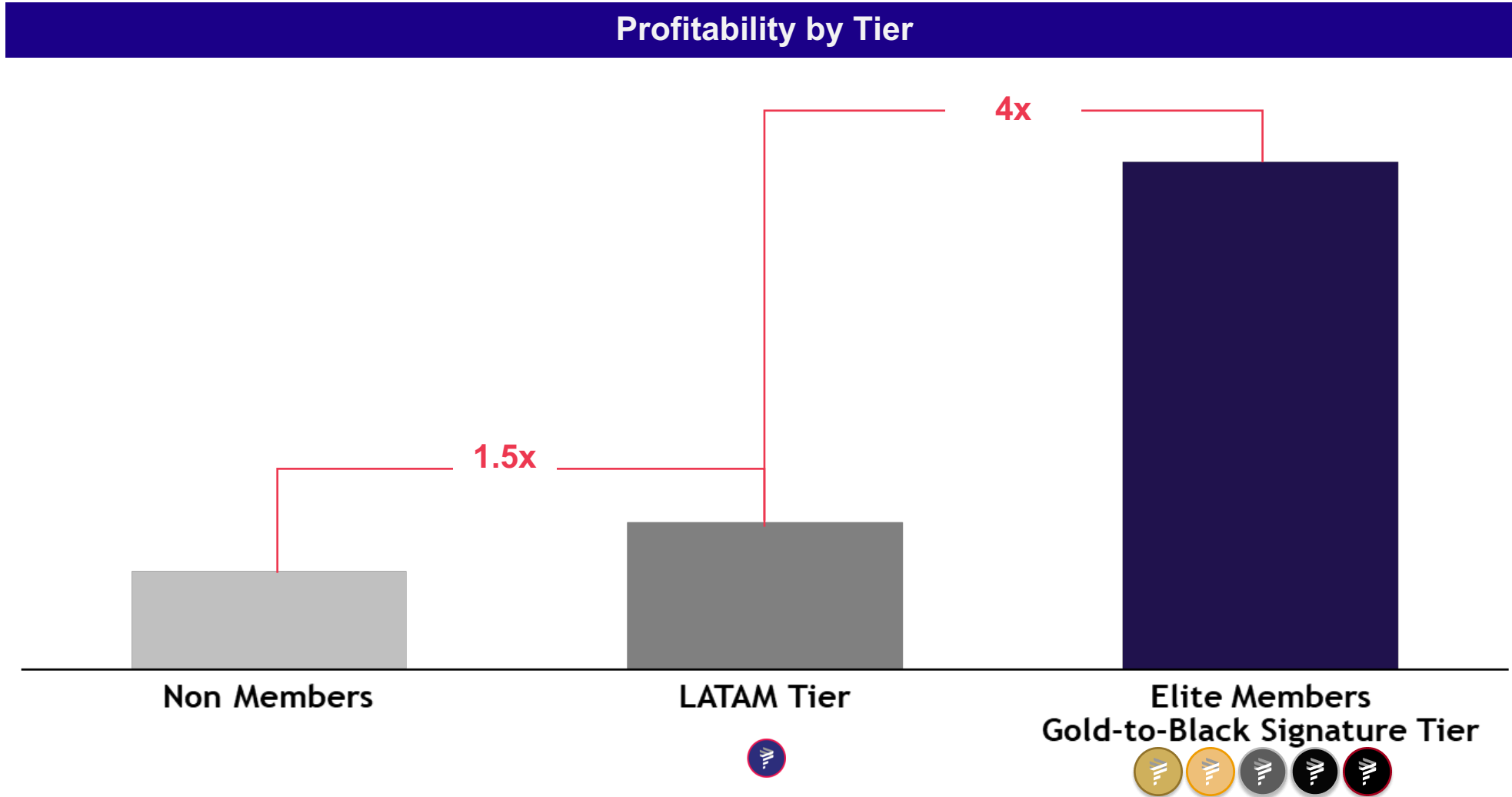
Where:



Ranked among the top #3 banks in each country



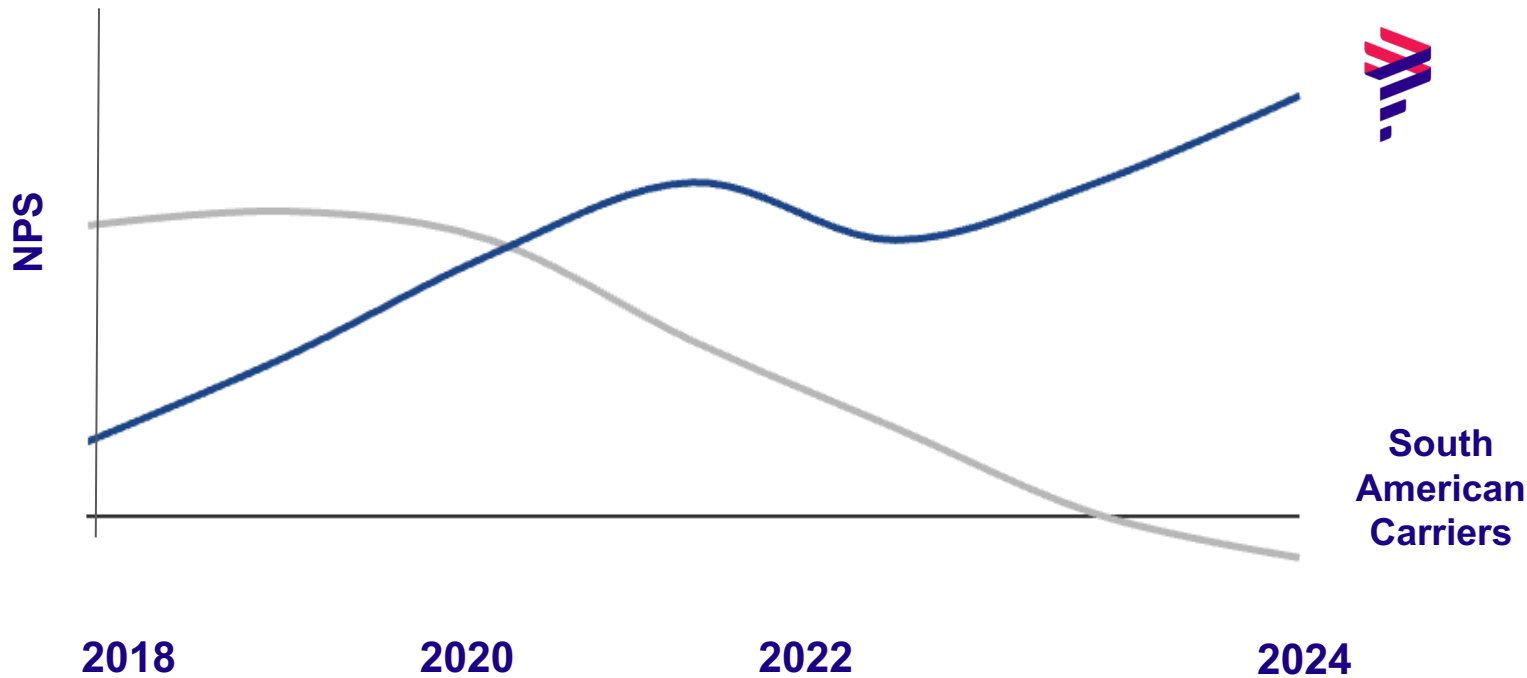
# LATAM PASS adds value by increasing profit with any member, Elite members amplify this effect



# Travelers recommending LATAM group over regional competitors and a surge in premium and repeat customers



## Comparative NPS LATAM vs South American Carriers<sup>1</sup>



## Repeating customers in 6 months (1H-24 vs 1H-19)

*All Customers*

**1.3x**

*Premium Travelers*

**2x**

1) Anonymous survey of Latin American customers.

# Focus on taking advantage of the latest digital advancements to enhance efficiency and customer experience



## Voice Bot

### Results for pilot programs in Spanish-Speaking Countries

In partnership with



Generative AI

30%+ retention, 85% response accuracy

50% more accurate transfer to agents

+20pp in customer satisfaction

**Potential to reduce Customer Care costs by up to 30%**

# LATAM will continue focusing on smart investments to elevate customer experience



## Cabins

New Business Class Suite



B787 Retrofits

100% WIFI in Narrow Bodies

## VIP Lounges

Lima 2025



Guarulhos (São Paulo, Brazil)  
Miami International (Miami, USA)

## Check in

Signature Check In



Santiago Airport  
Lima Airport  
Guarulhos Airport

Digital tools to bring efficiency and customer recognition



Investing  
intelligently

Customer driven

Recognized at  
industry-wide  
levels

**OAG SITA**

### World Class Foundations

- #2 On time performance Largest Global Carriers 2023/ Top 3 last 5 years
- Mishandled baggage rate per 1.000 pax 3,4/ World 6,9



### World Class

- Best Airline in South America (3x)
- 5 Stars Global (2x)

### Premium Cabins in all Flights

- Best Economy Class Airline in South America (3x)
- Best Business Cabin in South America (4x)



### Meals and Hospitality in all Flights

- Best in Food & Beverage in South America 2024 (3x)
- Best Economy y Business Class Onboard Catering in South America 2024
- Best Business Class Lounge in South America (2x)
- Best Airline Staff in South America 2024 (3x)

### In-flight Entertainment and WIFI

- Best Airline on Board Entertainment (3x)



### Sustainability Across the Board

- 97% on board single use plastics removed



### World Class Loyalty Program

- Loyalty Program of the year 2024 (2x)
- Best Earning and redemption Ability 2024

***Committed to  
exceptional operational  
performance***



**Hernán Pasman**  
*Chief Operating Officer*





# A seamless & sustainable operation based on three core values

Safe

Cost-effective

Dependable

Drives LATAM group toward a flawless execution

# Every 54 seconds a LATAM group flight takes off



**220,000+**  
Passengers  
transported per day



**~1,600**  
Departures  
per day



Every  
**54 sec.**  
a LATAM group  
flight takes off



**31**  
Countries  
*(5 cargo only)*



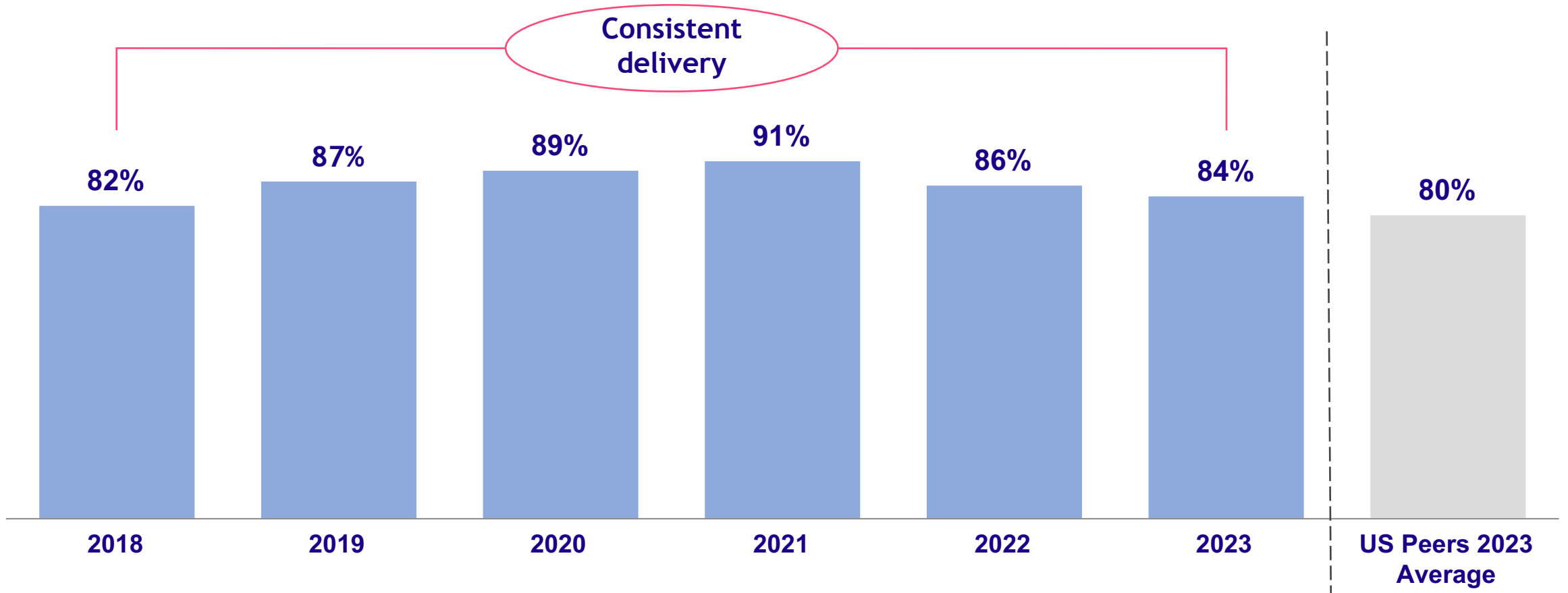
**164**  
Destinations  
*(15 cargo only)*

**Connected per year**



# Arrival On-Time Performance (OTP) consistently above 80% and ranked among the top 3 most punctual global airline groups<sup>1</sup>

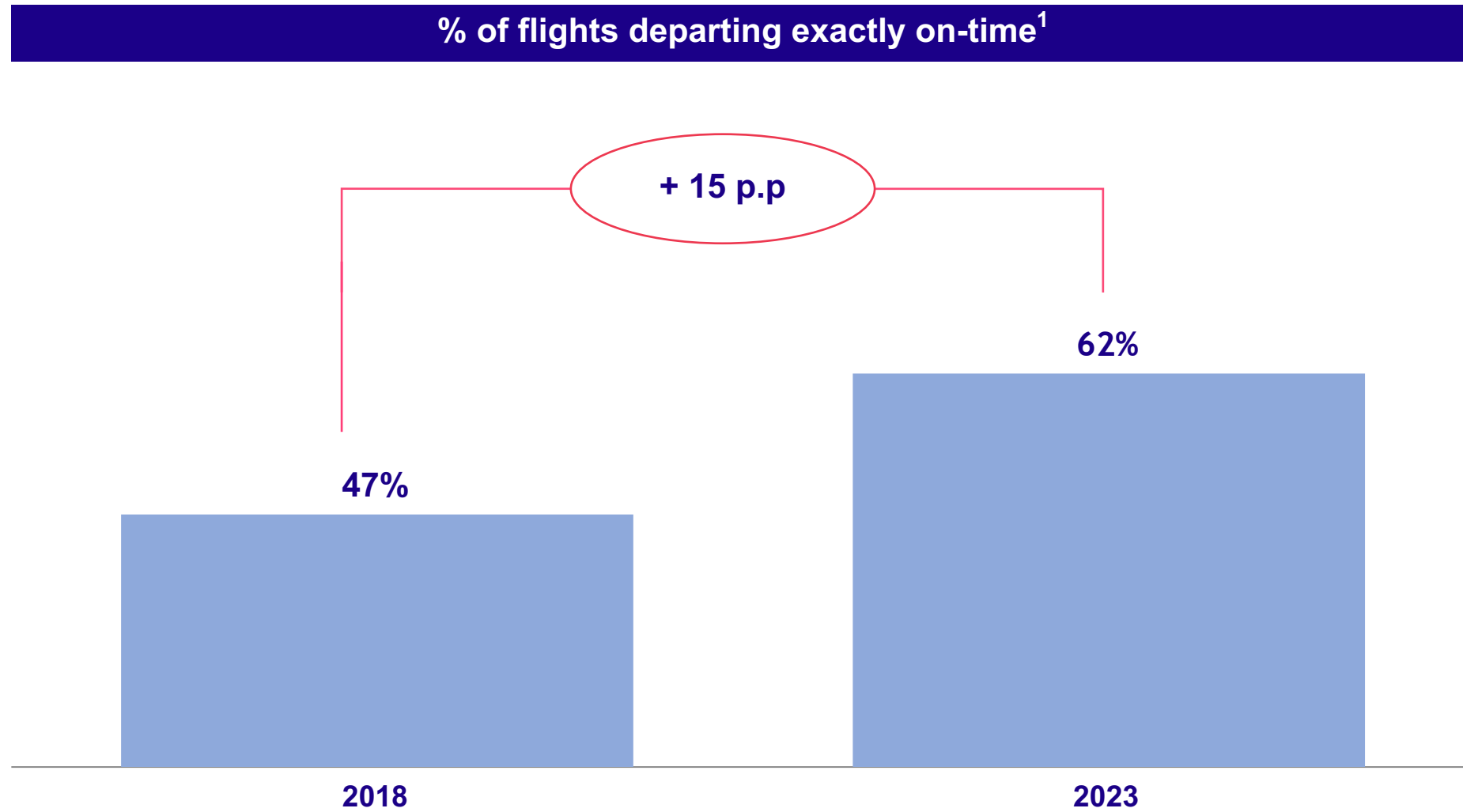
% of flights arriving on-time<sup>2</sup>



1) Source: OAG, the ranking is done among the 20 largest global airlines (by flights). 2) This metric considers a flight is on-time when it arrives within 14 minutes of the scheduled arrival time.

3) U.S. peers considers OAG on time performance for Delta Air Lines, American Airlines and United Airlines in 2023.

# Elevating execution standards to further improve experience for LATAM group's customers

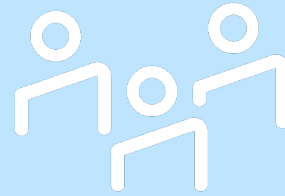


1) LATAM's zero-delay tolerance OTP metric applied to departures by the exact minute of the departure time.

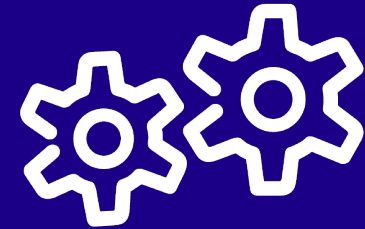
# Operational excellence is part of LATAM group's culture and a hard-to-replicate competitive advantage



**Ambitious goals:  
every minute  
counts**



**Leaders close to  
the operation**

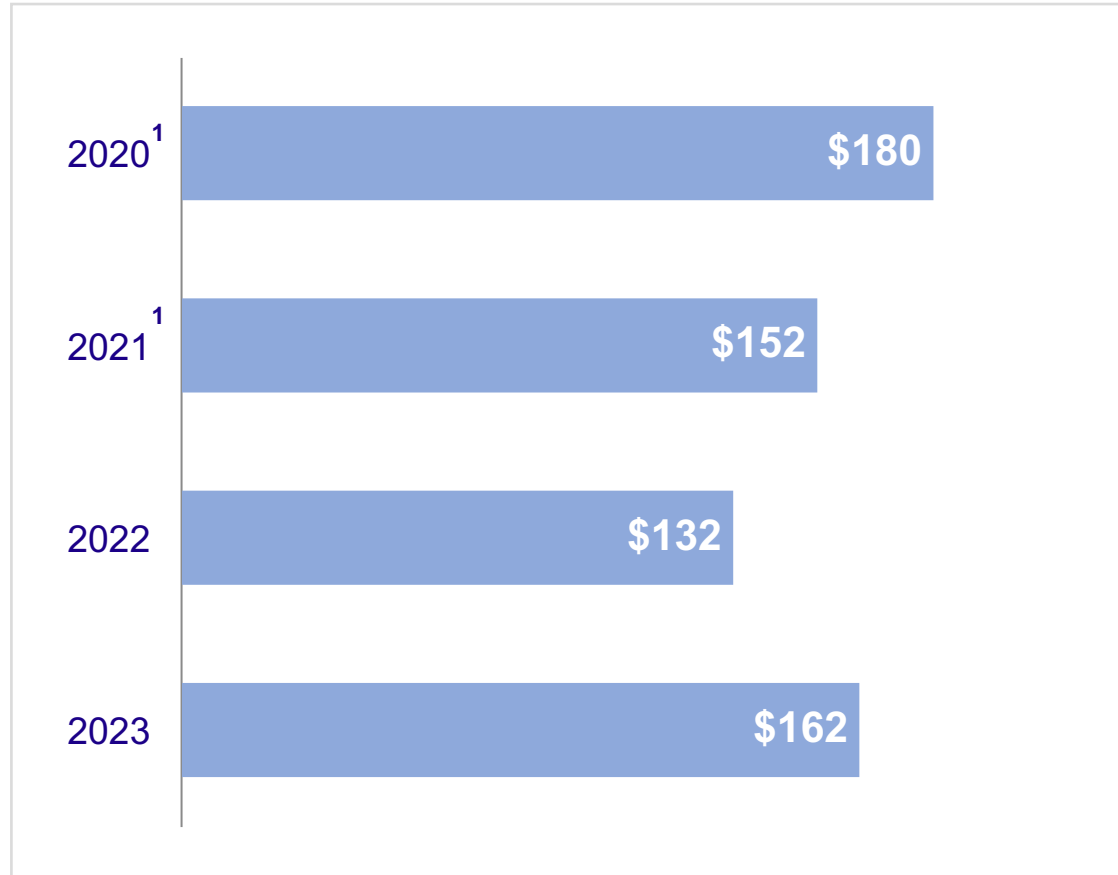


**Building a  
machine of  
continuous  
improvement**



# LATAM group's lean culture: delivering cost-effective results

## Operational savings per year (US\$ million)



More than  
**US\$130 million**  
in incremental savings each  
year coming from operations

1) Between 2020 and 2021 LATAM group generated US\$332 million in total savings. Estimated breakdown.





## Implementing initiatives to continue enhancing efficiency and cost flexibility



Flexible asset management



Incorporation of technology

# Affiliates' flexible asset management: full commonality within the narrow-body and wide-body fleet in all markets



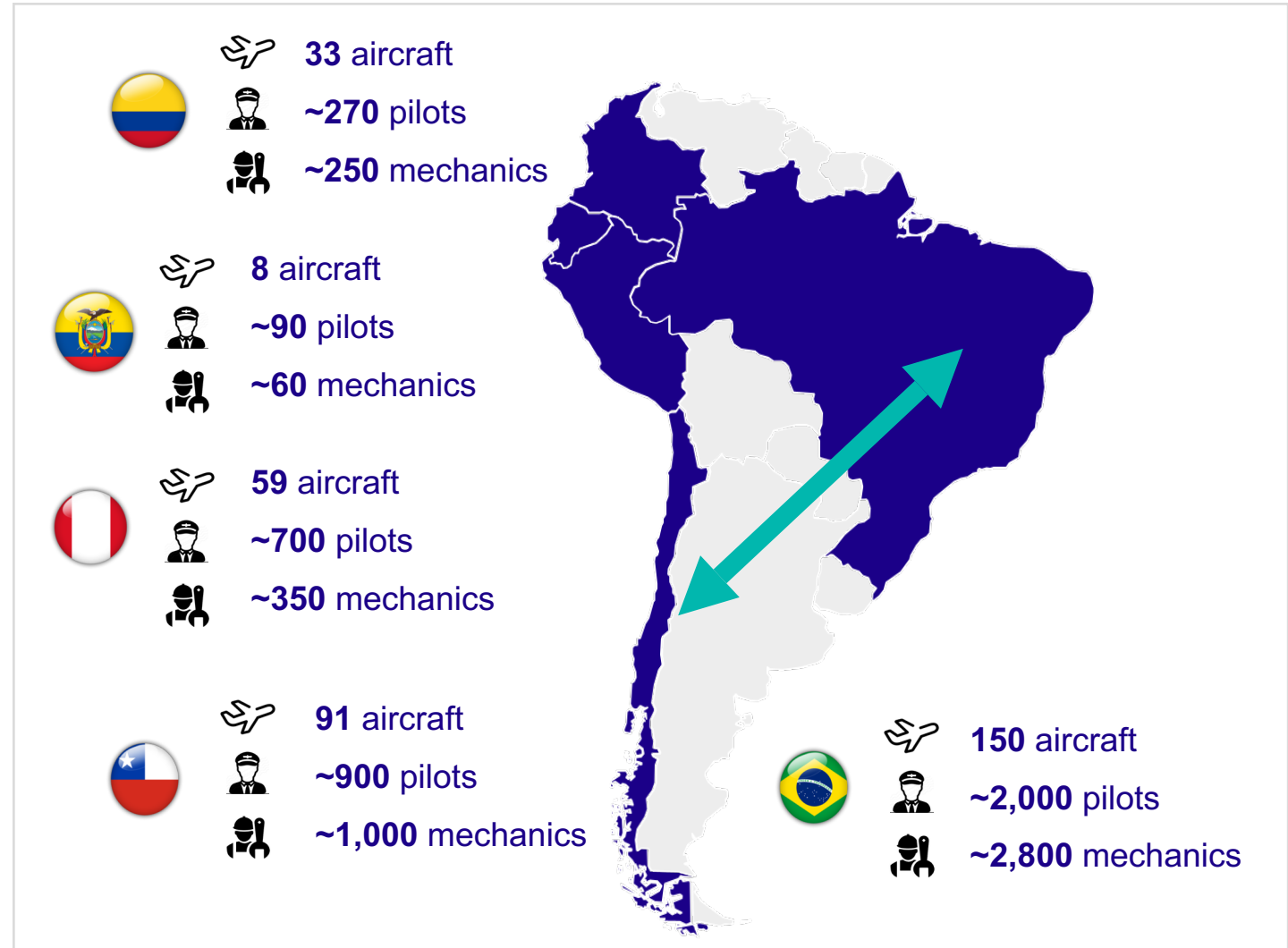
**Flexibility to re-allocate assets**



**Interchange planes between affiliates**



**Allows for the absorption of changes in demand**



# Strength of in-house maintenance capabilities provides flexibility and independence

## Sao Carlos Maintenance Base, Brazil

- Largest MRO in South America
- **9** lines of production and **23** shops
- **122** C-Checks annually<sup>1</sup>
- Capability for 80% of narrow-body components
- Wide-body and narrow-body retrofit Wifi installation

Plus

## Santiago Maintenance Base, Chile

- **4** lines of production and **11** shops
- **22** C-Checks annually<sup>2</sup>
- Wide-body retrofit



1) Last twelve months as of September 2024.

# Enabling LATAM group to continue its fleet modernization strategy based on its commitment to sustainability



## OVH Screens Removal Project

Annual impact:

**506,000** gallons of fuel  
Savings of **US\$1.8 million** in fuel  
**4,840** tons of CO2



## Aeroshark Project

Annual impact:

Reduction of more than **1%** in fuel consumption  
Savings of **US\$0.35 million** per aircraft in fuel  
**1,280** tons of CO2



# Transforming the way LATAM group performs maintenance



eMANTTO



## Aircraft systems monitoring

- Predictive maintenance avoiding AOG (aircraft on ground)



## Strategic Planning

- Digitalization of the heavy maintenance plan to reduce aircraft downtime



## Supply Chain

- Optimization of inventory, avoiding unnecessary purchases

# E-Mantto will contribute additional cost savings

## Projected Savings (US\$ million)



More than **\$100 million** in additional cost savings are projected in the next 3 years due to e-Mantto.



# Significant safety indicator improvement, maintaining safety as a core value

## Reducing In-Flight Safety Risks



**-76%**

2023 vs 2018

## Reducing Maintenance Safety Risks

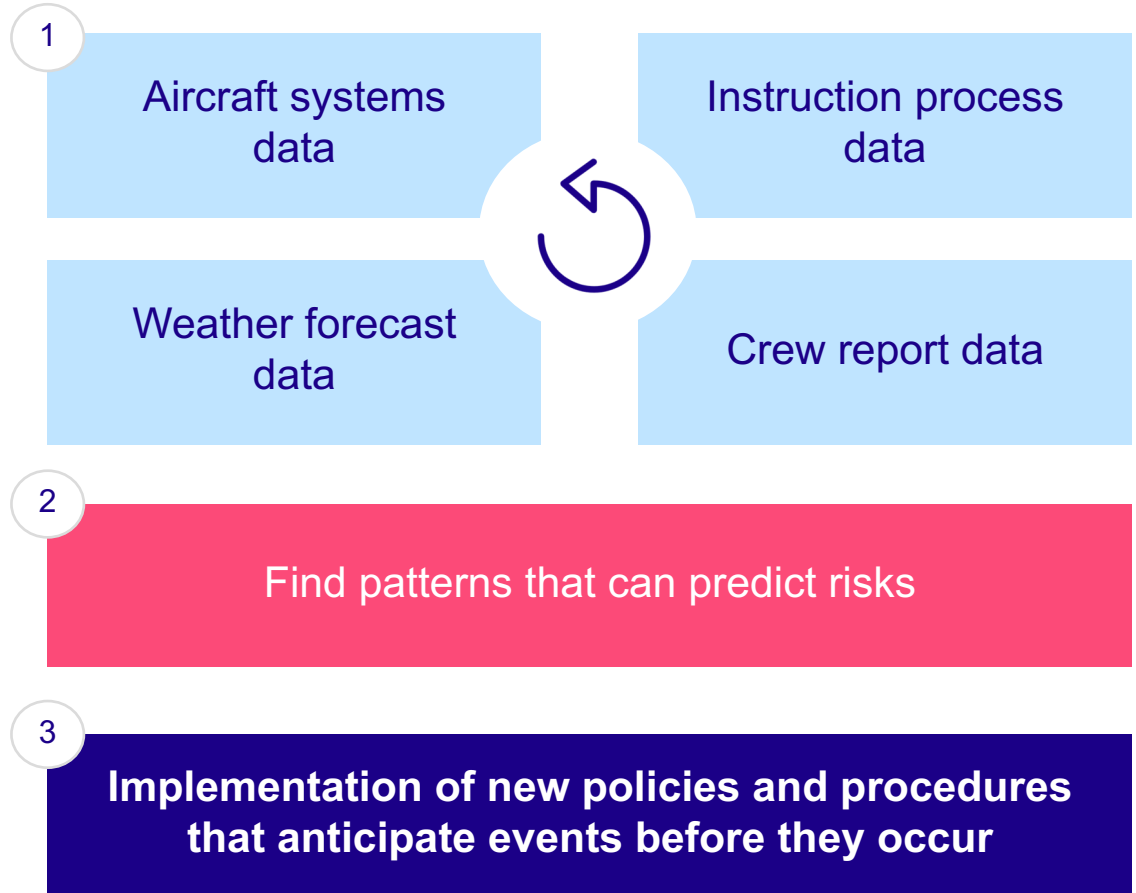


**-33%**

2023 vs 2018



## Evolving from a reactive to a predictive safety management model through technology





*Fleet expansion and financial strength drive LATAM group toward sustainable growth*



**Ramiro Alfonsín**  
*Chief Financial Officer*





# LATAM group has continuously strengthened its standing



Re-listed ADR's in the New York Stock Exchange



Increase in Sell Side coverage



Higher share trading liquidity than pre-pandemic



Leaner cost of debt through refinancing

Passengers transported

**+7%**

*LTM 2Q-24 vs 2019*

Adj. EBITDAR

**+27%**

*LTM 2Q-24 vs 2019*

Liquidity <sup>1</sup>

**+7pp**

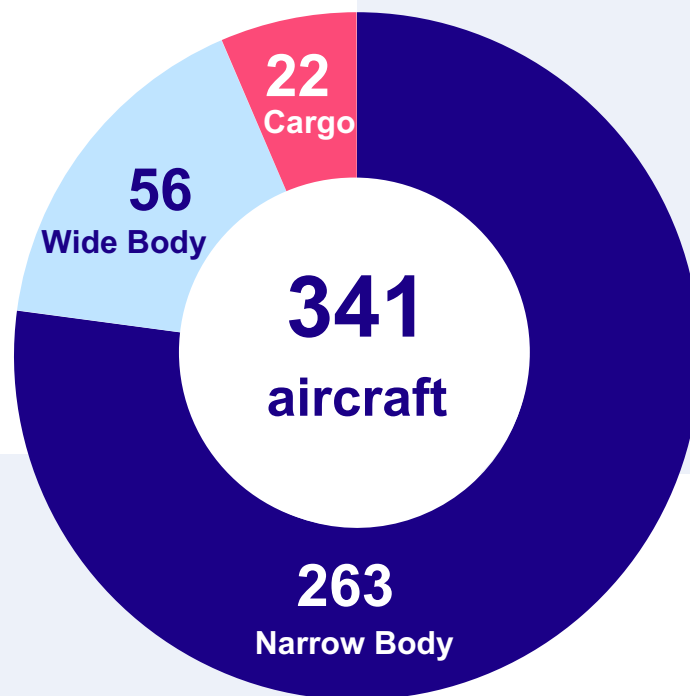
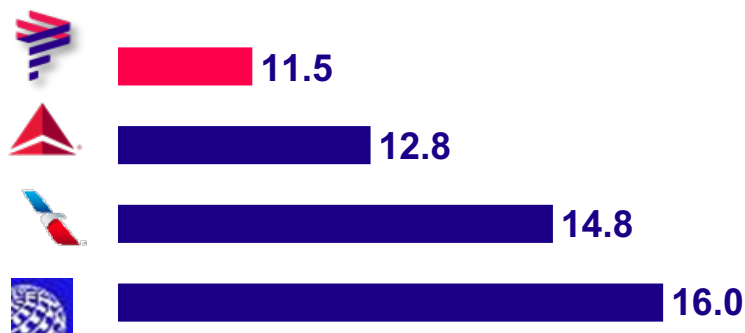
*2Q-24 vs 2019*

# LATAM group has a modern fleet with a significant portion of unencumbered aircraft, serving as strategic assets

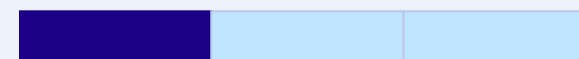


## Consolidated fleet overview

### Average age of fleet



Approx.  
**1/3**



of our fleet is  
unencumbered

**~50%**

of our aircraft are owned or financed

Over  
**US\$1.2 billion**

worth of unencumbered assets

Note: The US\$1.2 billion worth of unencumbered assets (aircraft + engines) excludes assets reserved for the Revolving Credit Facility.

# The industry is experiencing less availability of aircraft and engines



## The pandemic resulted in lasting issues for the industry

- Retirement of older fleet and lack of production during pandemic
- Supply Chain affecting new aircraft deliveries

## Long-term implications

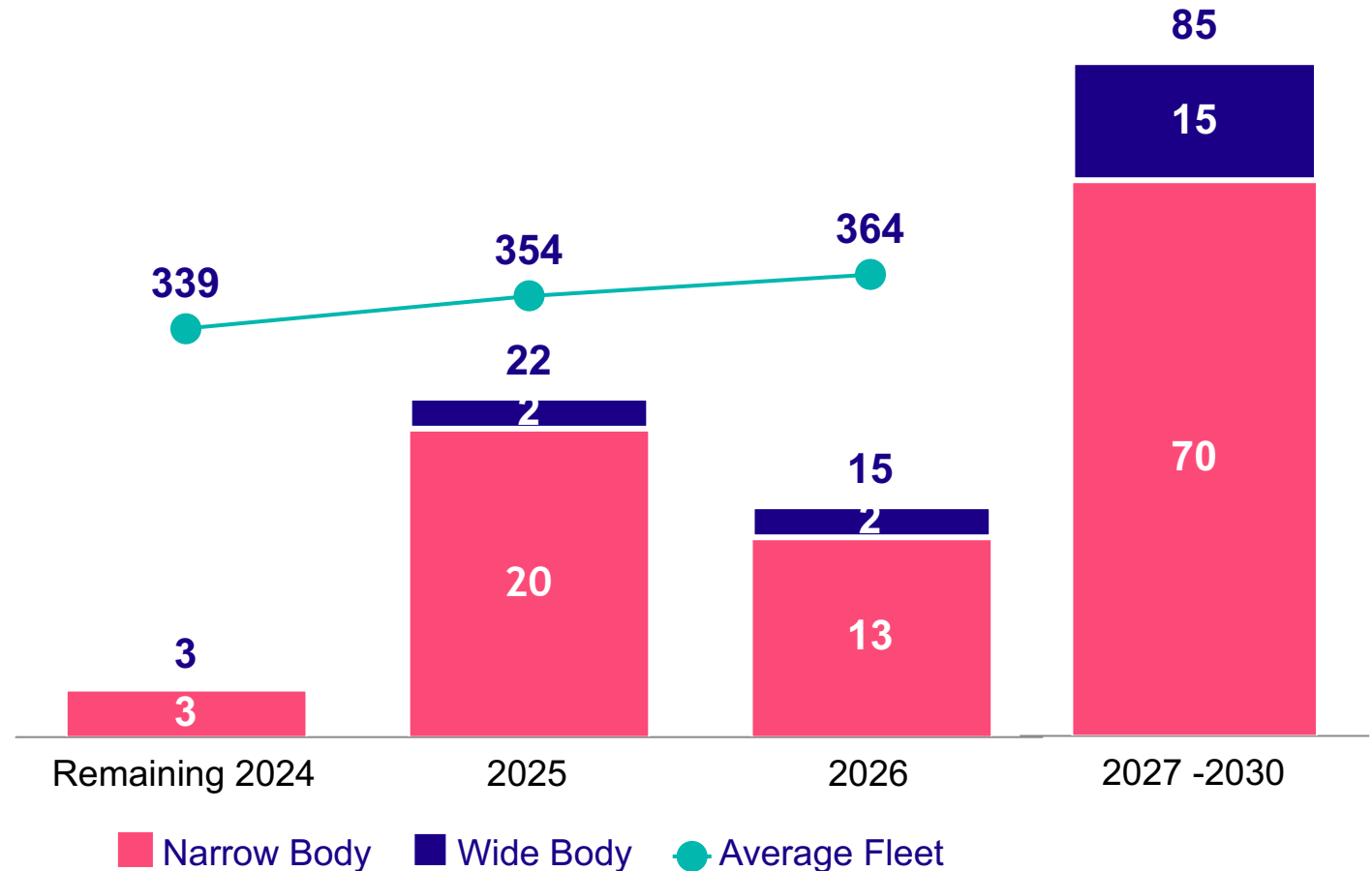
- OEM's new positions towards end of decade
- Lessors with limited remaining order books
- Few opportunities, at elevated prices

# LATAM group has secured an order book of more than 120 aircraft through 2030, supporting its future growth



## Order book from 2024-2030

- Over 80% of aircraft deliveries from OEMs.
- All deliveries of new generation aircraft.
- Supports up-gauging strategy through incorporation of larger, new generation, more fuel-efficient aircraft.
- Of the incoming narrow body deliveries, 63% are A321 neo aircraft.

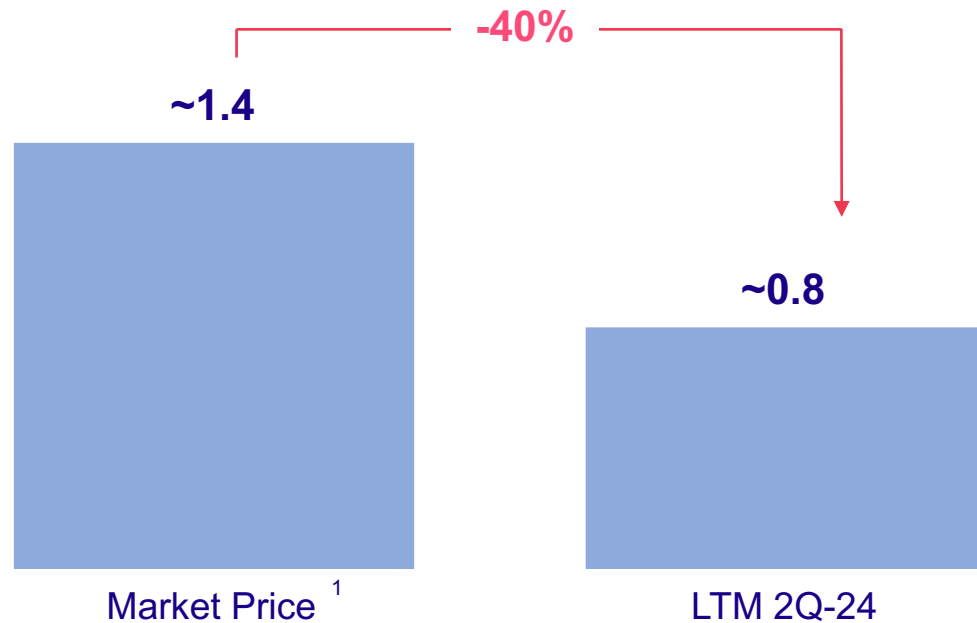


# LATAM's efficient fleet cash cost will remain a key strength moving forward



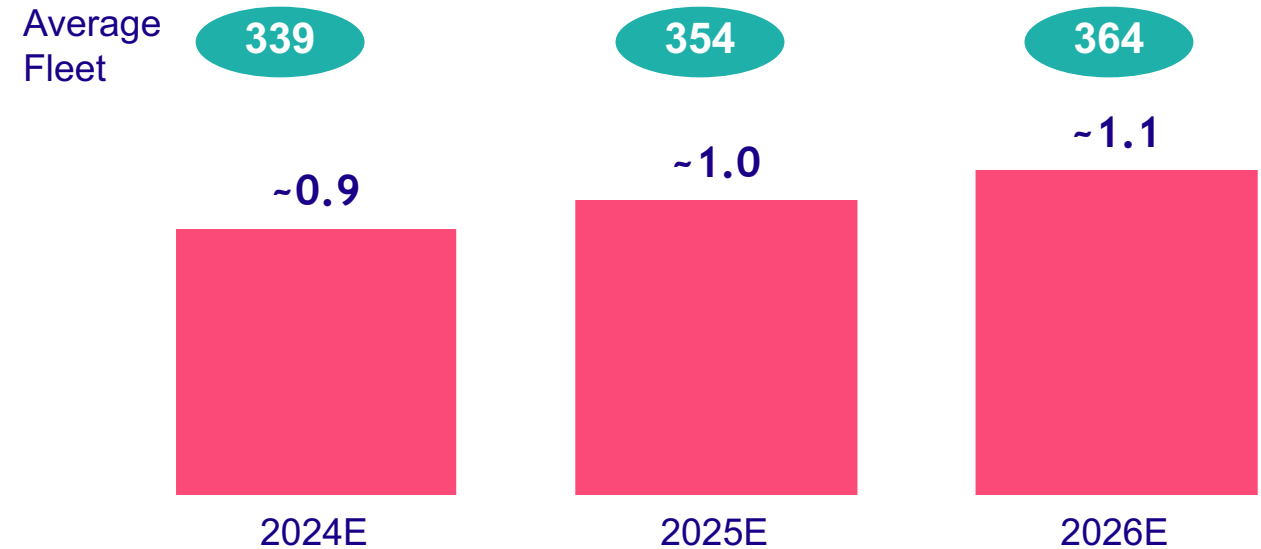
## Fleet cash cost below market price (US\$ billion)

- LATAM's current fleet cash cost is 40% lower than current market prices.



## Sustained fleet cash cost savings (US\$ billion)

- Until 2029, 90% of the current fleet has pricing locked-in.
- Total fleet cash cost will increase as LATAM group incorporates new state-of-the-art aircraft.



<sup>1</sup>) Cash cost of leasing LATAM fleet at current market prices. Market rents estimation based on AVITAS BlueBook of Jet Aircraft Values of each aircraft (per fleet type and age) and company's view of current lease rate factor (LRF) and market rents of recent direct lease transactions.

# LATAM group is improving its guidance for 2024

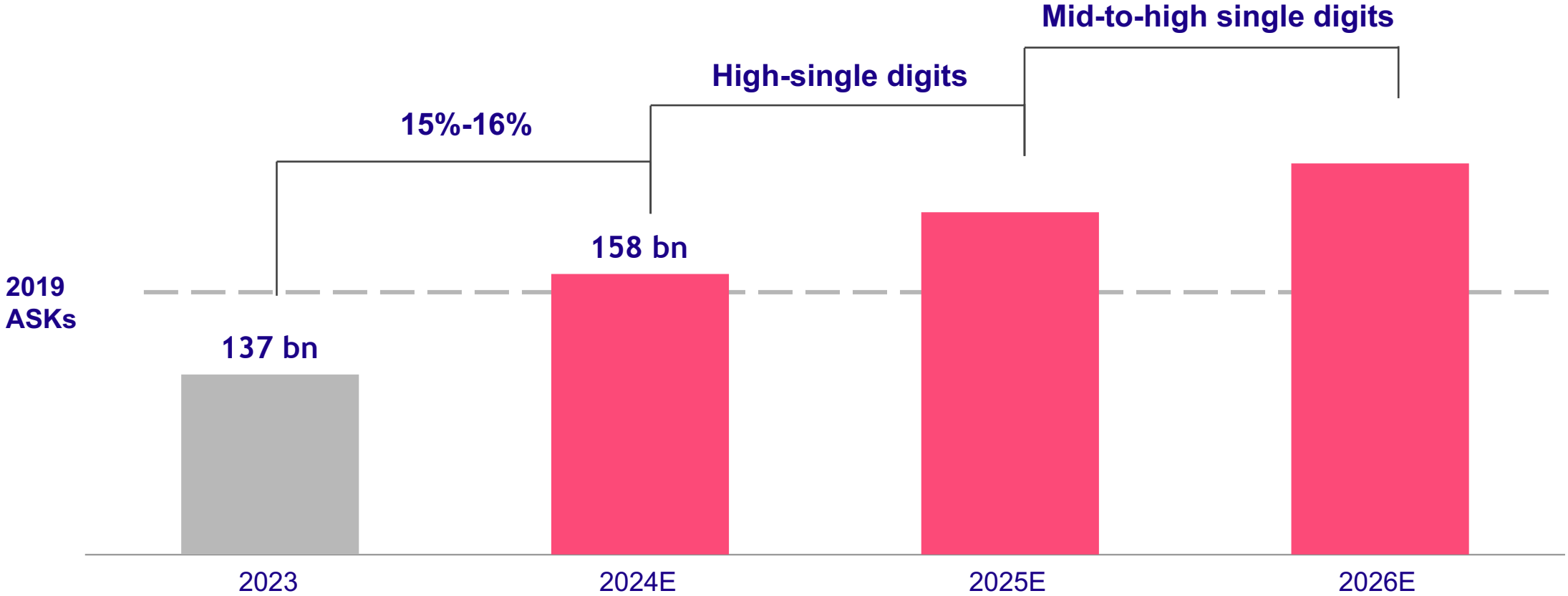


Full Year 2024	Current 2024 Guidance		Updated 2024 Guidance
<b>Capacity</b> % ASKs year over year	14% - 16%	↑	15% - 16%
<b>Adj. Passenger CASK Ex-Fuel<sup>1</sup></b> US\$ cents	4.3 - 4.5	↓	4.2 - 4.3
<b>Adj. EBITDAR</b> US\$ billion	2.75 - 3.05	↑	3.00 - 3.15
<b>Adj. Net Leverage<sup>2</sup></b>	1.6x - 1.8x	↓	1.6x - 1.7x

# LATAM group achieves record capacity in 2024, with continued growth ahead



## Capacity (ASK)

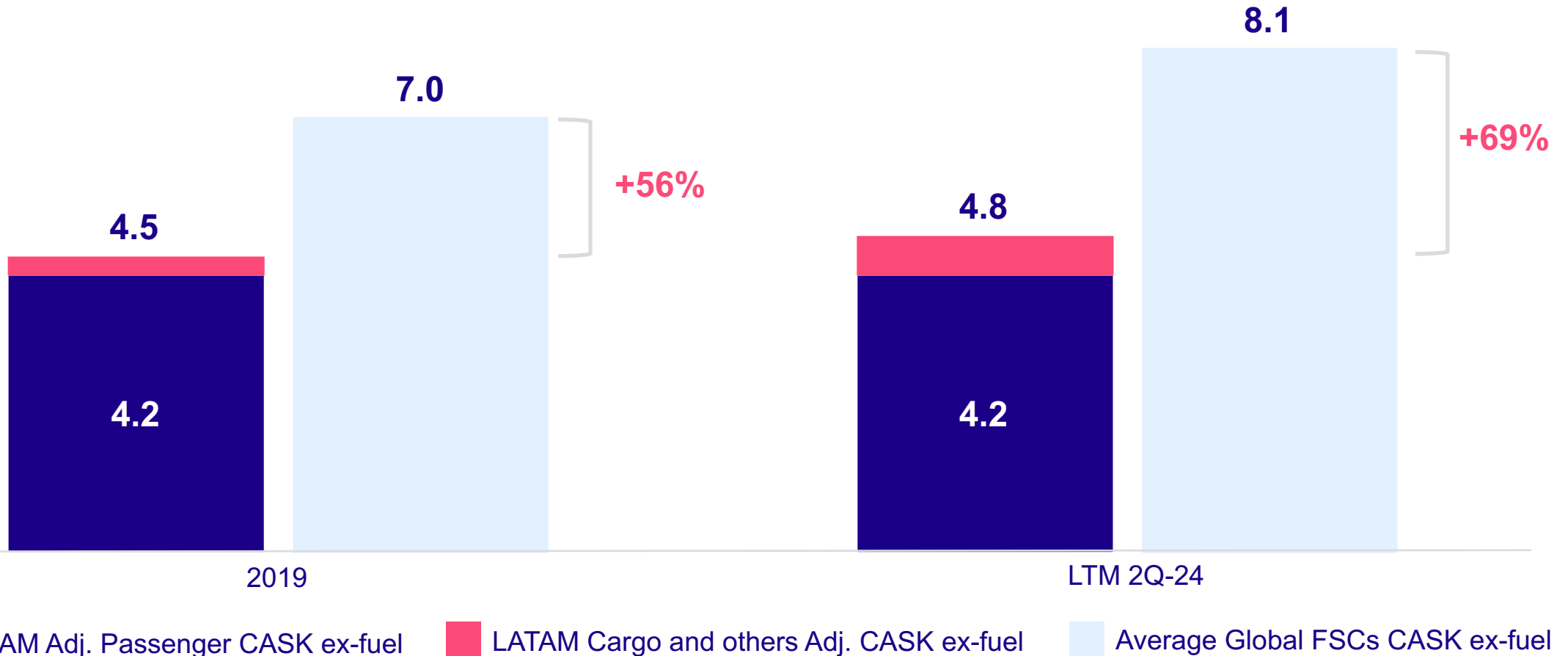




# LATAM has widened its cost advantages vs global full service carriers given its strong cost containment



CASK ex-fuel vs global full service carriers (US\$ cents)



Note: The selected global FSC are American Airlines, Delta Air Lines, United Airlines, AirFrance/KLM, Lufthansa and IAG. Adjusted Passenger CASK ex fuel excludes cargo costs associated with belly and freighter operations. LATAM Adjusted CASK ex fuel adds back the effect of other gains and losses, variable Aircraft Rental expenses (non-cash P&L effect) and employee compensations associated with the Corporate Incentive Plan.

# Dedicated to ensuring Passenger CASK-Ex Fuel<sup>1</sup> (US\$cents) is contained



4.2 - 4.3



2024E

## Digital, Data and Technology

- Increased direct digital sale penetration
- Increased airport productivity
- Simplified IT support functions
- Transformation of maintenance operations
- Process automation and GenAI implementation
- Process optimization via data driven decisions

## Business simplification

- Re-designed benefits for employees
- Outsourced non-core functions
- In-source key maintenance work scope
- Supplier partnerships

## Fleet

- Components and Airframe in-sourced
- Narrowbody and wide-body utilization increase
- Significantly reduced fleet costs for the foreseeable future
- Fleet modernization with more efficient aircraft
- Up-gauging and densification

4.2 - 4.4



2025 Outlook

1) Adjusted Passenger CASK ex-fuel excludes cargo costs associated with belly and freighter operations, adjusted to add back the effect of other gains and losses, variable aircraft rental expenses (non-cash P&L effect), and employee compensations associated with the Corporate Incentive Plan.

# Strong Adj. EBITDAR generation on the back of LATAM group's value proposition



## Adj. EBITDAR (US\$ Bn)

### Passenger preference

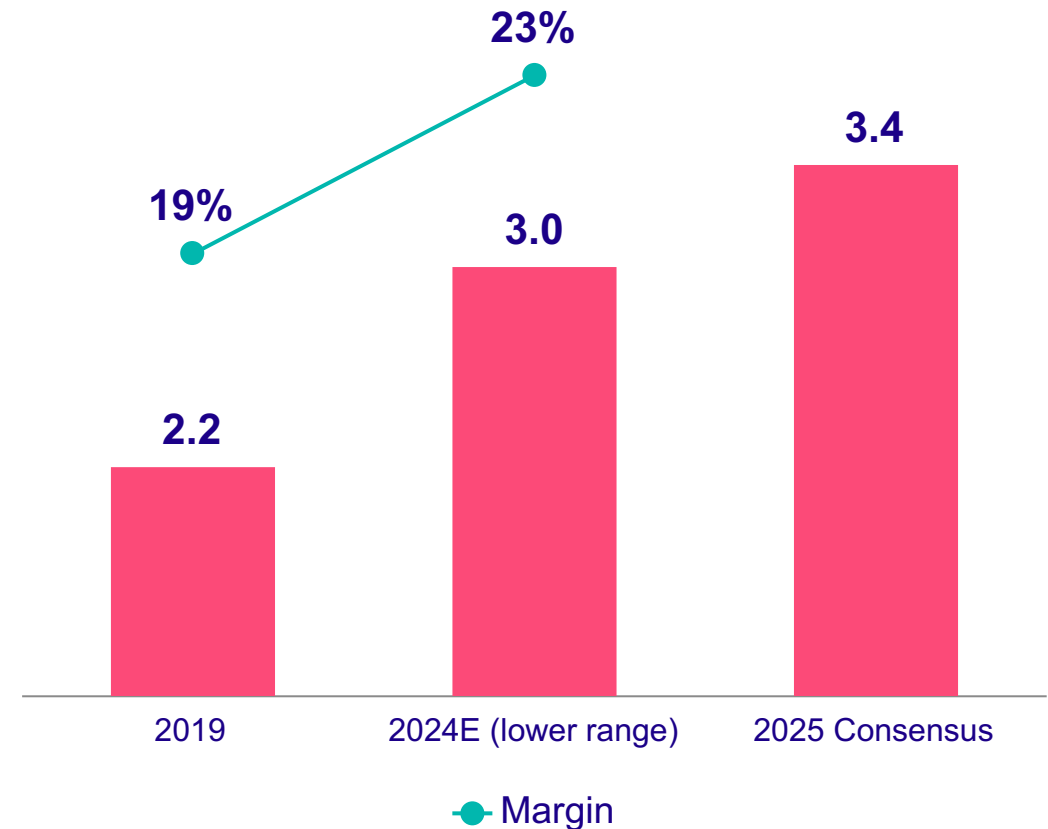
Increase in customer preference for LATAM, supported by key investments and evidenced in improving NPS

### Value proposition

Stronger revenues supported by higher proportion of Premium Travelers

### Cost containment

Costs in line going forward to strengthen future results





# Industry leading capital structure: powering LATAM's competitiveness

Lowest net leverage for a widebody operator in the Americas

Adj. Net Leverage

**1.9x**

**-2.1x vs 2022**

Improved liquidity

Liquidity

**27%**

of LTM revenues

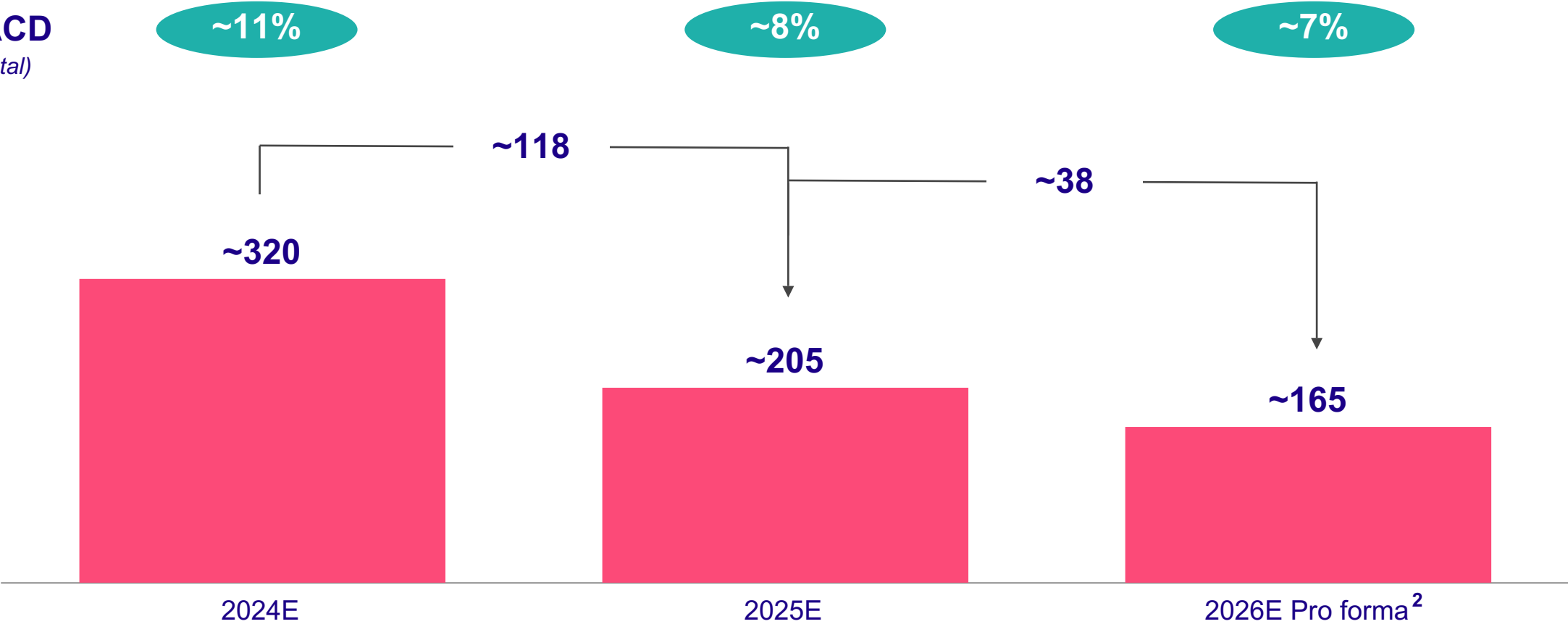
**+7pp vs 2022**

# LATAM has significantly reduced its Chapter 11 exit financing interest payments and has additional opportunities to do so in the near-term



## Interest payments on exit financing debt<sup>1</sup> (US\$ million)

**WACD**  
(Total)



Chapter 11 exit financing includes 2027 notes, 2029 notes and Term Loan B. 1) Issuance fees or prepayment premiums are not included. 2) 2026E Pro forma assumes 2029 notes refinancing at same interest rate of the refinancing of the 2027 notes and Term Loan B at 7.875%.

# The recent refinancing leaves LATAM with almost no medium-term maturities



## Financial debt<sup>1</sup> amortization profile (US\$ million)

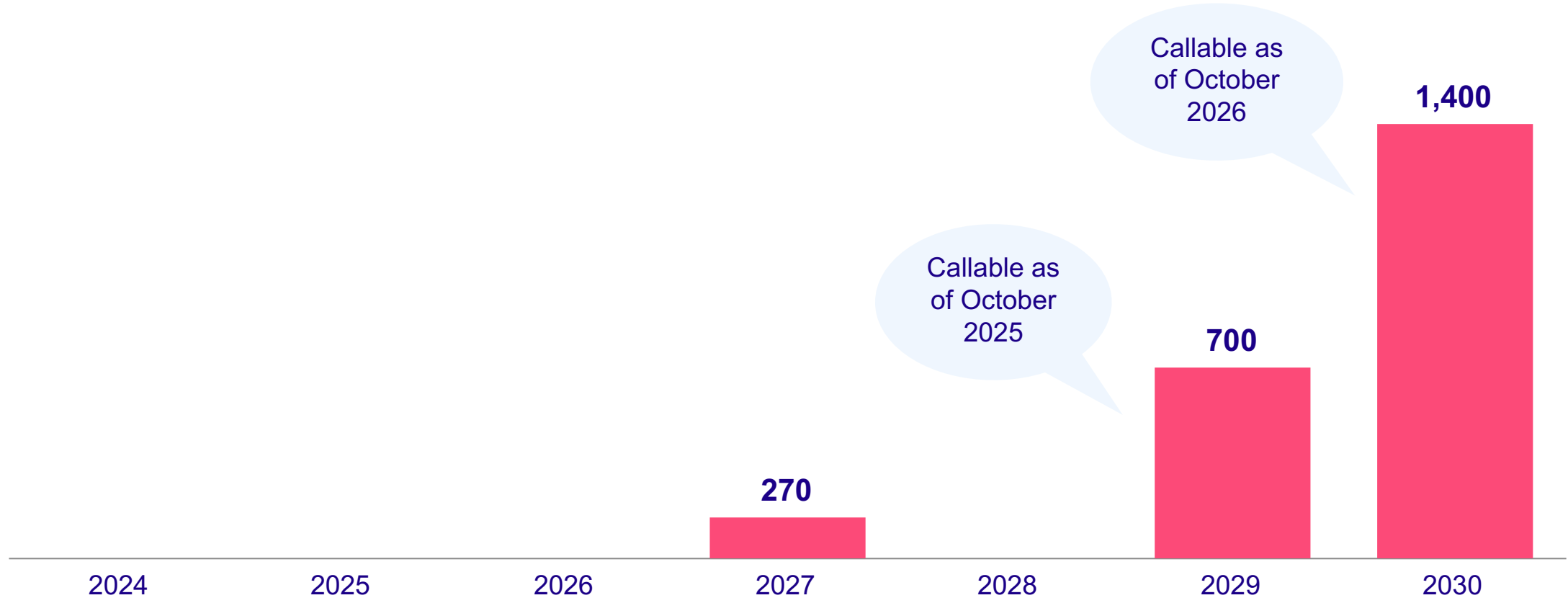


(1) Excluding fleet debt.



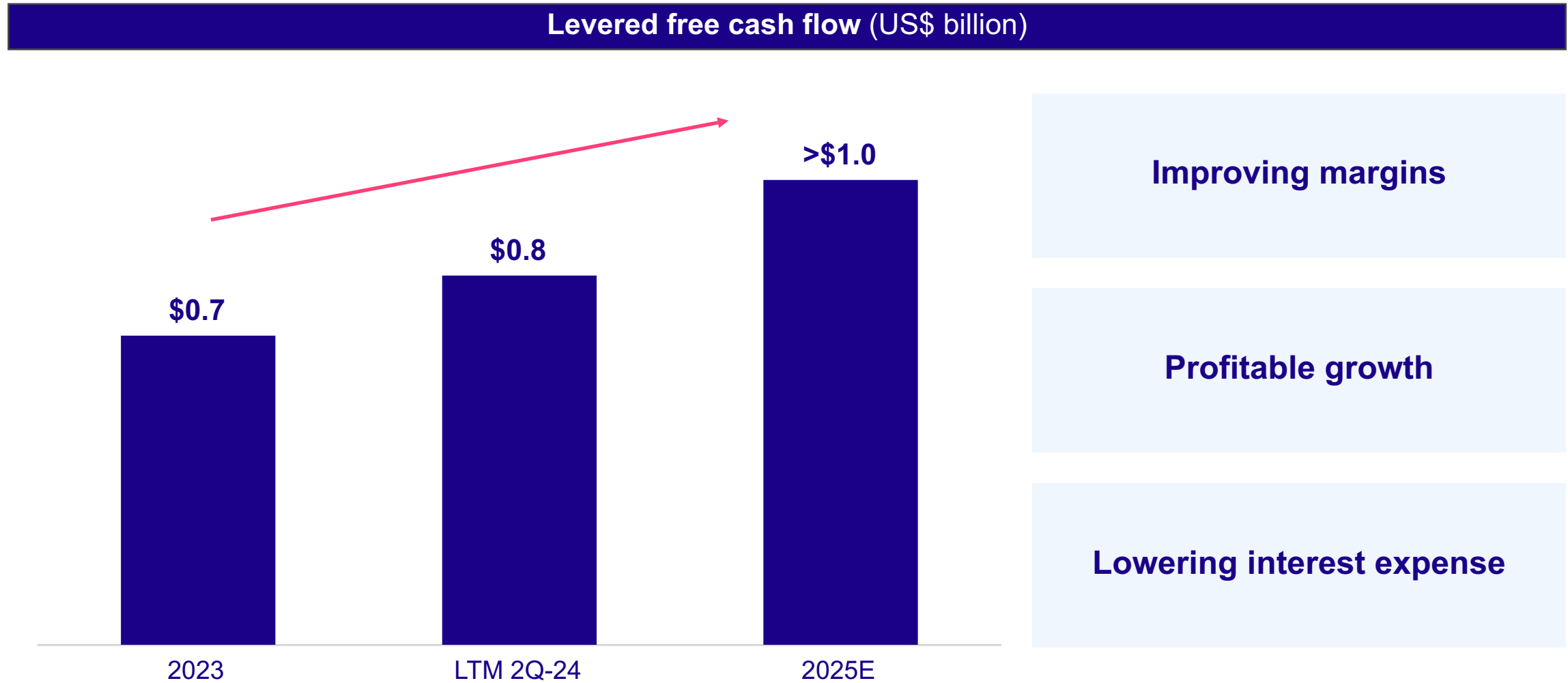
# 2029 and 2030 maturities are callable in Q4 2025 and Q4 2026 respectively

## Financial debt<sup>1</sup> amortization profile (US\$ million)



(1) Excluding fleet debt.

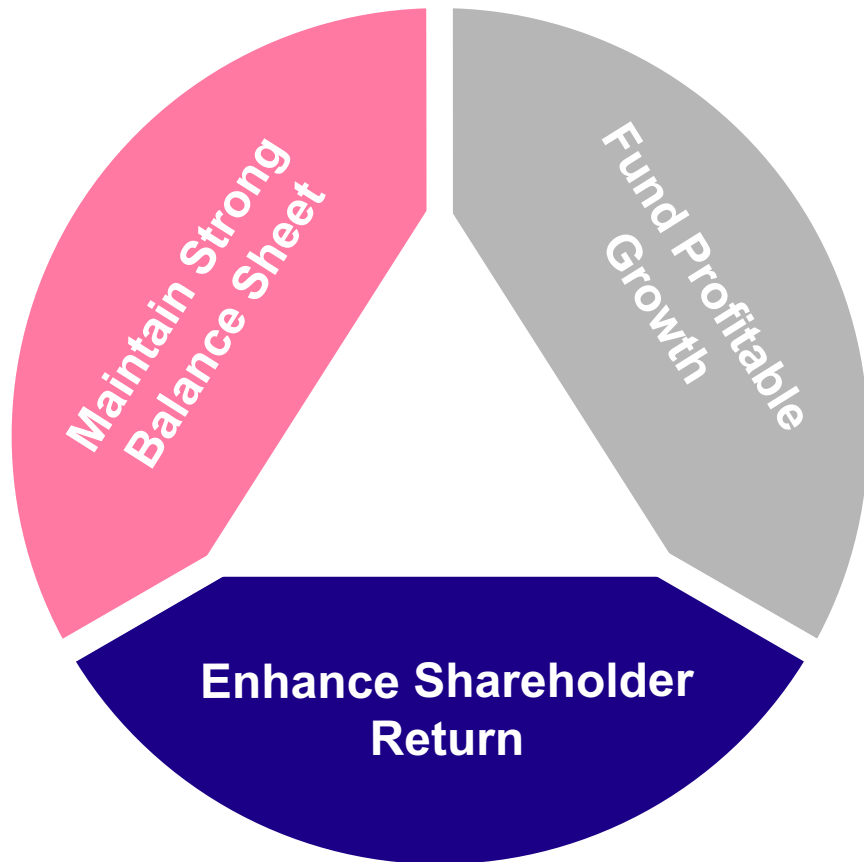
# Strong Cash Generation of more than US\$1 billion in Levered Free Cash Flow expected in 2025



Note: Adj. Levered FCF calculated as the sum of net cash (outflow) inflow from operating and investing activities, adding payments from lease liabilities (amortization and interest) and financing pre-delivery payments, excluding amounts raised from the sale of property, plant and equipment, adding aircraft and non-aircraft financing interest.



# Capital allocation: LATAM's strategic priorities



- Improving cost of debt through refinancing, enhancing balance sheet, in line with target of achieving a BB+ credit rating.
- Adjusted net leverage below 2x, with a target of 1.7x.
- Liquidity above 20%.

- New discretionary projects with attractive returns on investment.
- Invest in new technology aircraft to enhance efficiency and customer experience.
- Target to maintain an average fleet age of less than 12 years over the next five years.

- A minimum of 30% of net income distributed as dividends.
- Exploring increasing shareholder returns based on performance.



# Outlook for sustainable growth

Given the current context, LATAM expects in 2025:

- ✓ Continue increasing **capacity** high single digits.
- ✓ Maintain its **passenger unit cost ex-fuel<sup>1</sup>** in line (4.2 - 4.4 cents).
- ✓ Continue to grow **adjusted EBITDAR** above capacity growth.
- ✓ **Adjusted net leverage<sup>2</sup>** at or below 1.7x.

CC-BGC

1) Adjusted Passenger CASK ex-fuel excludes cargo costs associated with belly and freighter operations, adjusted to add back the effect of other gains and losses, variable aircraft rental expenses (non-cash P&L effect), and employee compensations associated with the Corporate Incentive Plan. 2) Adj. Net Leverage is calculated as net debt divided by last twelve month Adj. EBITDAR.

# Takeaways



## 1 LATAM Today

**Tenth<sup>1</sup> largest airline group** in the world and the **leading airline group in South America**.

## 2 Opportunities in the Region

A region **poised for structural growth** through expanding trips and GDP per capita.

## 3 Value Proposition

Enhancing client experience and **uniquely set up to capture premium demand** as the only global full-service carrier in the region.

## 4 Operational Efficiency

Best-in-class MRO capabilities, innovative uses of technology and **optimization drive annual savings**, supporting LATAM group's **cost containment** strategy.

## 5 Financial Growth

**Fleet growth, up-gauging, and expanded premium offerings** will drive strong financial performance through ROIC-based approach to **profitable and sustainable growth**.

## 6 Capital Allocation

**Focused on delivering strong returns to shareholders** by growing profitably while maintaining a strong balance sheet.



**LATAM**  
AIRLINES

**INVESTOR DAY**  
**2024**

