

Third Quarter 2019 Results Presentation

November 13, 2019



Third Quarter 2019 Highlights



Main announcements

- 1) Strategic agreement with Delta
- 2) New CEO from March 2020
- 3) LATAM Pass as the single frequent flyer program



LATAM and its affiliates carried 19.2 million passengers, an increase of 1.4 million compared to the third quarter of 2018



Passenger revenues increased 11.1% in third quarter driven by a 9.1% RASK growth and a 1.8% capacity increase

Cost per ASK rose 3.6% YoY



Operating income of US\$269 million and operating margin of 10.1%



LATAM will prepay the outstanding amount of the LATAM2020 unsecured bond



Most punctual airline in the world according to FlightStats



LATAM was recognized as part of the 'World' category of the Dow Jones Sustainability Index (DJSI) for the sixth consecutive year

Third Quarter 2019 Financial Summary

(US\$ Millions)	3Q19	3Q18	Change	9M19	9M18	Change
Total Operating Revenues	2,665	2,492	6.9%	7,560	7,580	-0.3%
Passenger	2,340	2,107	11.1%	6,528	6,382	-2.3%
Cargo	252	279	-9.8%	784	874	-10.3%
Others	73	106	-31.0%	248	324	-23.4%
Total Operating Costs	-2,396	-2,271	5.5%	-7,169	-7,036	1.9%
Fuel	-717	-747	-4.0%	-2,185	-2,151	1.6%
Ex-fuel	-1,679	-1,524	10.2%	-4,984	-4,885	2.0%
Operating Income	269	221	21.8%	391	544	-28.1%
Operating Margin	10.1%	8.9%	1.2 p.p.	5.2%	7.2%	-2.0 p.p.
Net Income	86	35	145.0%	-37	-80	-54.4%
EBITDA	645	565	14.1%	1,470	1,574	-6.6%
EBITDA Margin	24.2%	22.7%	1.5 p.p.	19.4%	20.8%	-1.3 p.p.

Third Quarter 2019 Operating Statistics

% YoY	System Capacity	Capacity (ASK)	Traffic (RPK)	Load Factor	RASK/RATK (USc) ¹ (% YoY)
		-4.1%	-1.8%	85.2% (+2.0 p.p.)	6.0 (+0.5%)
		+9.8%	+10.4%	82.1% (+0.5 p.p.)	7.4 (+22.7%)
		+9.5%	+9.3%	81.3% (-0.2 p.p.)	6.5 (-9.5%)
Passenger		+1.8%	+3.2%	83.6% (+1.1 p.p.)	6.2 (9.1%)
Cargo ²		+0.1%	+0.8%	53.6% (+0.4 p.p.)	15.8 (-6.2%)

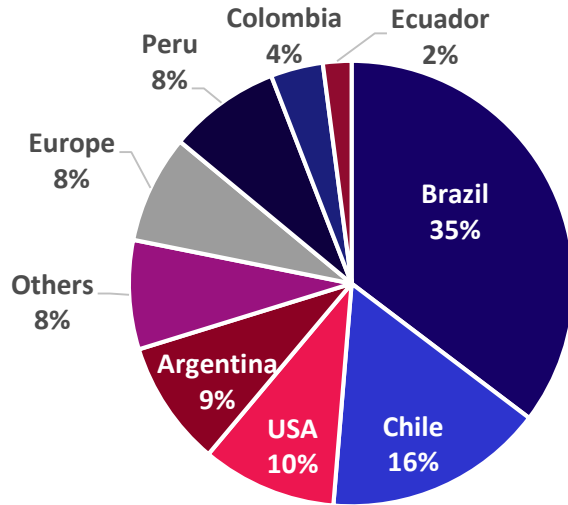
BRL
3Q19: +24.3%

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

² Excluding the sale of MasAir

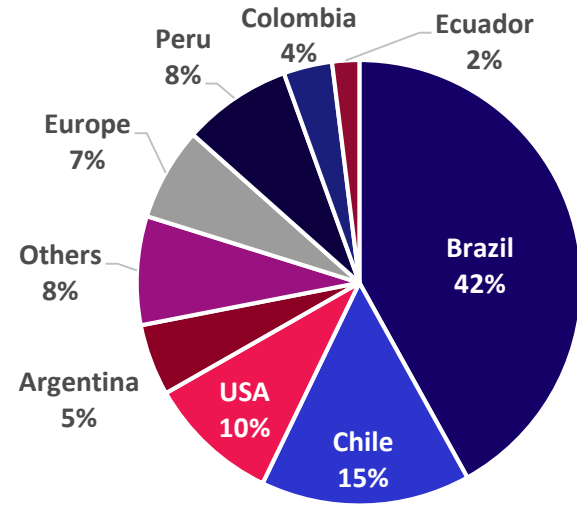
Revenues by point of sale last twelve months evolution

Third quarter 2018



Passenger + Cargo revenues = US\$2,386 million

Third quarter 2019

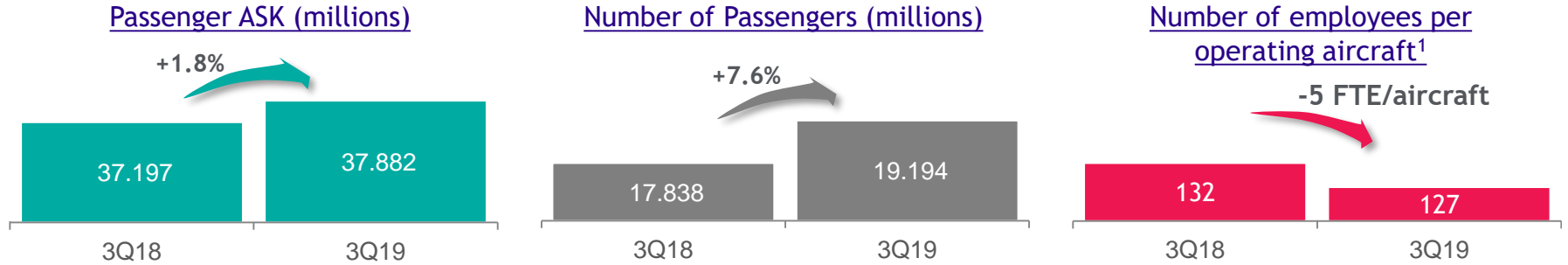


Passenger + Cargo revenues = US\$2,592 million

+8.6%



Cost per ASK increased by 3.6% YoY



Total Costs US\$MM	3Q19	3Q18	Change
Fuel Cost	717	747	-4.0%
Wages & Benefits	447	403	+10.8%
Fleet Cost	480	427	+12.4%
Others	752	693	+8.4%
Operating Costs	2,396	2,271	+5.5%
CASK(US cents)	6.3	6.1	+3.6%
CASK ex-fuel (US cents)	4.4	4.1	+8.2%

¹ Excluding short term sublease to offset Boeing 787 AOG

LATAM Airlines Agreement with Delta

Tender Offer

Delta will invest **\$1.9 billion for a 20 percent** stake in LATAM through a public tender offer at \$16 per share

Airplane Purchase

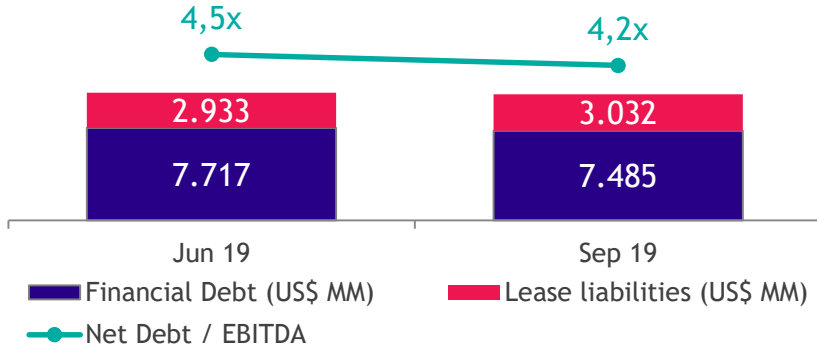
Delta will acquire **four A350 aircraft** from LATAM and assume LATAM's commitment to purchase **10 additional aircraft** to be delivered beginning in 2020

Commercial Partnership

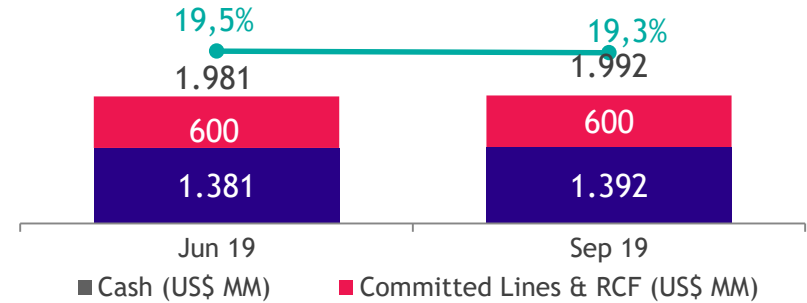
Joint venture, code sharing agreement and **\$350 million** from Delta to support transition costs for strategic partnership

Third quarter 2019 credit metrics

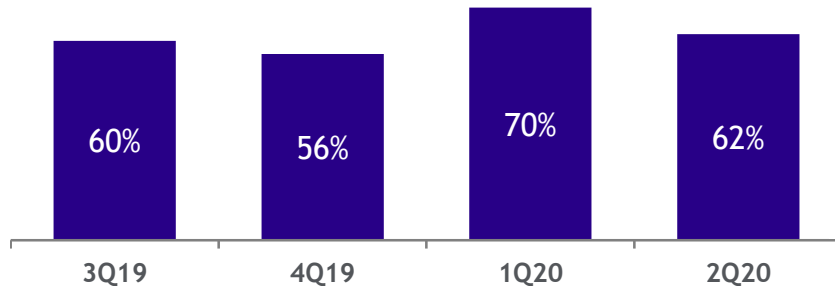
Net Debt / EBITDA LTM



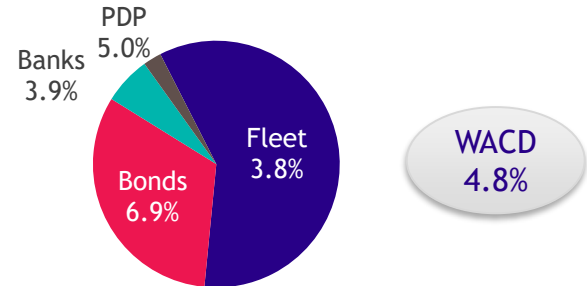
Cash and Equivalents as % of LTM revenues






Fuel Hedge (% consumption)



Cost of debt as of September 30, 2019



Guidance 2019

		Previous guidance	New guidance
Passenger (ASK) 	International	0% - 2%	0% - 2%
	Domestic Brazil	5% - 7%	5% - 7%
	Domestic Spanish Speaking Countries	8% - 10%	8% - 10%
	Total	3% - 5%	3% - 5%
Cargo (ATK) 		0% - 2%	0% - 2%
Operating Margin (%) 		7% - 9%	~7%

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