

# *LATAM group: Official sponsor of Pan American + Parapan American Games Santiago 2023 and Team Chile*



*Results presentation*

# *Third Quarter 2023*

*October 31, 2023*



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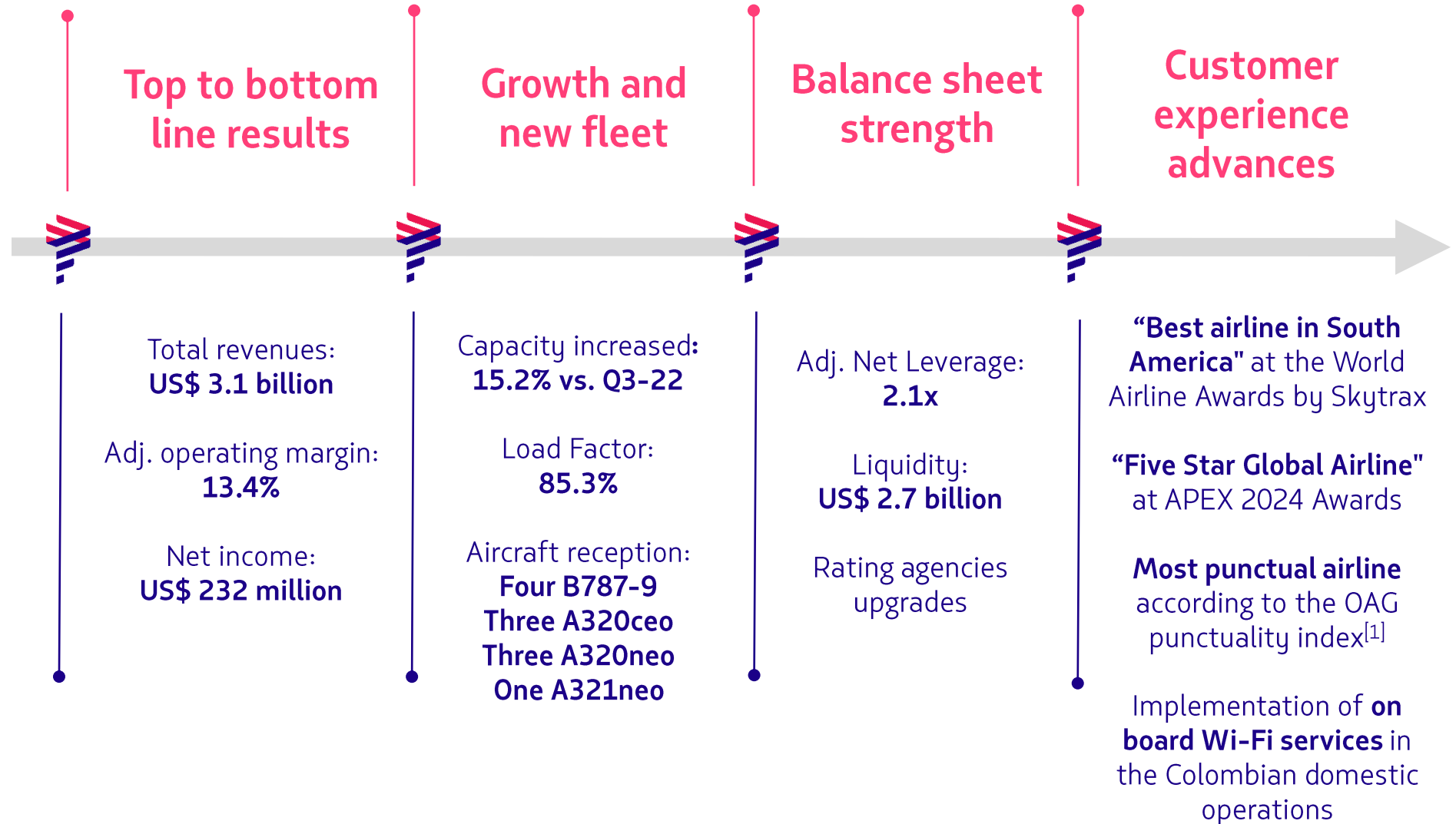
## Use of Non-GAAP Financial Metrics and Other Key Financial Metrics

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.

# Third Quarter Highlights

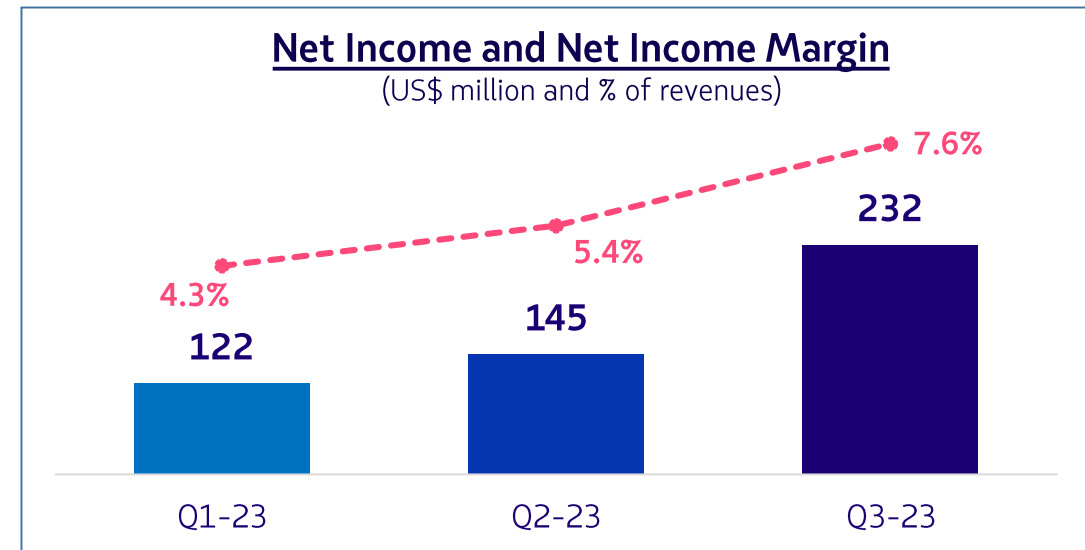
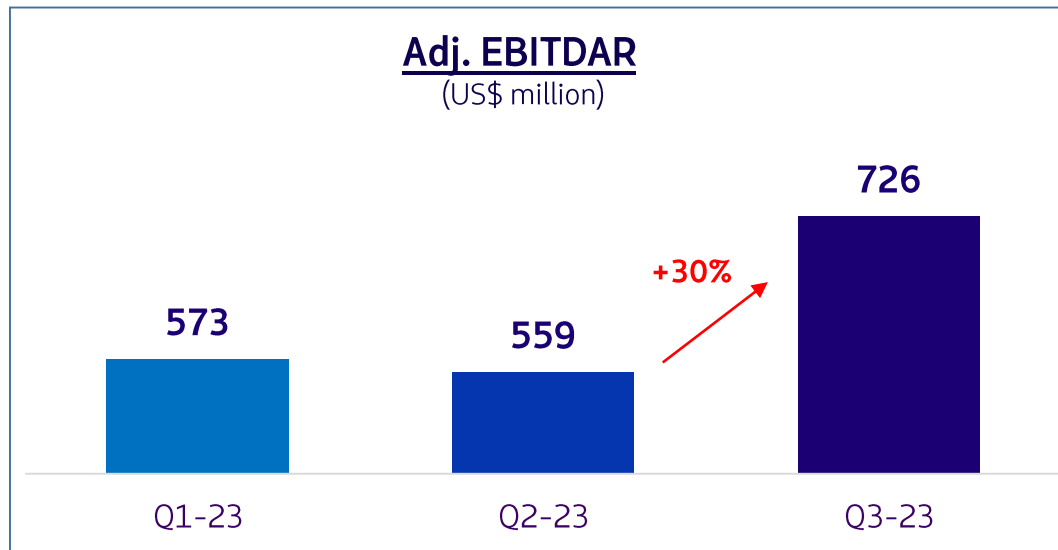
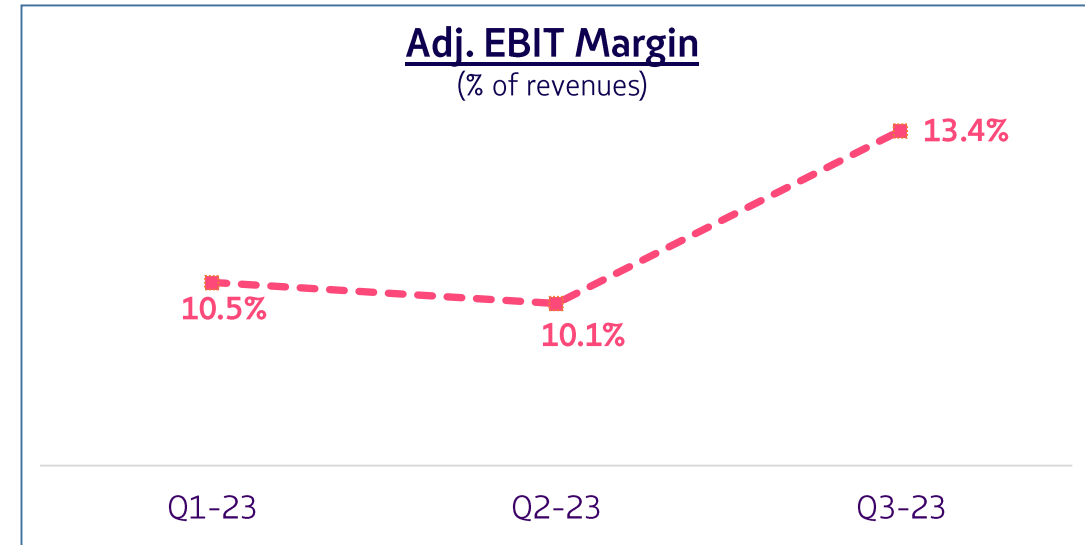
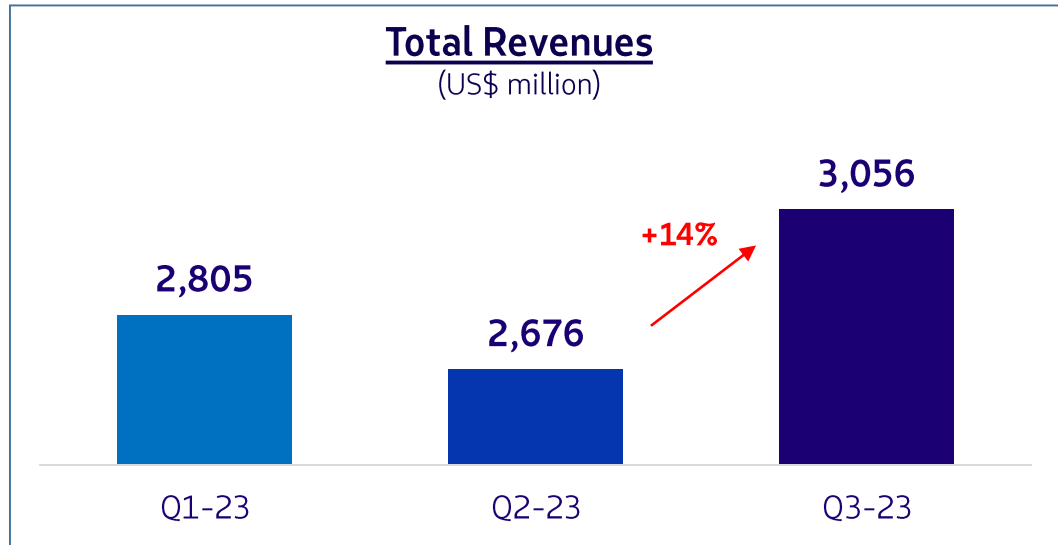


## Resilience and growth: LATAM group's success amidst fuel price volatility

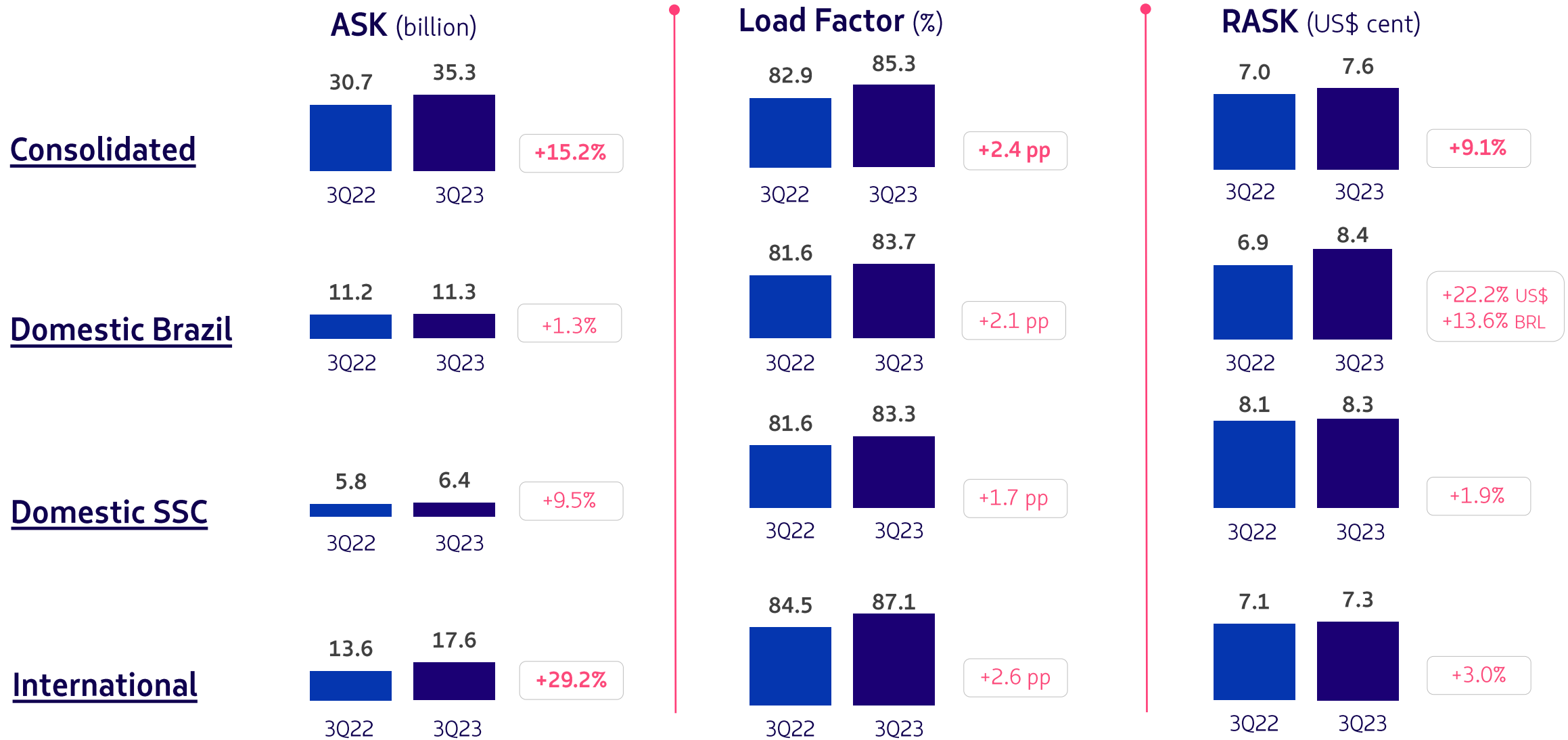


[1]: Among the twenty largest airlines, year to date as of September 30, 2023.

# Outperforming results: Best quarter of the year from top to bottom line



# The group improved its capacity, load factor and RASK versus previous year across all business segments with a healthy demand environment



Note: Domestic Brazil refers to LATAM Airlines Brazil domestic operations. Domestic Spanish speaking countries refers to domestic operations of LATAM Airlines Chile, LATAM Airlines Colombia, LATAM Airlines Ecuador and LATAM Airlines Peru. International operations refers to international operations of LATAM Airlines Brazil, LATAM Airlines Chile, LATAM Airlines Colombia, LATAM Airlines Ecuador and LATAM Airlines Peru

# LATAM achieved a notable adjusted EBIT margin of 13.4% and net income of US\$ 232 million



	3Q2023	Change (%) vs 3Q2022	First nine months of 2023	Change (%) vs First nine months of 2022
Revenues (US\$ million)	3,056	18.1%	8,538	26.1%
Passenger (US\$ million)	2,696	25.6%	7,367	37.8%
Cargo (US\$ million)	329	-20.2%	1,062	-18.7%
Total Adjusted Expenses (US\$ million)	-2,647	6.3%	-7,563	10.3%
Fuel cost (US\$ million)	-948	-14.6%	-2,859	1.7%
Adj. Cost ex-fuel (US\$ million)	-1,699	23.0%	-4,704	16.2%
<b>Adjusted EBIT (US\$ million)</b>	<b>409</b>	<b>326.3%</b>	<b>975</b>	<b>N.A.</b>
Adjusted EBIT Margin	13.4%	9.7pp	11.4%	12.7 pp
<b>Adjusted EBITDAR (US\$ million)</b>	<b>726</b>	<b>81.8%</b>	<b>1,858</b>	<b>133.9%</b>
<b>Net income (US\$ million)</b>	<b>232</b>	<b>N.M.</b>	<b>499</b>	<b>N.M.</b>
Passenger CASK ex-fuel <sup>1</sup> (US\$ c)	4.3	8.3%	4.2	-4.8%
CASK ex-fuel (US\$ c)	4.9	6.5%	4.8	-7.2%
<b>Fleet Cash Cost (US\$ million)</b>	<b>-208</b>	<b>-</b>	<b>-587</b>	<b>-</b>

Note: Adjustments to these Income Statement figures are made for Special Items. These adjustments to include or exclude special items allows management an additional tool to understand and analyze its core operating performance and allow for more meaningful comparison in the industry. 1) Passenger CASK ex fuel excludes cargo costs associated with belly and freighter operations, variable Aircraft Rental expenses (non-cash P&L effect) and CIP (Corporate incentive plan) expenses.

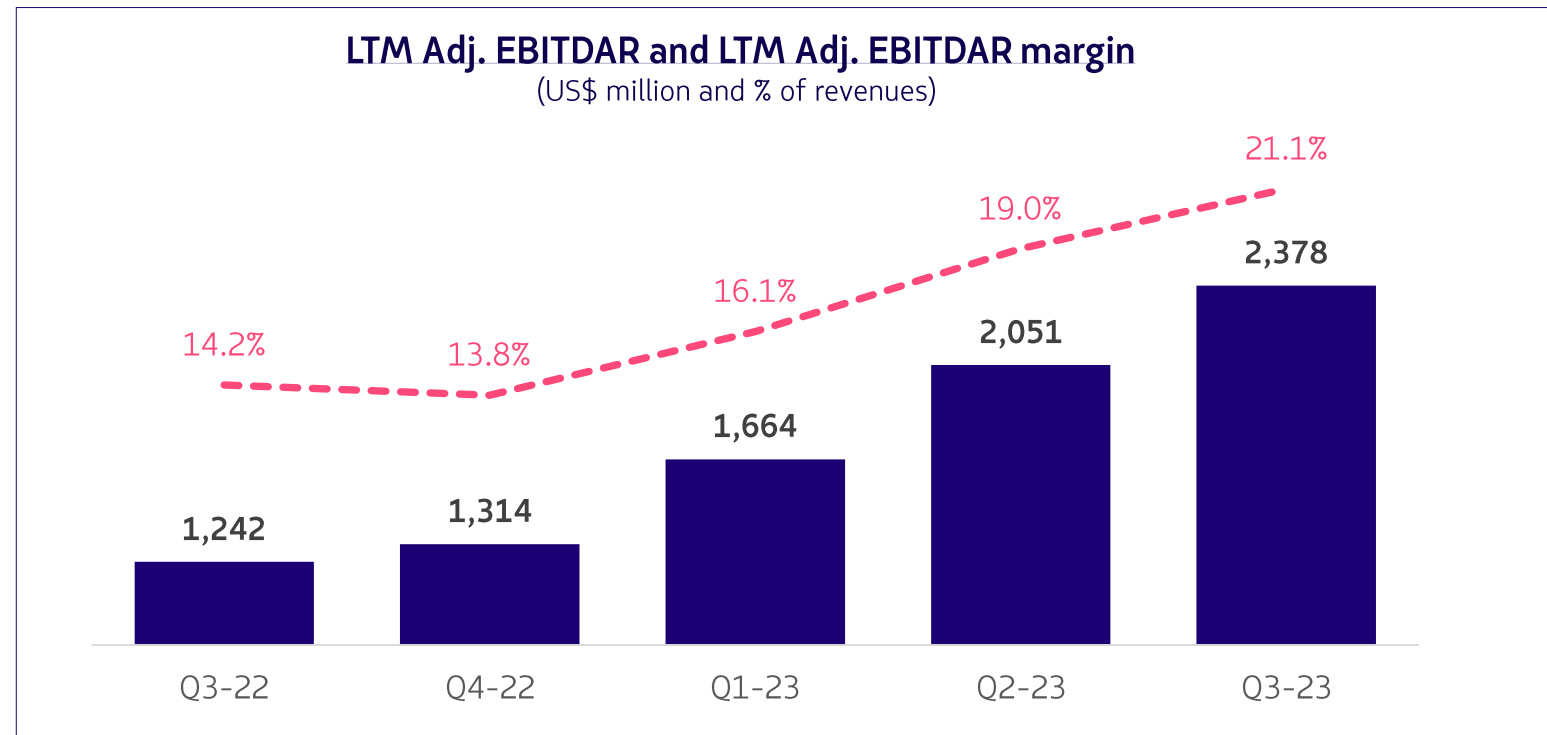
# Continued EBITDAR growth

(Last twelve months)

## Almost US\$ 2.4 billion of LTM adj. EBITDAR in Q3, better than 2019 full year



- LATAM has had eight consecutive quarters of positive adjusted EBITDAR, reflecting its resilience and continuous growth.
- Year to date adj. EBITDAR amounted to US\$ 1,858 million, clearly on track with the updated 2023 guidance.
- Last twelve months adj. EBITDAR amounted to US\$ 2,378 million, improving 91.4% compared to Q3-22.



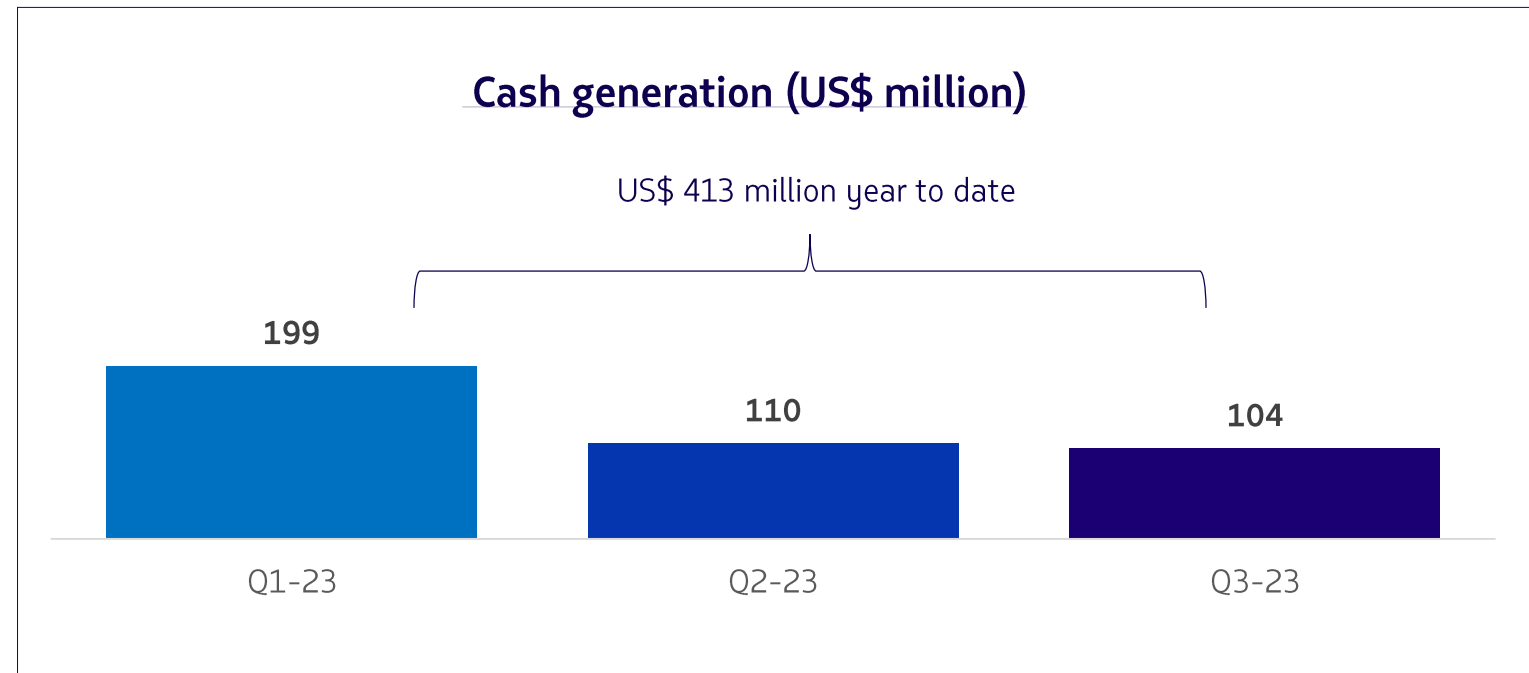


# Strong cash generation

*Differentiating factor in the region*

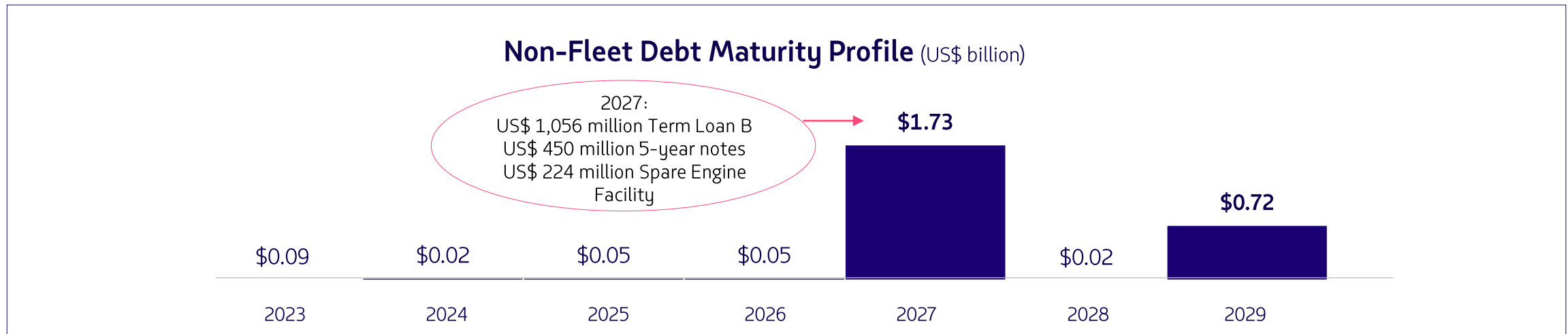
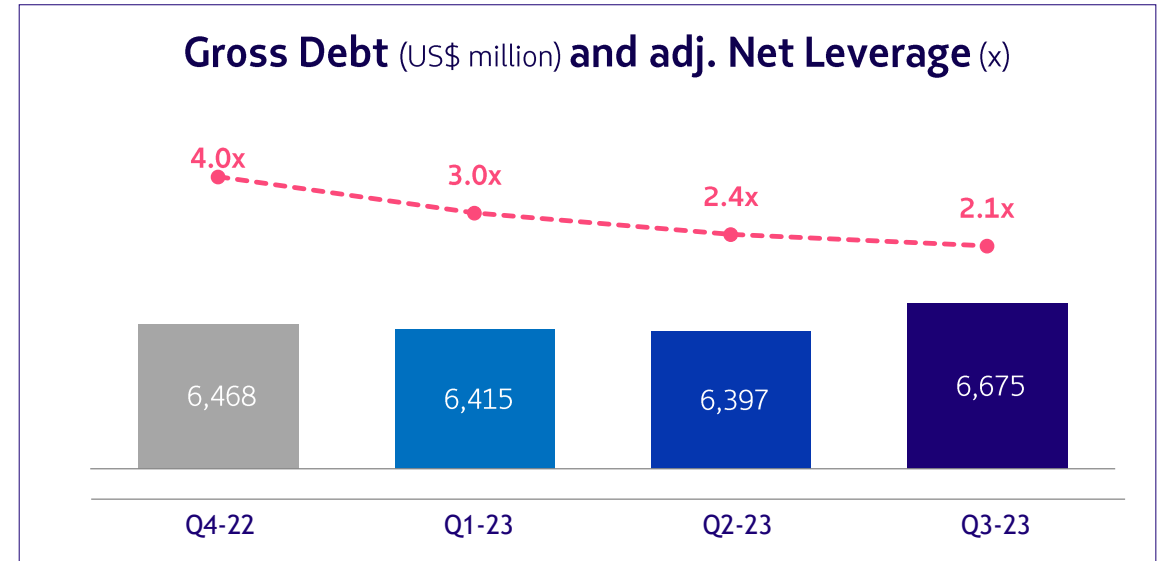
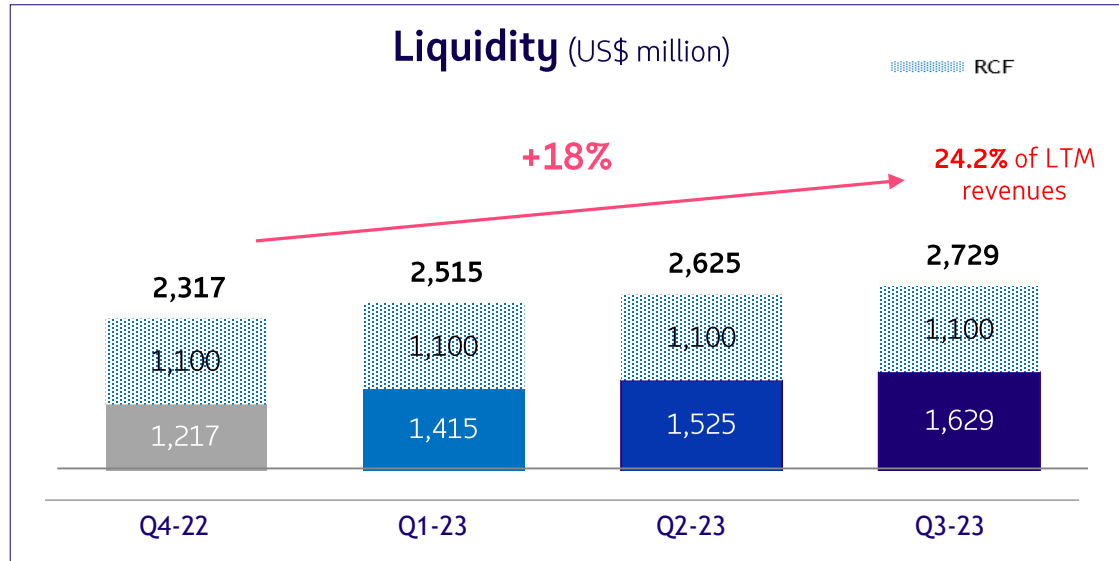
## Cash generation of US\$ 104 million this Q3 and US\$ 413 million cumulative so far this year

- Consistent and solid cash generation each quarter during this year, as a result of all the cost savings initiatives fully implemented during the reorganization process and strong focus on profitability.





# Quarter-over-quarter balance sheet improvement with a historic adj. leverage ratio of 2.1x



# Disciplined investments focusing on next-generation fleet



## Aircraft reception during third quarter:

The operation has been enhanced by the arrival of eleven aircraft, consisting of:

- Four wide-body aircraft
- Seven narrow-body aircraft, including the first A321Neo

## Efficient fleet:

- NEO fleet to nearly double by 2025
- NEO aircraft replacing older CEO fleet, reflecting efficiency in cost and contributing to LATAM's carbon emission reduction objective

## Capacity growth:

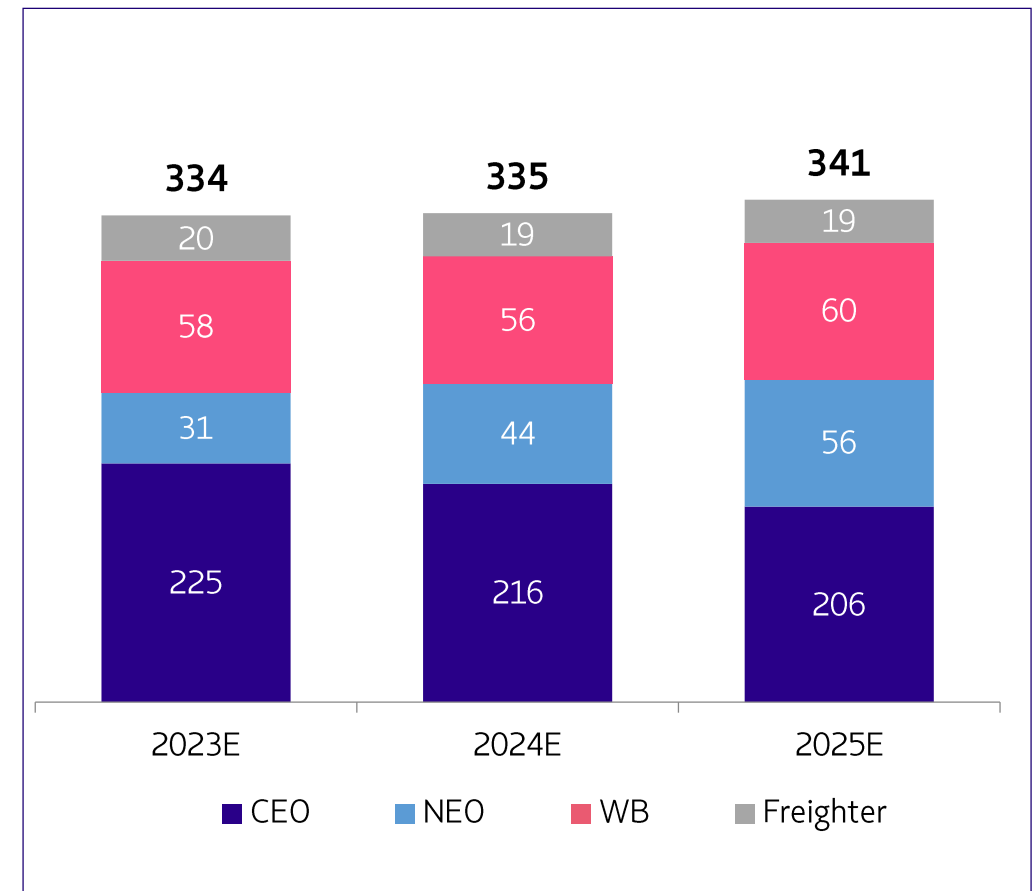
- Most of capacity growth will come by fleet upgauging
- Confident in ability to execute our capacity plan going forward

## Cost

- Fleet cost will remain extremely competitive in the coming years as contracts were extended on average for 7-8 years

## Fleet Plan

(as of end of each year)



# LATAM group and Delta Joint Venture Agreement: Successful first year



## Capacity

#1 in capacity share<sup>[1]</sup>

### Capacity Share<sup>[1]</sup>

Q3-23

35%

### ASK<sup>[1]</sup>

In one year<sup>[2]</sup>

Of capacity between the Americas,  
more than any other carrier

24bn

### Average daily flights<sup>[1]</sup>

Q3-23 vs Q3-22

+47%

## Connectivity

6 New Routes launched since JV approval



- Sao Paulo – Los Angeles
- Medellin – Miami
- Orlando – Bogota
- Lima – Atlanta (First LATAM - operation in Atlanta)



- Atlanta- Cartagena
- New York- Rio de Janeiro

## Operation

First profit sharing agreement in the region

### Passengers Transported<sup>[1] [2]</sup>

The fastest growing JV partnership in South America

3 million

### Flights<sup>[1] [2]</sup>

Operated with 4 million seats between continents

15,000

### Distance (km)<sup>[1] [2]</sup>

Equivalent to the distance between Earth and Mercury

93 million

[1]: Calculated in the countries where the JVA operates which includes Brazil, Colombia, Chile Peru, Paraguay, Uruguay, United States and Canada.

[2]: From Q3-2022 to Q3-2023

# Customer experience updates

# LATAM group is committed to its customers and to the region where it operates



## Awards



 “Five Star Global Airline” in APEX 2024 ranking (2nd consecutive year)  
“Best Airline in South America” at the World Airline Awards by Skytrax (4th consecutive year)

## Experience



 Most punctual airline according to the OAG punctuality index<sup>[1]</sup>  
Implementation of on-board Wi-Fi in Colombian operations

## Official sponsor







 Official airline for multi-sport Pan American + Parapan American games and Team Chile

[1]: Among the twenty largest airlines, year to date as of September 30, 2023.



## Third Quarter Takeaways

-  LATAM stands out for its financial solidity and consistency. Third quarter adjusted operating margin of 13.4% and net income of US\$232 million and US\$499 million year to date.
-  Strong balance sheet with a total cash generation of US\$104 million in the period, resulting in a total liquidity of US\$2.7 billion and adjusted leverage (net debt/adj. EBITDAR) of 2.1x.
-  Consolidated capacity increased by 15.2%, mainly driven by our international operations and accompanied by healthy load factors.
-  One year after the start of the JV with Delta Air Lines, the airlines have increased connectivity in their key hubs, launched several new routes and look forward to much more from this JV partnership.

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