

# Corporate Update



May 2024





# Disclaimer

Neither the United States Securities and Exchange Commission (“SEC”) nor the Chilean Comisión para el Mercado Financiero (the “CMF”) nor any securities commission of any other U.S. or non-U.S. jurisdiction has reviewed, approved or disapproved of this Presentation, or determined that this Presentation is truthful or complete. No representations or warranties, express or implied, are given in, or in respect of, this Presentation. To the fullest extent permitted by law in no circumstances will LATAM or any of its respective subsidiaries, shareholders, affiliates, representatives, directors, officers, employees, advisers or agents be responsible or liable for a direct, indirect or consequential loss or loss of profit arising from the use of this Presentation, its contents, its omissions, reliance on the information contained within it, or on opinions communicated in relation thereto or otherwise arising in connection therewith. Industry and market data used in this Presentation have been obtained from public filings from industry competitors, third-party industry publications and sources as well as from research reports prepared for other purposes. LATAM has not independently verified the data obtained from these sources and cannot assure you of the data’s accuracy or completeness. This data is subject to change. In addition, this Presentation does not purport to be all-inclusive or to contain all of the information that may be required to make a full analysis of LATAM. Viewers of this Presentation should read the same in full together with the Company’s SEC filings indicated herein and each make their own evaluation of LATAM and of the relevance and adequacy of the information taken as a whole and should make such other investigations as they deem necessary.

This presentation may include forward-looking Assumptions and expectations are not facts but rather a good faith estimate of reality based on selected information believed to be reasonable. However, reality may differ from assumptions and expectations. This report also contains forward-looking statements. Such statements may contain words such as “could,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “project,” “believe” or other similar expressions. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. These statements are based on LATAM's current plans, estimates and projections and, therefore, you should not place undue reliance on such statements or the estimates arising from them. Forward-looking statements involve known and unknown inherent risks, uncertainties and other factors, many of which are beyond LATAM's control and are difficult to predict. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statements. The financial information contained herein does not constitute or replace in any way the submission of the corresponding financial statements of the Commission for the Financial Market (CMF) and the market, in terms of their content requirements, applicable procedures and deadlines of submission corresponding to the CMF in accordance with current regulations. These factors and uncertainties include in particular those described in documents we have filed with the United States Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to publicly update any of them, whether as a result of new information, future events or any other factor. Our revised 2024 guidance is based on our unaudited results for the first quarter of 2024, which exceeded our estimates for that period. We believe the primary drivers of the improvement in our results for the first quarter of 2024 were strong demand, additional capacity and costs containment .. Our first quarter results may not be indicative of future performance, which remains subject to a number and uncertainties, including the risks disclosed in our annual report on Form 20-F, which was filed on February 22, 2024 and especially the risks and uncertainties associated with the more recent conflicts developing in the Middle East. In addition, as disclosed in our annual report on Form 20-F, our business is seasonal and our passenger revenues are generally higher in the first and fourth quarters of each year, during the southern hemisphere’s spring and summer. Finally, demand for air travel and cargo services is influenced by a number of factors beyond our control, including global, regional and national political and socioeconomic developments as well as changes in our competitive landscape, all of which could have a material impact on our ability to achieve the guidance disclosed herein.

## 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.



# LATAM Airlines: Leading airline group in Latin America and the world



LATAM group is the only South American group that operates in five domestic markets, where the domestic affiliates are leaders in three of them.



Unique value proposition in the region providing the best in class product and customer experience.



Consistent strong operational and financial performance, with efficient cost structure and a solid capital structure.



Over 330-aircraft fleet, with an average age of ~11 years.



The group has an expansive operation with geographic and business diversification.



- 77 million passengers transported<sup>1</sup>
- 26 countries
- 148 destinations
- 4 continents



- 951 tons transported<sup>1</sup>
- 33 countries  
*(7 exclusively)*
- 166 destinations  
*(18 exclusively)*

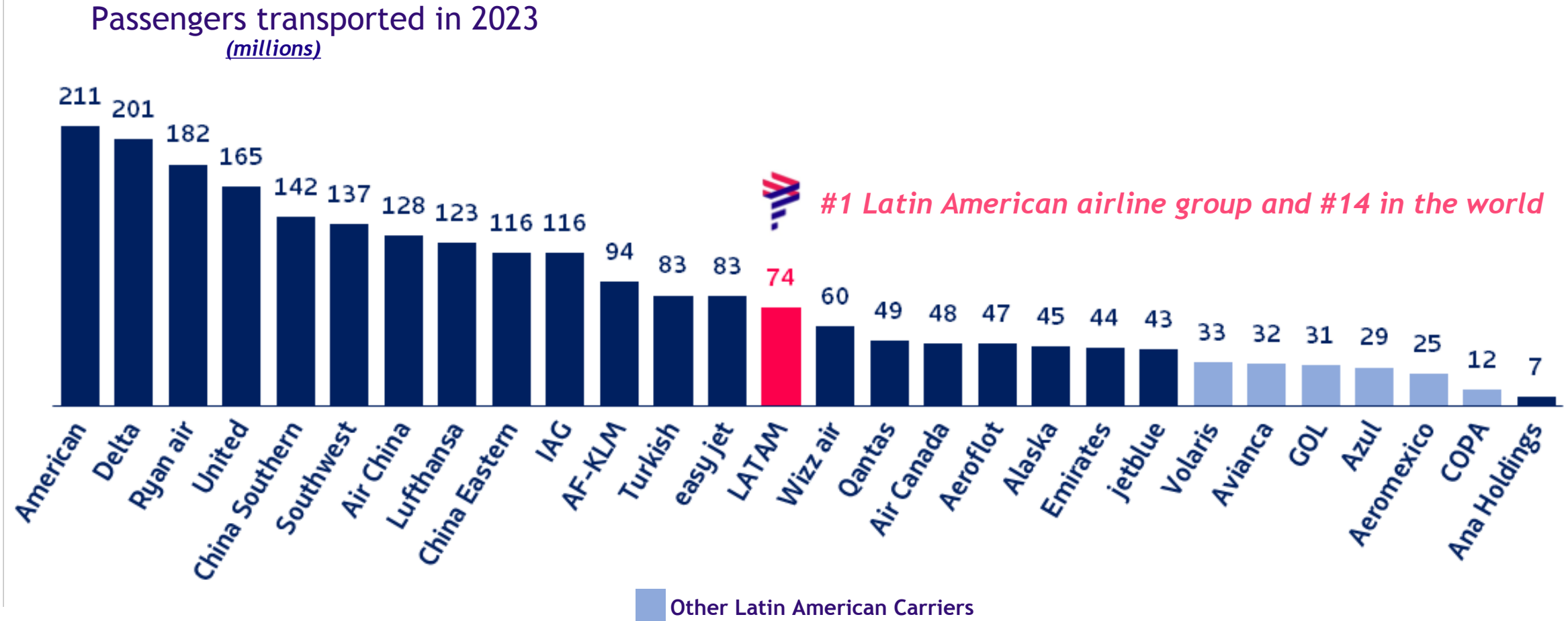


- 45+ million members
- Largest FFP in South America
- Estimated 7th largest FFP in the world<sup>2</sup>

1. LTM of Q1-24 operational statistics

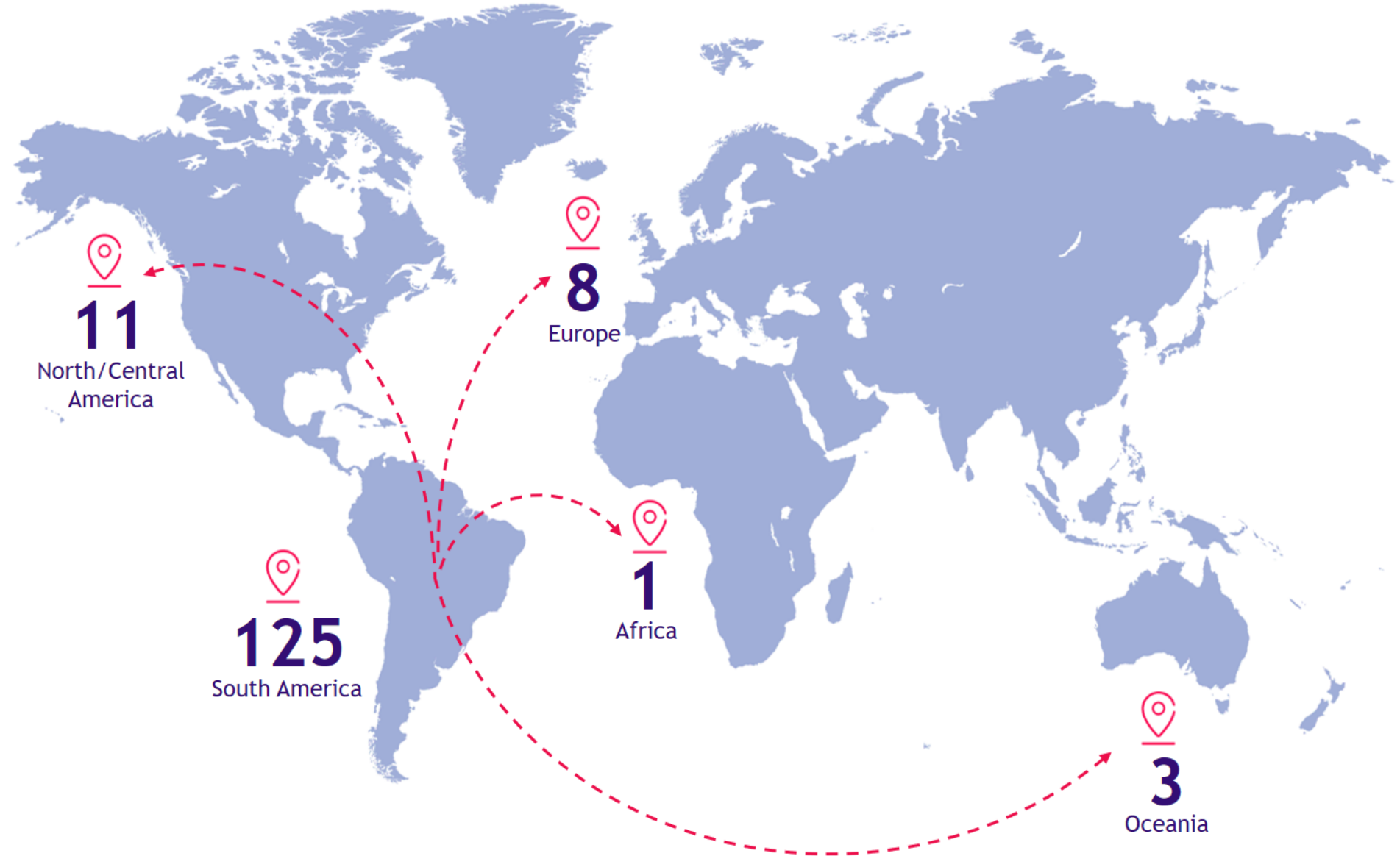
2. Internal estimate

# One of the largest airline groups in the world and the largest in Latin America



# LATAM group has an unparalleled and expansive network

 **148**  
Destinations



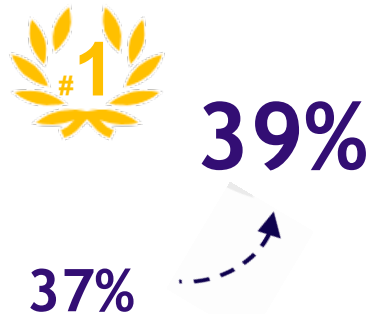
+ Commercial agreements  
with  
**56** airlines

+ Codeshare agreements  
with  
**27** airlines

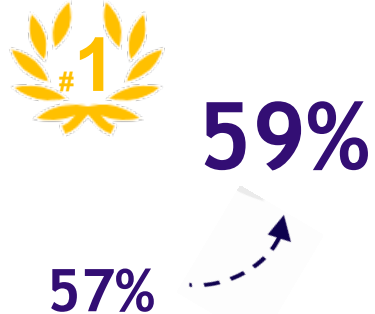


# LATAM group affiliates are leaders in their domestic markets and continued to gain market share in 1Q-24

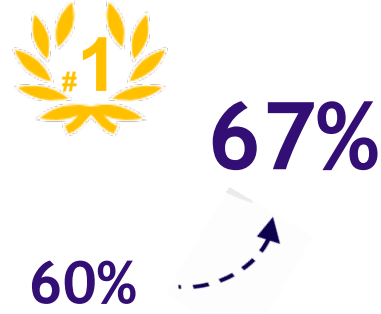
Domestic Affiliates Market Shares  
Q1 2023 vs Q1 2024



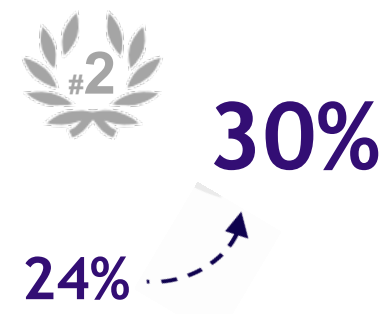
Main Competitors  
Gol and Azul



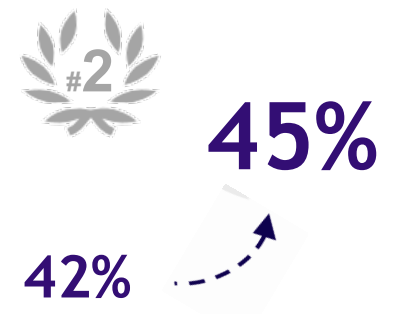
Main Competitors  
Sky Airlines and  
JetSmart



Main Competitors  
Sky Airlines Peru,  
JetSmart Peru and  
Star Peru



Main Competitors  
Avianca, JetSmart,  
Copa Airlines Colombia  
("Wingo"), EasyFly and  
Satena



Main Competitors  
Avianca

Source: ANAC Brazil's website (RPKs), JAC Chile's website (RPKs), DGAC Peru's website (number of passengers carried) updated up to February, Diio.net for Colombia and Ecuador (ASKs).

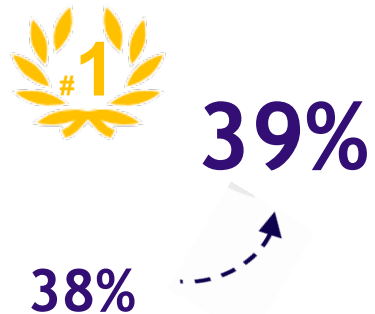
Main competitors selected with minimum 2% market share in 1Q-24. In Colombia, JetSmart started operations in March thus having less than 5% market share but still considered as a main competitor.

# Leading passenger airline group connecting South America to the world through a unique network

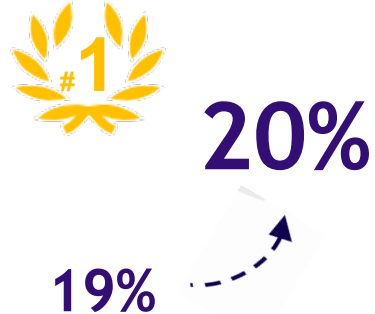


## International Capacity Shares

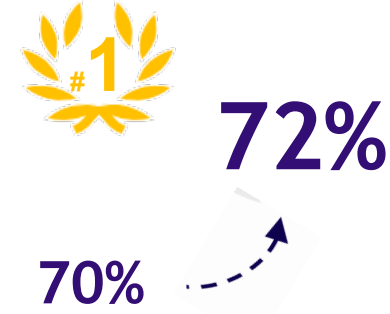
Q1 2023 vs Q1 2024



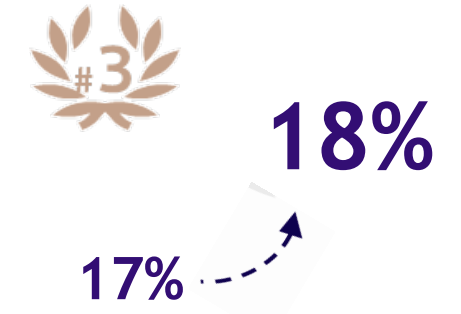
**Main Competitors**  
Avianca, JetSmart, Sky Airlines, Gol and Aerolineas Argentinas



**Main Competitors**  
American Airlines, Avianca, Copa Airlines, and United Airlines



**Main Competitors**  
Qantas Airways



**Main Competitors**  
IAG, Air France - KLM, Tap Portugal, Air Europa, Avianca and Lufthansa

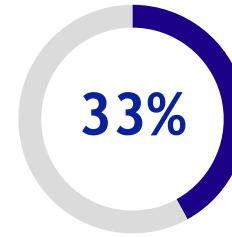
# Joint Venture Agreement



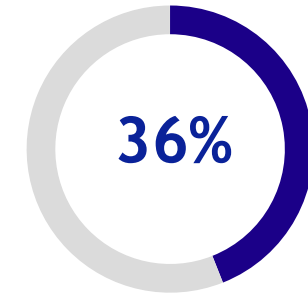
- Access to more than 300 destinations between the US/Canada and South America.
- First profit sharing agreement between North American and South American carriers.
- In February 2024, the inclusion of Ecuador in the scope of the JVA was announced, joining the countries of Brazil, Colombia, Chile, Peru, Paraguay, Uruguay, the United States, and Canada.
- In addition, the cargo affiliates, LATAM Cargo Chile, LATAM Cargo Brazil, and LATAM Cargo Colombia were also included.

## Capacity share<sup>1</sup> (ASK) Q1 2023 vs Q1 2024

Q1 2023



Q1 2024



### Routes launched jointly:



- Atlanta- Cartagena
- New York- Rio de Janeiro



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

### Routes to be launched jointly:

- Santiago - Orlando (June 2024)

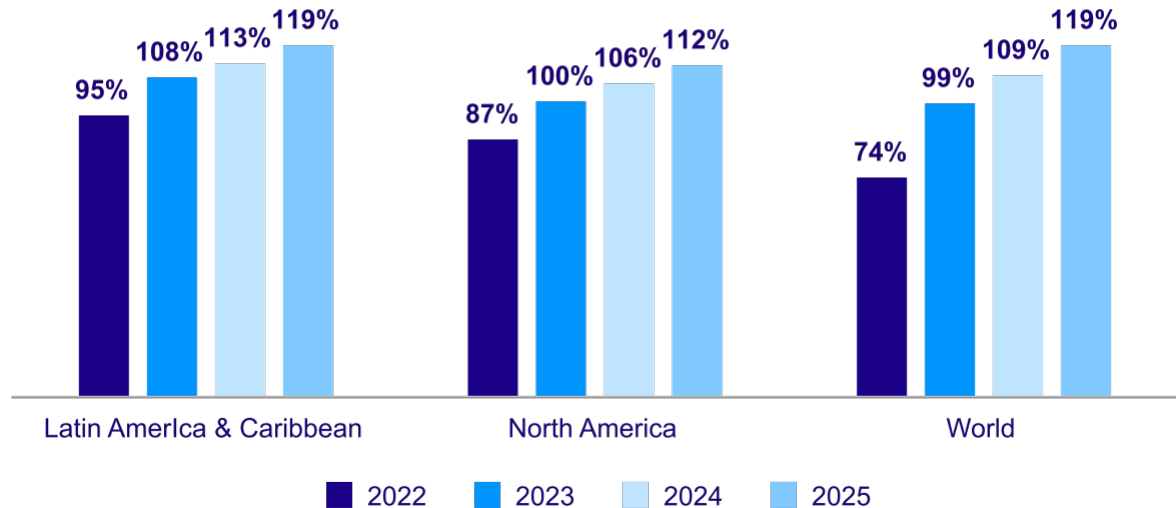
[1] Calculated in the countries where LATAM group and Delta Air Lines operate within the scope of the JVA. Source: Diio.net (ASKs).



# Latin America air travel market has significant growth opportunities and untapped potential



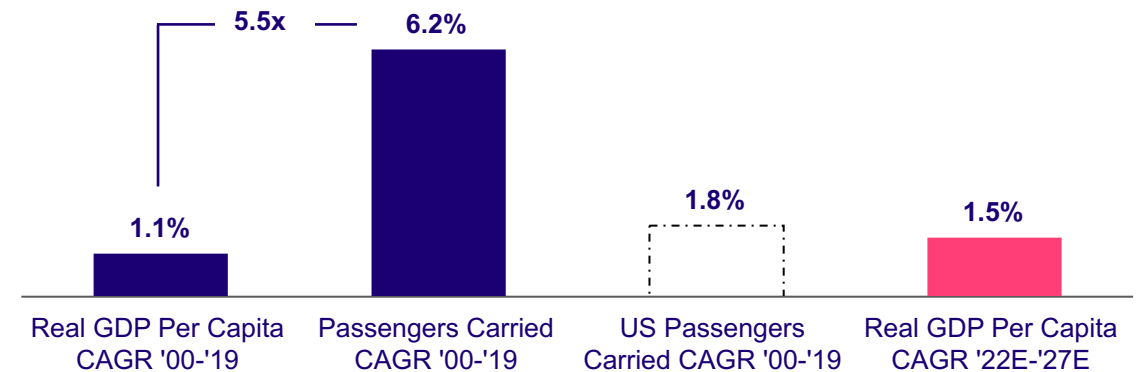
**Recovery Regional Passenger Index from 2019**



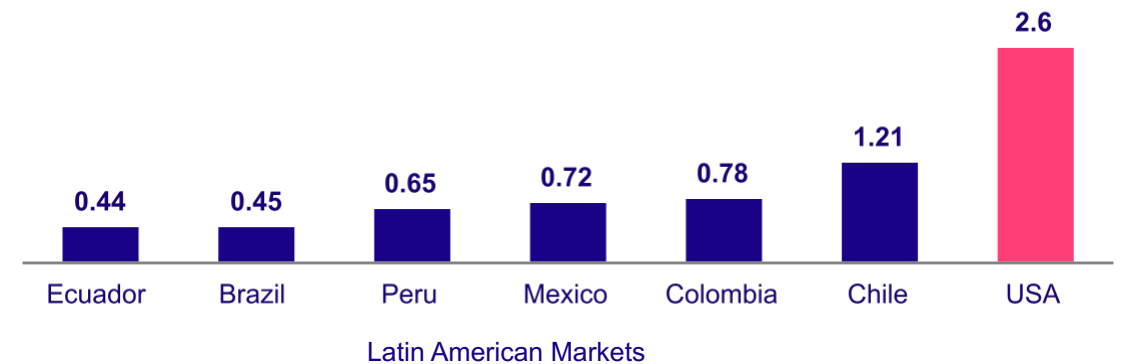
Full recovery of operations for the region achieved in 2023 and great potential for growth in the region and the industry in the coming years.

Trips per capita have been increasing in South America throughout the last decade. However, there is an important gap to cover vs other more penetrated markets.

**Real GDP Per Capita vs. Passengers Carried in Latin America**



**Annual Trips Per Capita**



# LATAM group's unique value proposition in the region: Investments improve customer satisfaction



## Investments for clients:

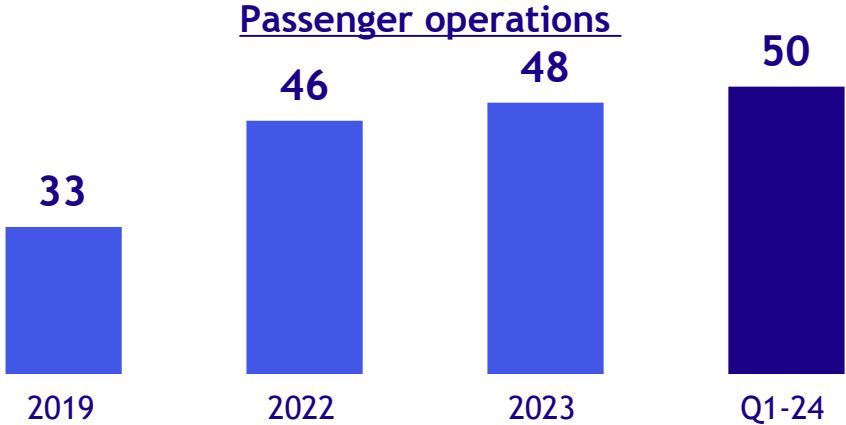
**New cabins for narrow body fleet**



**Renovation of VIP lounges<sup>1</sup> and start of construction in Lima**



## Customer satisfaction (NPS):



1) Renovation of VIP lounges located in São Paulo, Bogotá, and Buenos Aires-Ezeiza. 2) Premium customer includes: LATAM Pass Elite program members (Gold, Gold plus, Platinum, Black and Black signature) + Passengers in premium and business cabins.

# LATAM group reported a strong Q1-24 with growth in its operations, delivering a solid financial performance



Passenger transported  
Q1 2023 vs Q1 2024

**20.2 million**  
Total passengers  
+19.4% vs. Q1-23

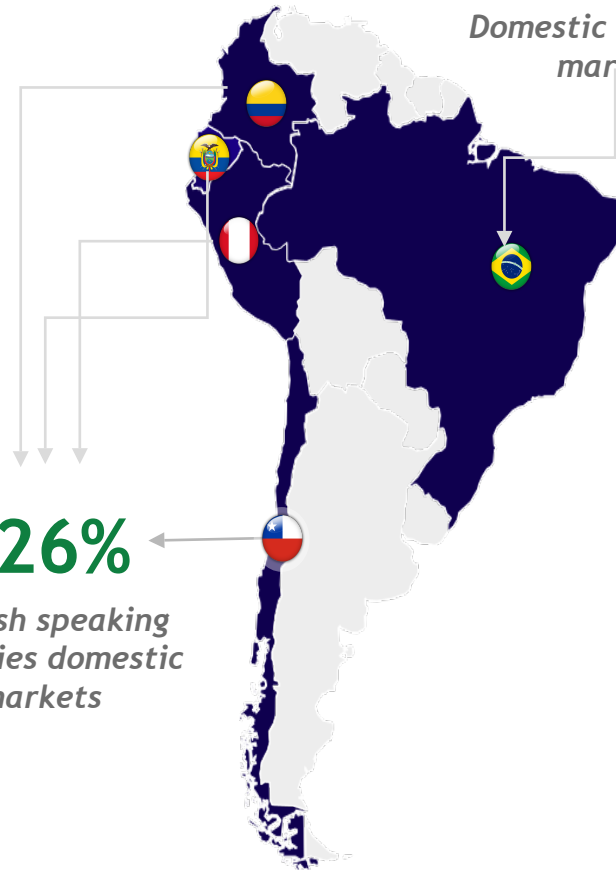
**+33%**  
International business segment



Q1 2023 vs Q1 2024

**+9%**

Domestic Brazilian market



**+26%**

Spanish speaking countries domestic markets



**Net income**  
**US\$258 million**  
+112% vs. Q1-23

**Revenues**  
**US\$3,321 million**  
+18% vs. Q1-23

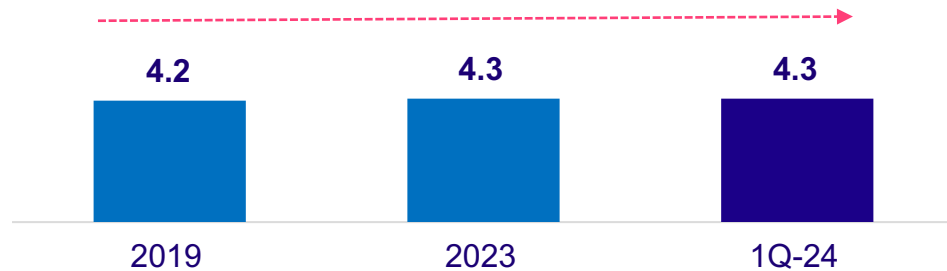
**Passenger CASK ex-fuel**  
**US\$4.3 cents**  
flat vs. 2023

**Adj. EBIT:**  
**US\$463 million**  
57% vs. Q1-23



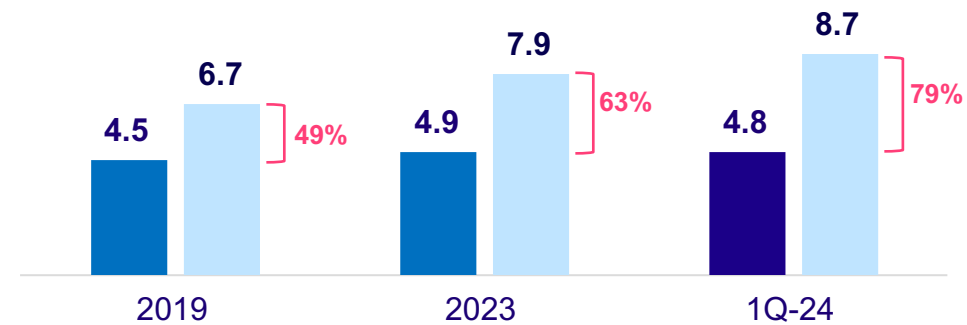
# LATAM group continues to deliver on cost containment a year and a half after its Chapter 11 emergence

**LATAM Passenger CASK ex-fuel**  
(US\$ cents)



- LATAM's unit costs are contained. During the first quarter of 2024, LATAM group was able to maintain the Passenger CASK ex-fuel registered both for full year 2022 and 2023.
- Fleet cash cost reduced by over 40% versus 2019 level, becoming one of the most competitive worldwide. The last twelve month total fleet cost (operating + finance leased aircraft) as of the first quarter 2024 amounted to US\$805 million.
- Fleet cost will remain extremely competitive in the coming years as contracts were extended on average for 7-8 years.

**Average Total CASK ex-fuel**  
**Select US and European Carriers vs LATAM\***

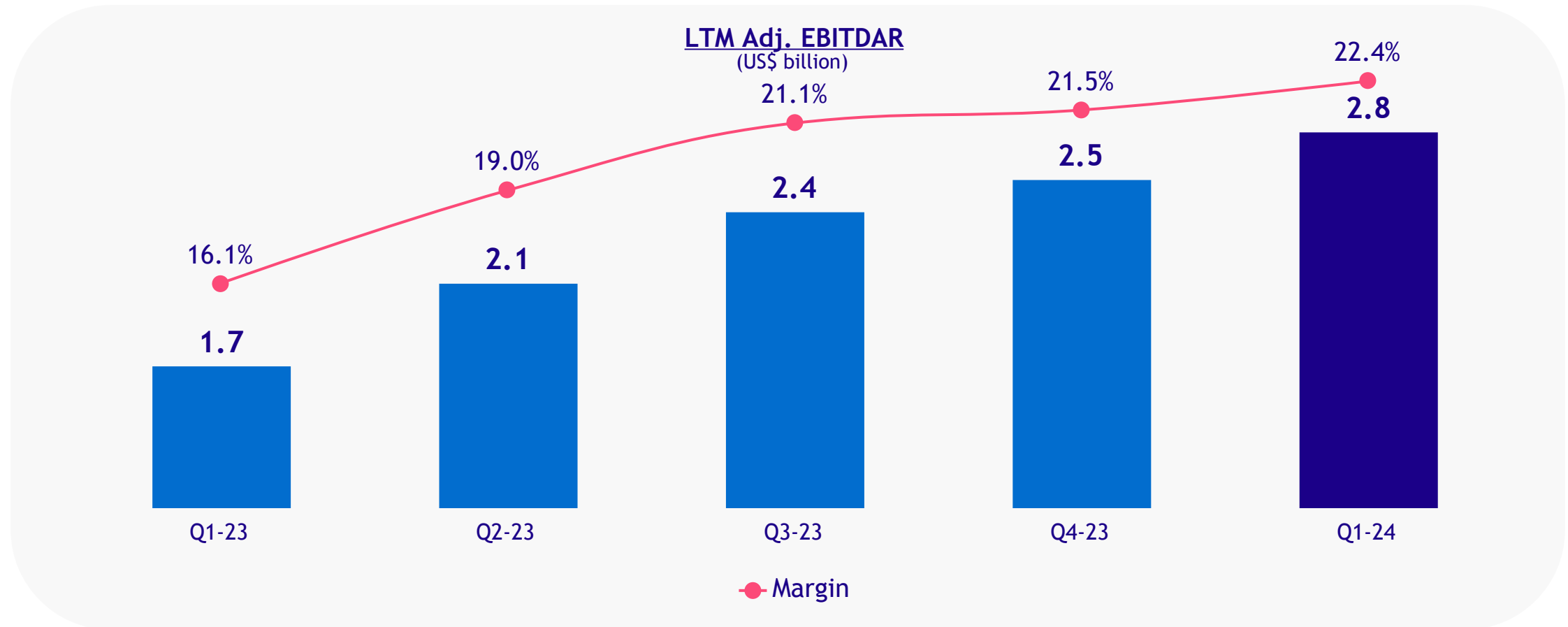


- LATAM group's cost structure compares favorably to US and European peers:
  - Improvements are the result of various cost savings initiatives, including process simplification and digital transformation.
  - Over US\$1.3 billion in cost savings initiatives implemented in 2020 and 2021.



# As a result, LATAM group reported consistent adj. EBITDAR growth, reaching US\$ 2.8 billion LTM adj. EBITDAR

LATAM group has increased from US\$1.7 Bn of LTM adjusted EBITDAR to US\$ 2.8 Bn in one year representing an increase of 66%, stemming from the growth of the group's operations during the quarters and the focus on maintaining low unit costs.

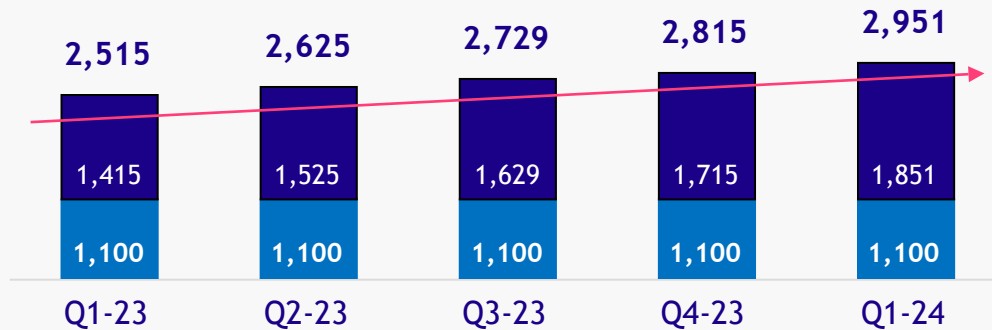




# LATAM has continuously been deleveraging the business, reaching an adjusted net leverage of 1.9x

## Liquidity

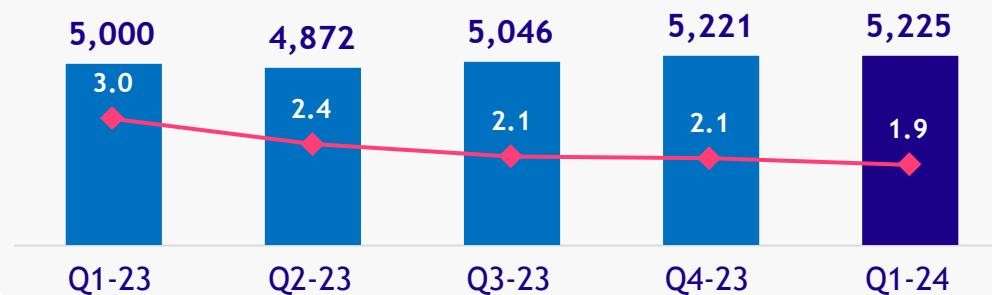
(US\$ million)



- Liquidity has increased by approximately US\$500 million in the last twelve months, driven by LATAM group's strong and healthy cash generation.
- Liquidity stands at 24.0% of last twelve months revenues, above internal target of 20% minimum.

## Net Debt and Adj. Net Leverage

(US\$ million and x)



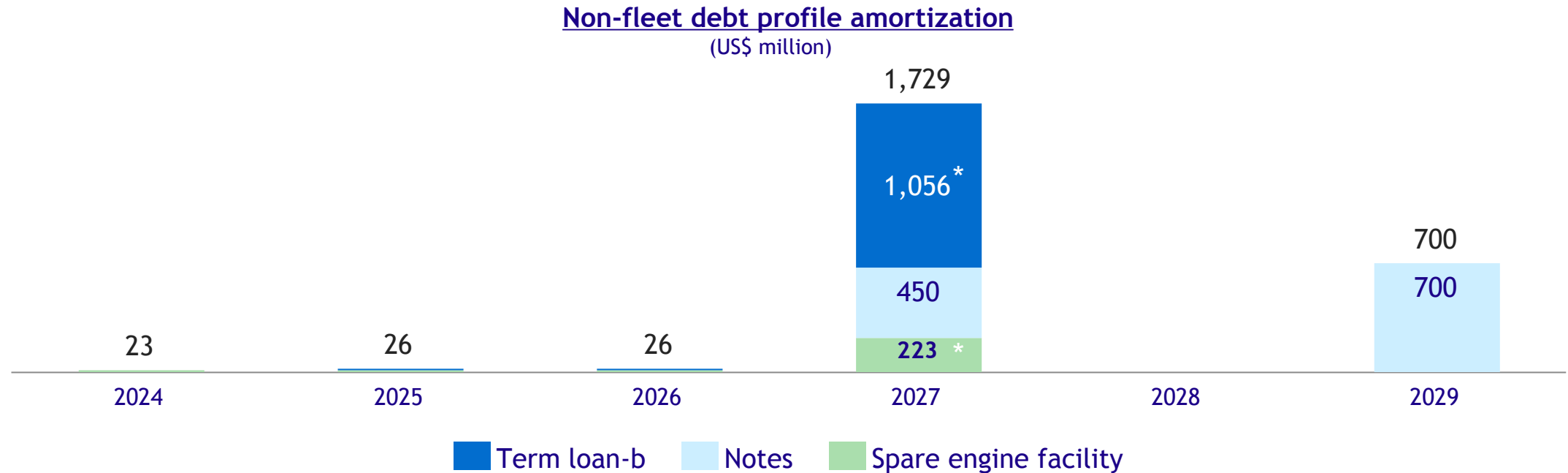
- LATAM group reached a record of 1.9x adjusted net leverage, a demonstration of its solid balance sheet.
- The Guidance for 2024 was updated, expecting the net leverage to be between 1.6x and 1.8x.



# Enhanced credit ratings and a healthy debt profile could enable strategic liability management in Q4 2024

- During the fourth quarter of 2024, the LATAM group has the opportunity to refinance US\$1.4 billion of non-fleet debt at par, which includes refinancing Term loan-b of approx. US\$1.1 billion dollars and the spare engine facility of approx. US\$ 270 million.
- Additionally, the 5-year notes can be repaid at 110 during the same period.

\*: Call at par in Q4-24



# LATAM group maintains its commitment to being more sustainable every day and a positive asset in the societies in which the group operates



*Highlights and advances in 2023:*



## ENVIRONMENTAL MANAGEMENT

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



## CLIMATE CHANGE

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

↓  
**110,000 tons.** of CO<sub>2</sub> reduced (+35% vs 2022).

**740,932 tons.** of CO<sub>2</sub> were managed through ecosystem compensation strategic in Latin America.



## CIRCULAR ECONOMY

Elimination of **+1,700 tons.** of single-use plastics throughout the operation.

**96%\*** of the scope defined from that the strategy was started.



## SHARED VALUE

**+4,500 people** transported free of charge, equivalent to 26 full A320 aircraft.

**483 tons.** of cargo transported free of charge in favor of social and environmental causes, through the Solidarity Plane program.

Official airline group of the 2023 Pan American and Parapan American Games and of Team Chile.



# Upgraded guidance: Adj. EBITDAR improvement to US\$2.75 - US\$3.05 bn



Indicator		Current Guidance		New Guidance	
Operating Indicators	Total ASK Growth vs 2023	12%	- 14%	14%	- 16%
	Domestic Brazil ASK Growth vs 2023	7%	- 9%	8%	- 10%
	Domestic Spanish Speaking Countries ASK Growth vs 2023	12%	- 14%	14%	- 16%
	International ASK Growth vs 2023	16%	- 18%	18%	- 20%
	Total ATK Growth vs 2023	10%	- 12%	10%	- 12%
Financial indicators	Revenues (US\$ billion)	12.4	- 12.8	12.8	- 13.1
	CASK ex fuel (US\$ cents)	4.8	- 5.0	4.8	- 5.0
	Adjusted Passenger CASK ex fuel <sup>1</sup> (US\$ cents)	4.3	- 4.5	4.3	- 4.5
	Adjusted EBIT (US\$ billion)	1.25	- 1.50	1.40	- 1.60
	Adjusted EBIT Margin <sup>2</sup>	10.5%	- 12.5%	11.0%	- 12.5%
	Adjusted EBITDAR (US\$ billion)	2.6	- 2.9	2.75	- 3.05
	Adjusted EBITDAR Margin <sup>2</sup>	21%	- 23%	21.5%	- 23.5%
	Liquidity <sup>3</sup> (US\$ billion)	2.8	- 3.0	2.9	- 3.1
	Financial Net Debt <sup>4</sup> (US\$ billion)	5.3	- 5.5	5.0	- 5.2
	Financial Net Debt / Adjusted EBITDAR (x)	1.8x	- 2.0x	1.6x	- 1.8x
<b>Assumptions</b>					
	Average exchange rate (BRL/USD)	5.1		5.1	
	Jet fuel price (US\$/bbl)	100		110	

# Takeaways



## 1 Unique Value Proposition

LATAM group is the leading airline group in South America and a global player. Its unparalleled network, its unique value proposition and its commitment to sustainability are the key drivers to its success.

## 2 Market Position

LATAM group affiliates have increased its market share in all of the markets were it operates, both domestic and international. This growth demonstrates the enduring trust and loyalty that passengers have in LATAM group's services.

## 3 Strong Performance

In the first quarter of 2024, LATAM maintained its strong performance by effectively managing costs and generating cash. The airline's last twelve month adjusted EBITDAR exceeded US\$2.8 billion, showcasing its commitment to financial stability.

## 4 Capital Structure

A healthy balance sheet has been the standard following the Chapter 11 emergence, and the company is committed to deleveraging. As of the end of March, the adjusted net leverage reached a record 1.9x.

## 5 Consistent Delivery

LATAM group's ability to operate more efficiently, optimize the cost structure and strengthen the balance sheet have allowed for consistent results delivery.

# Corporate Update



May 2024

