



# LATAM Airlines Agreement with Delta

September 2019

## Forward Looking Statements

This presentation may include forward-looking comments regarding the Company's business outlook and anticipated financial and operating results. These expectations are highly dependent on the economy, the airline industry, commodity prices, international markets and external events. Therefore, they are subject to change and we undertake no obligation to publicly update or revise any forward looking statements to reflect events or circumstances that may arise after the date of this presentation. More information on the risk factors that could affect our results are contained on our Form 20-F for the year ended December 31, 2018.

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# Leading group in air transport of passengers and cargo in Latin America



**71M** passengers carried in last twelve months



**Regional leader** in number of passengers carried



**>30M** members in leading frequent flyer and loyalty program



**Over 300-aircraft fleet**, with an average age of ~9 years



**Leading network and platform** in Latin America – Sao Paulo, Lima and Santiago hubs



**>140** destinations in 25 countries spanning five continents:

- Domestic Market Share: 1° in Chile and Peru, 2° in Brazil, Argentina, Colombia and Ecuador
- Regional operations in South America and long-haul operations to five continents



# Strategic Rationale

- 1 Customers will benefit from significantly expanded travel choices across the Americas and an enhanced travel experience
- 2 The joint venture will create a highly complementary route network connecting the Americas
- 3 Strategic Agreement with Delta provides strategic, operational and financial benefits
- 4 Will improve free cash flow generation, reduce forecasted debt by over \$2 billion by 2025 and improve capital structure
- 5 Opportunities for our people to develop as we grow

# Strategic Agreement

## Commercial

Joint venture, near-term code sharing agreement, and an investment from Delta of **\$350 million** to support the establishment of broader strategic venture

## 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

## Tender Offer

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

# Delivering Value for LATAM Passengers, Shareholders and Employees

## Passengers

- ✓ Highly complementary route networks
- ✓ More destinations, better connections, and more options to choose
- ✓ Enhanced travel experience
- ✓ Frequent flyer benefits to be available for passengers of both carriers

## Shareholders

- ✓ Receive significant value for a portion of their stock in the planned tender offer
- ✓ Opportunity to participate in the future growth of strengthened business
- ✓ Improved free cash flow generation
- ✓ Improved capital structure
- ✓ Reduced forecasted debt

## Employees

- ✓ Significant opportunity to grow and develop
- ✓ Be part of the leading group of airlines in the Americas
- ✓ Benefit from a recognized leader in airline industry



**Thank you!**