



MEMBER OF

**Dow Jones
Sustainability Indices**

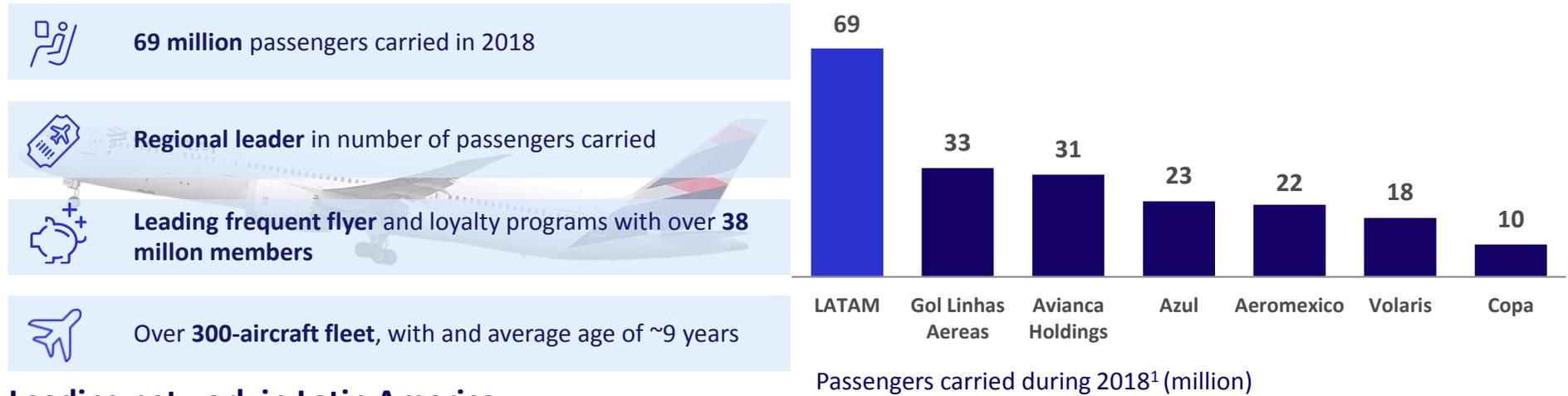
In Collaboration with RobecoSAM 

Corporate Update

January 2020

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

Leading group of airlines in Latin America



Leading network in Latin America

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

More than **140 destinations** in 27 countries:

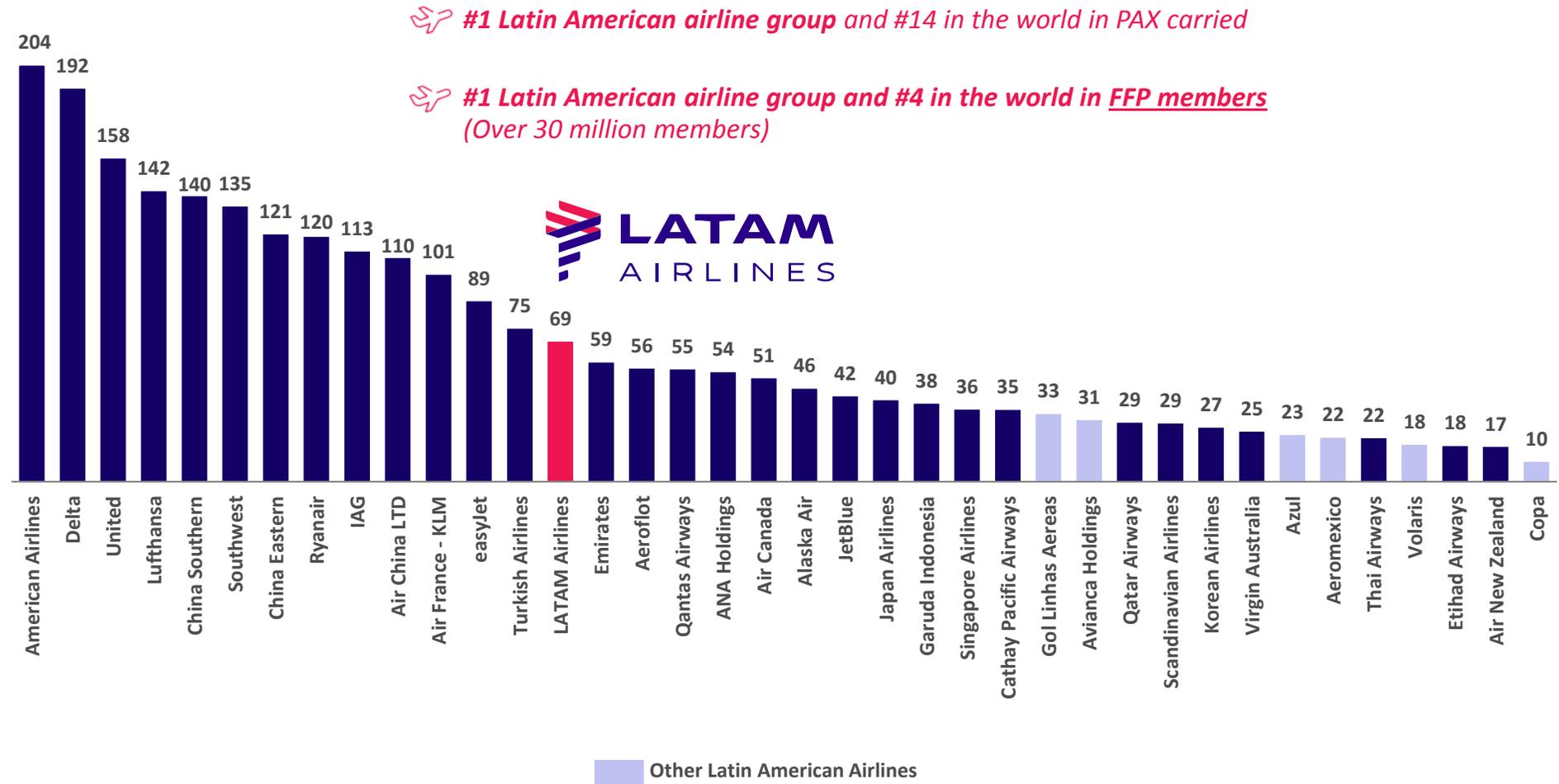
- Market Share²: 1° in Chile, Brazil and Peru, 2° in Argentina, Colombia and Ecuador
- Regional operations in South America and long-haul operations to 5 continents

Multiple Bilateral Agreements

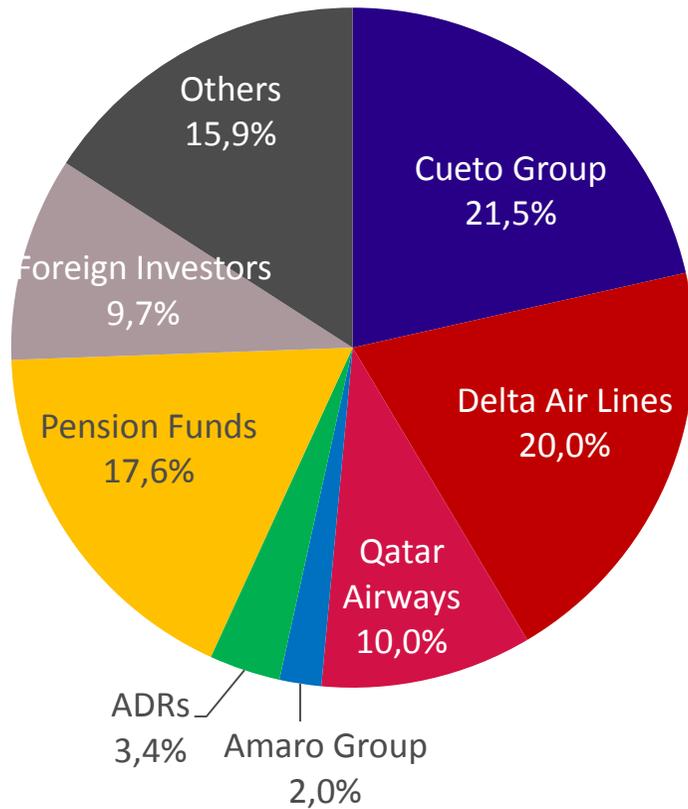
BRITISH AIRWAYS, IBERIA, QANTAS Spirit of Australia, SWISS, QATAR AIRWAYS القطرية, CATHAY PACIFIC, JAPAN AIRLINES, Lufthansa, ANA

LATAM is amongst the largest airline groups in the world

PAX carried 2018¹ (million)



Ownership structure¹ and Board of Directors as of January 10, 2020



Board of directors

Ignacio Cueto Plaza

Juan José Cueto Plaza

Henri Philippe Reichstul

Sonia J.S. Villalobos

Carlos Heller Solari

Nicolás Eblen Hirmas

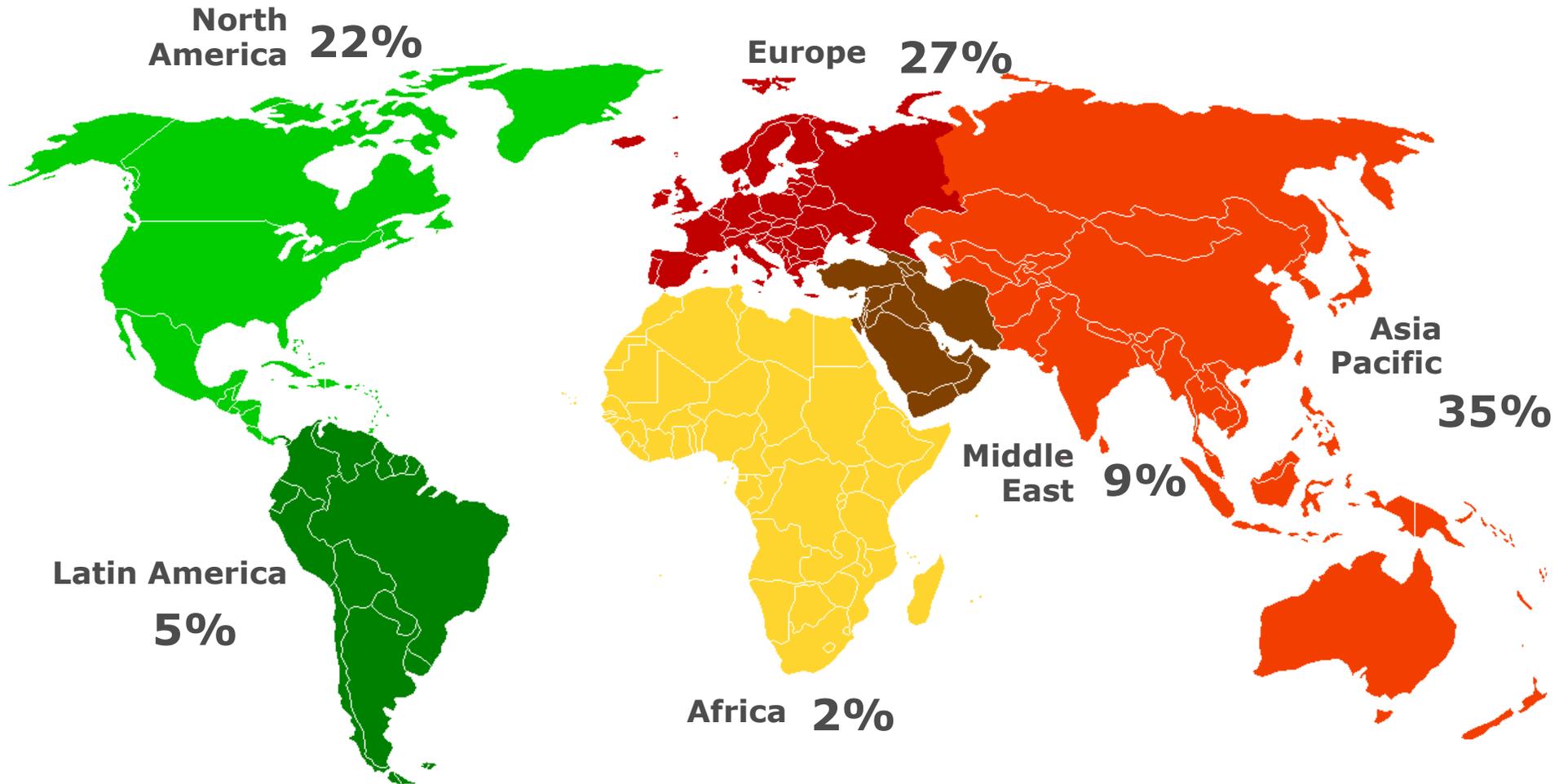
Giles Edward Agutter

Eduardo Novoa Castellón

Patrick Horn García

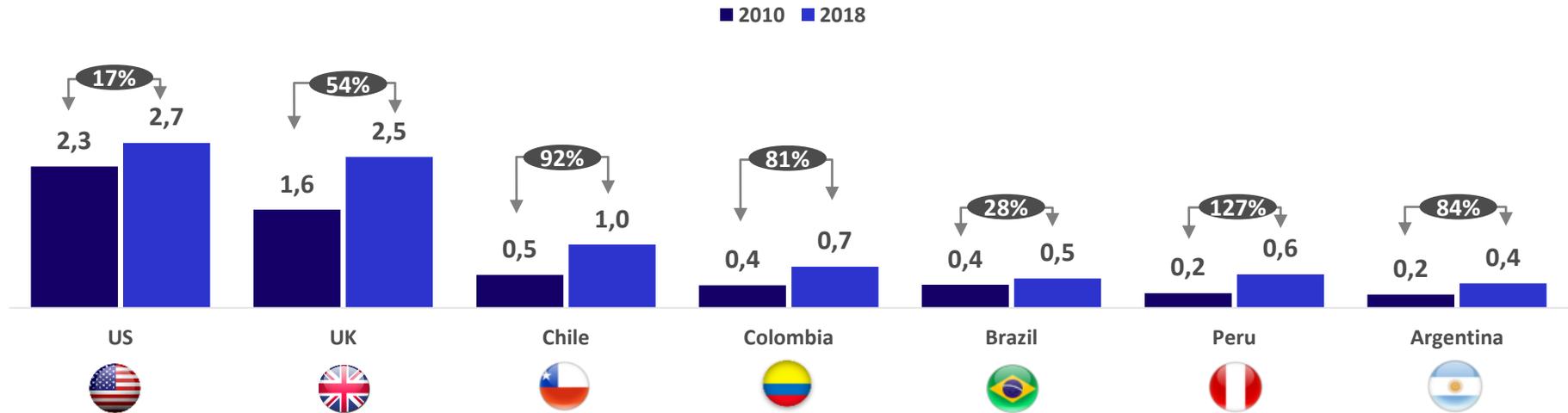
Large region, little traffic

World share (%)¹

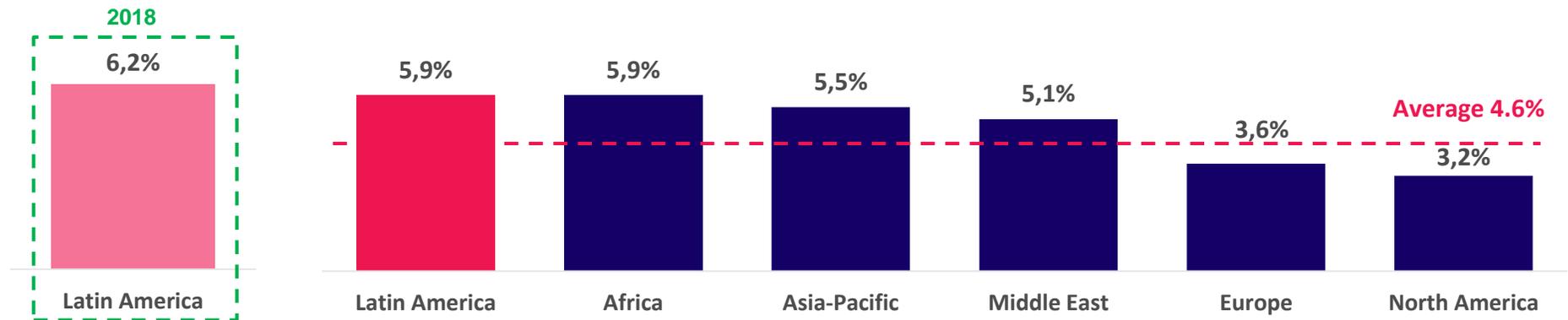


LATAM is well positioned to capitalize on Latin America's growth potential

Trips per capita¹

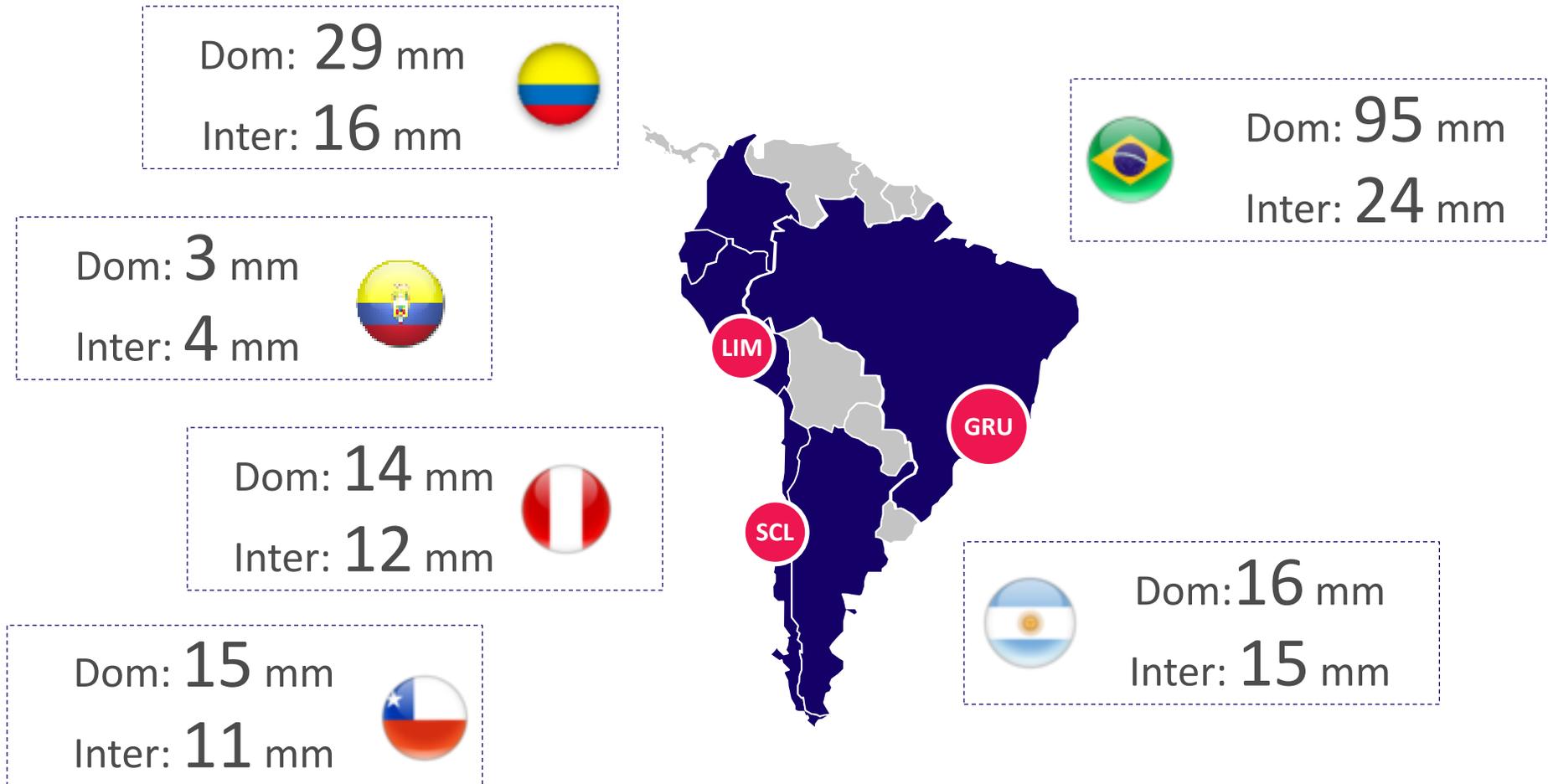


RPKs growth 2019E – 2038E



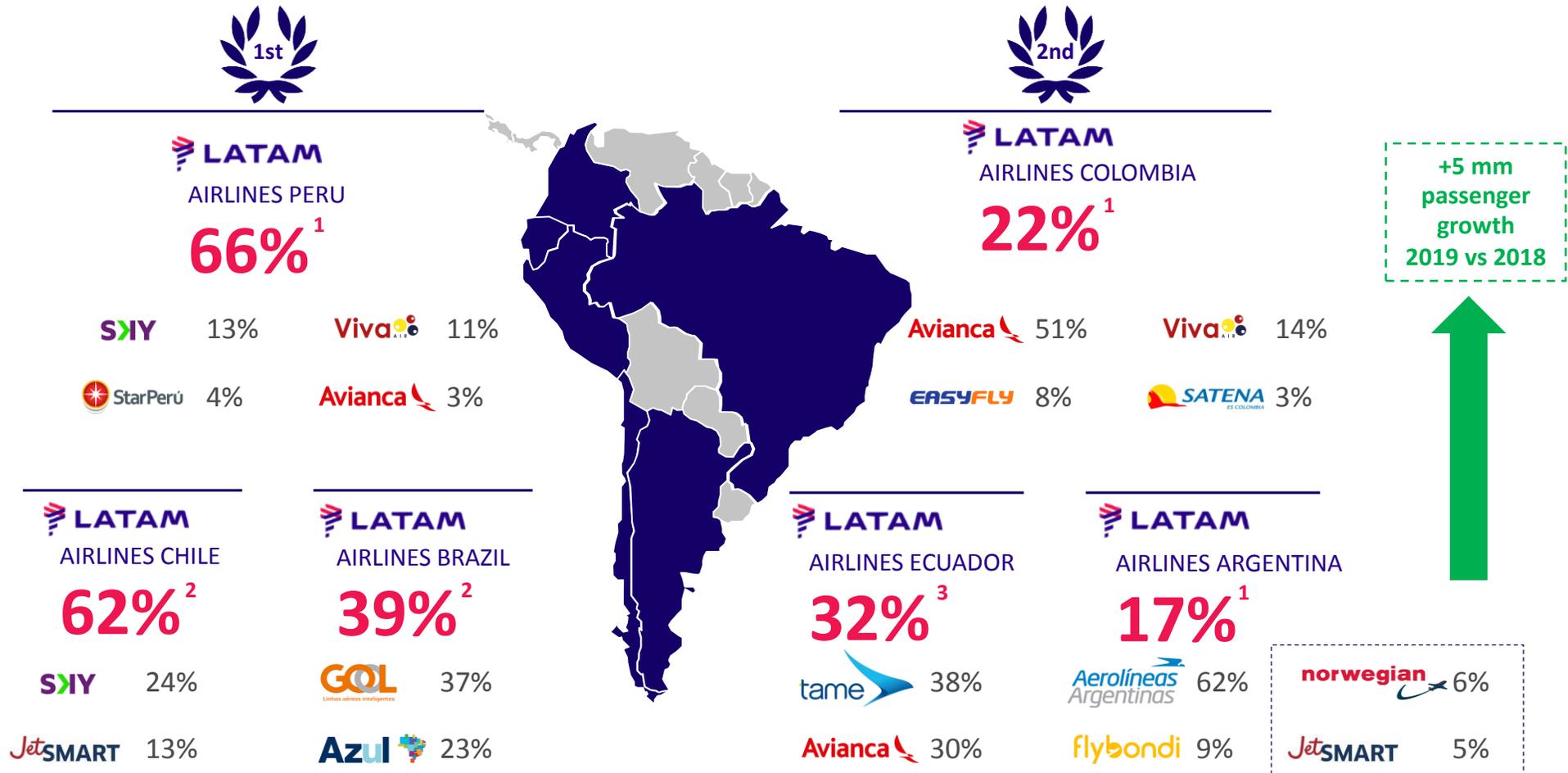
Market size of LATAM's main markets

Market size (number of passengers)



Domestic: Leading market share across markets with positive passenger growth dynamics

Market Share (%)



International: Unparalleled network connecting Latin America

Market Share (%)¹

Within South America



South America - North America



South America – Asia Pacific

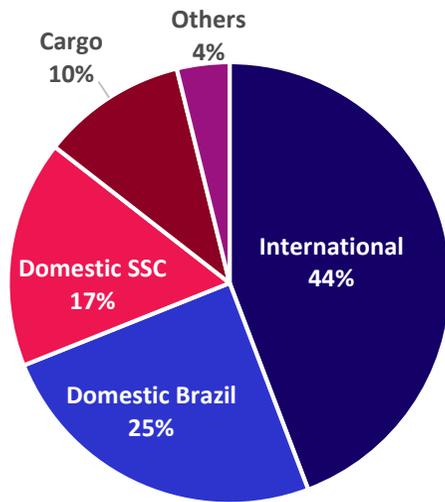


South America – Europe



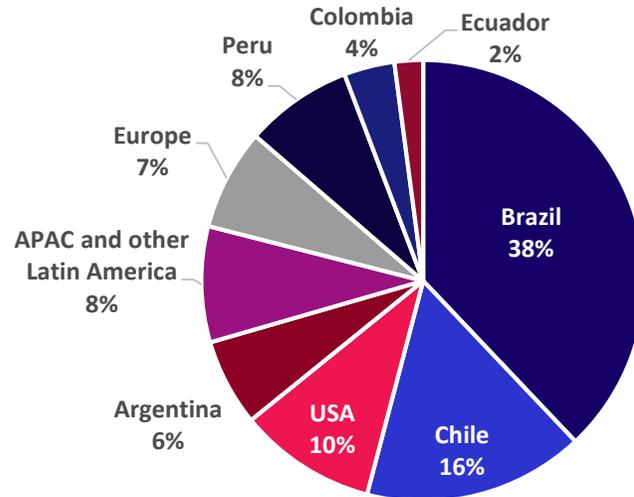
Geographic diversification of LATAM Airlines Group and its subsidiaries

LTM Revenue by Business Unit

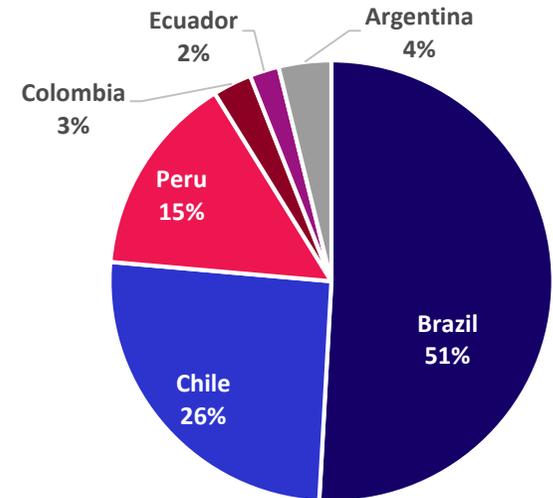


Total revenue = US\$ 10.3 bn

LTM Revenue by Point of Sale



LTM ASK by Country



Total ASK = 147.9 bn

Third Quarter 2019 Financial Summary

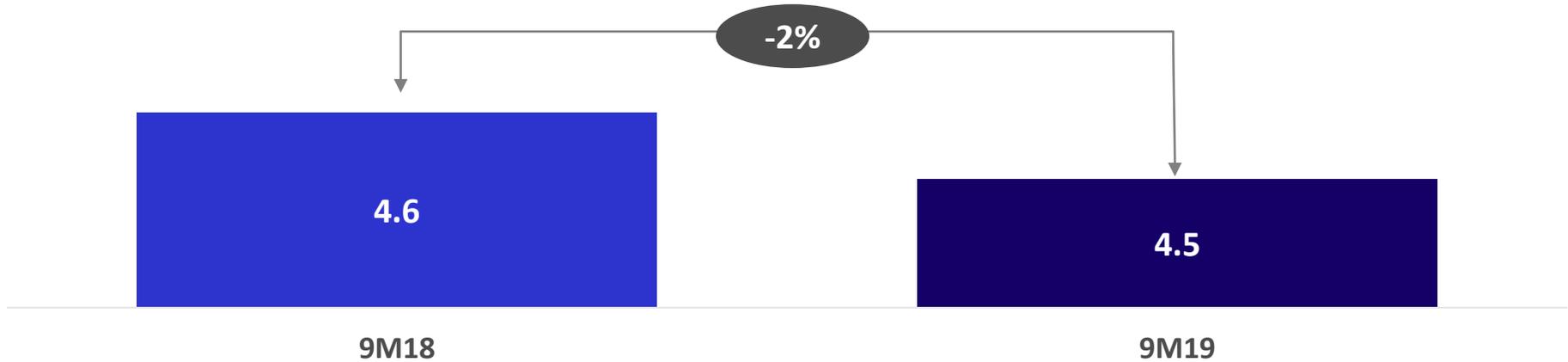
(US\$ Millions)	3Q19	3Q18	Change
Total Operating Revenues	2,665	2,492	6.9%
Passenger	2,340	2,107	11.1%
Cargo	252	279	-9.8%
Others	73	106	-31.0%
Total Operating Costs	-2,396	-2,271	5.5%
Fuel	-717	-747	-4.0%
Ex-fuel	-1,679	-1,524	10.2%
Operating Income	269	221	21.8%
Operating Margin	10.1%	8.9%	1.2 p.p.
Net Income	86	35	145.0%
EBITDA	645	565	14.1%
EBITDA Margin	24.2%	22.7%	1.5 p.p.

Third Quarter 2019 Operating Statistics

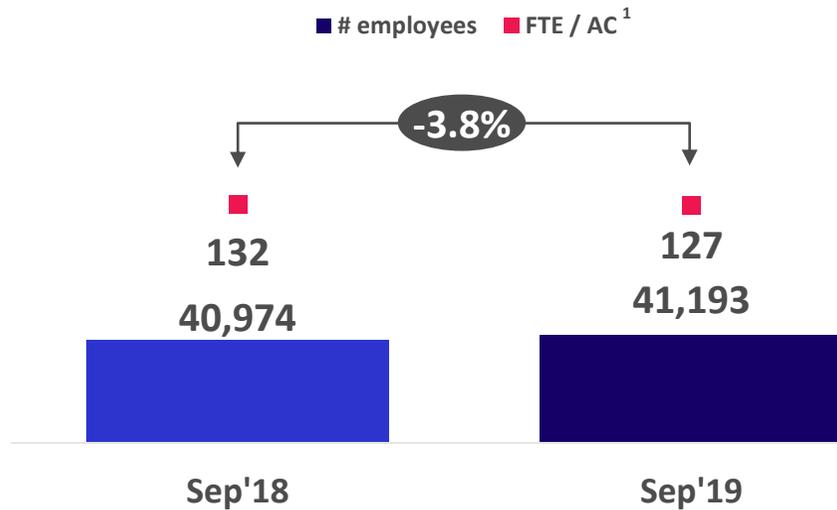
% YoY	System Capacity	Capacity (ASK)	Traffic (RPK)	Load Factor	RASK/RATK (USc) ¹ (% YoY)
		-4.1%	-1.8%	85.2% (+2.0 p.p.)	6.0 (+0.5%)
		+9.8%	+10.4%	82.1% (+0.5 p.p.)	7.4 (+22.7%) <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-top: 5px;"> BRL 3Q19: +24.3% </div>
		+9.5%	+9.3%	81.3% (-0.2 p.p.)	6.5 (-9.5%)
<hr/>					
	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%)

Delivering on cost initiatives to enhance operational performance

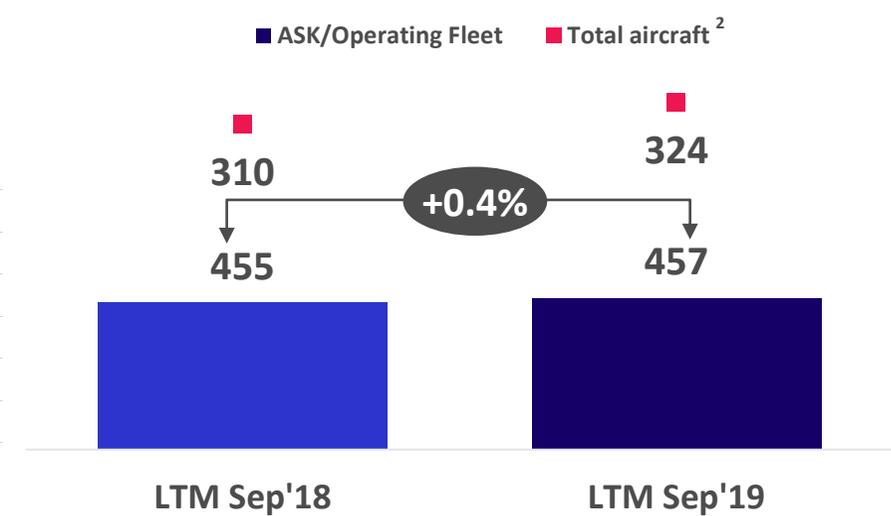
CASK Ex-fuel evolution (US\$ cents)



Number of Employees



ASK / Operating Fleet (million ASK per Aircraft)



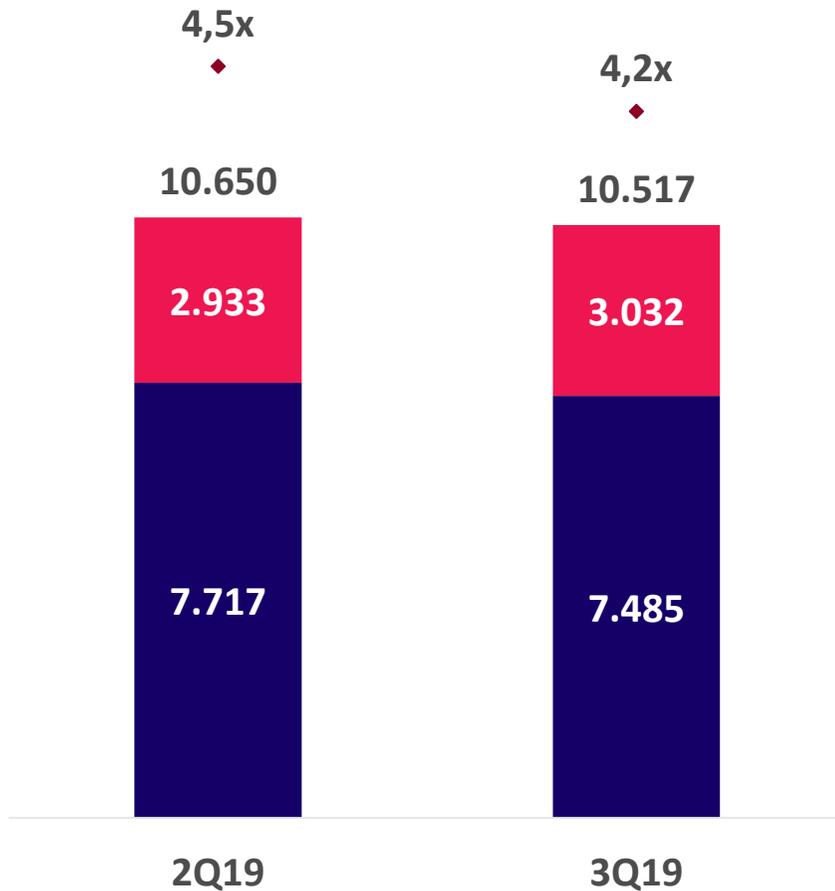
Guidance 2020

		2019E	2020E
Passengers (ASK) 	International	0%	0% - 2%
	Domestic Brazil	8%	7% - 9%
	Domestic Spanish-speaking countries	11%	6% - 8%
	Total	4%	3% - 5%
Cargo (ATK) 		-2%	4% - 6%
Operating Margin (%) 		~7%	7.0% - 8.5%

Current Financial Situation

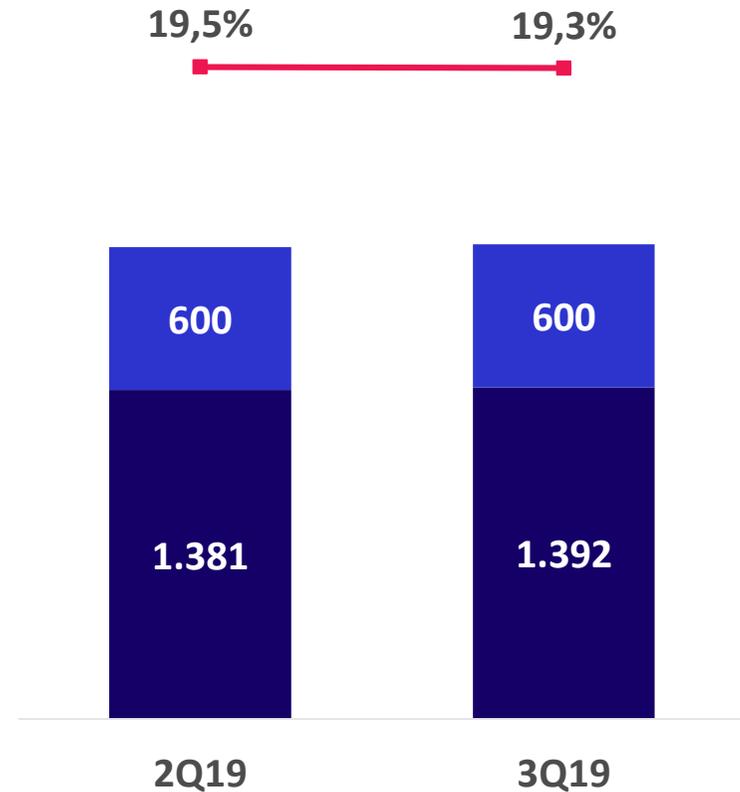
Financial Debt and Leverage

- Financial Debt (US\$ million) ■ On Balance Leases (IFRS 16)
- ◆ Net Debt / EBITDA LTM



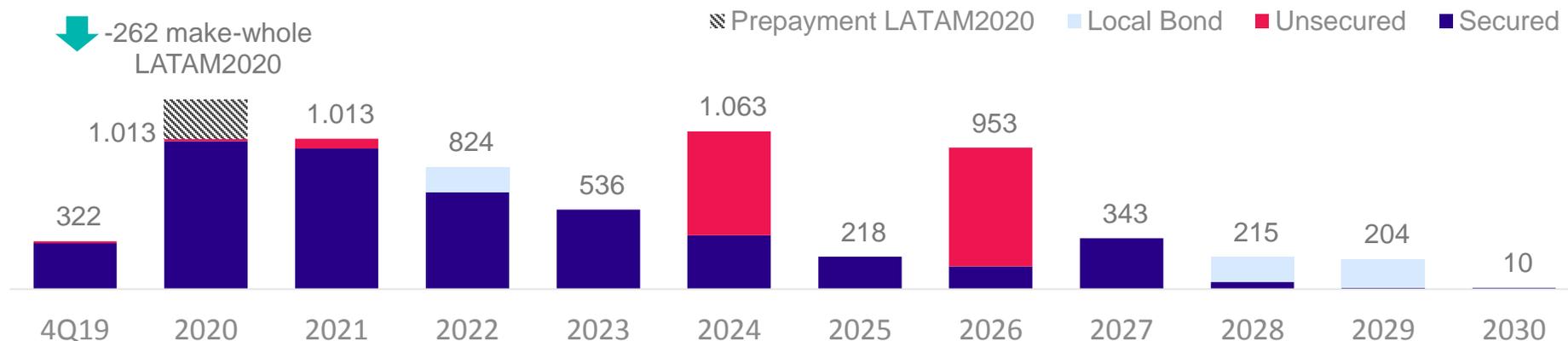
Liquidity

- RCF (US\$ million)
- Cash and Equivalents (US\$ million)
- Liquidity¹

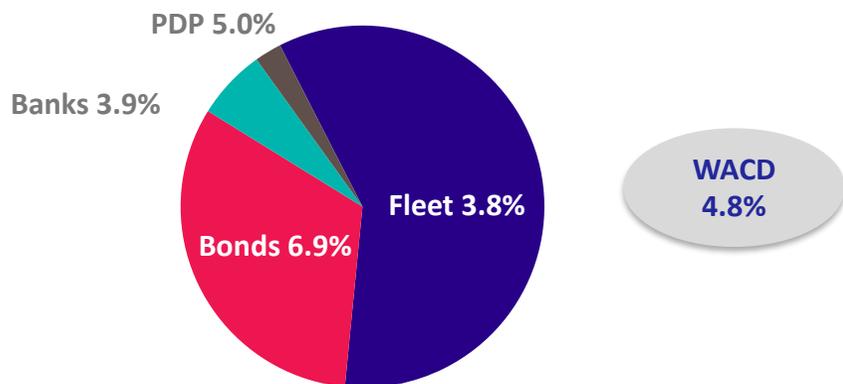


Proactively reshaping our debt profile

Debt maturity profile¹ (US\$ million) as of September 30, 2019²



Debt type as of September 30, 2019



Rating agencies



Partnership LATAM – Delta: Strategic Agreement

Tender Offer

Delta invested **\$1.9 billion for a 20 percent** stake in LATAM through a public tender offer at \$16 per share, which was completed on January 3, 2019

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

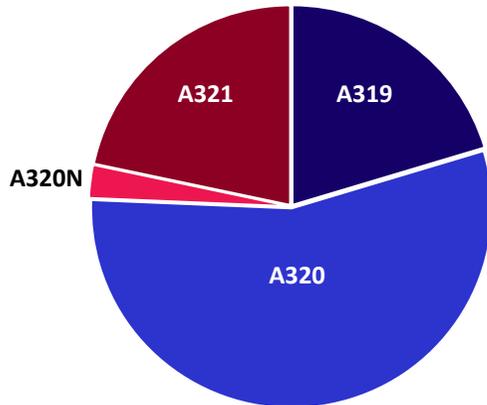
Joint venture, code sharing agreement and **\$350 million** from Delta to support transition costs for strategic partnership

324¹ aircraft operating fleet with an average age of ~9,0 years

Narrow body: 241

Owned²: 163 aircraft

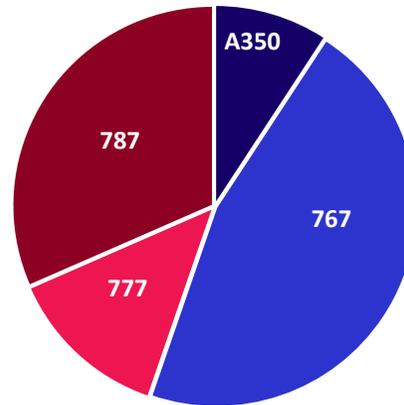
Leases³: 78 aircraft



Wide body (PAX): 74

Owned²: 49 aircraft

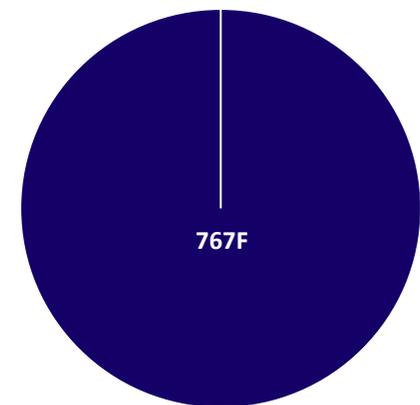
Leases³: 25 aircraft



Wide body (Cargo): 9

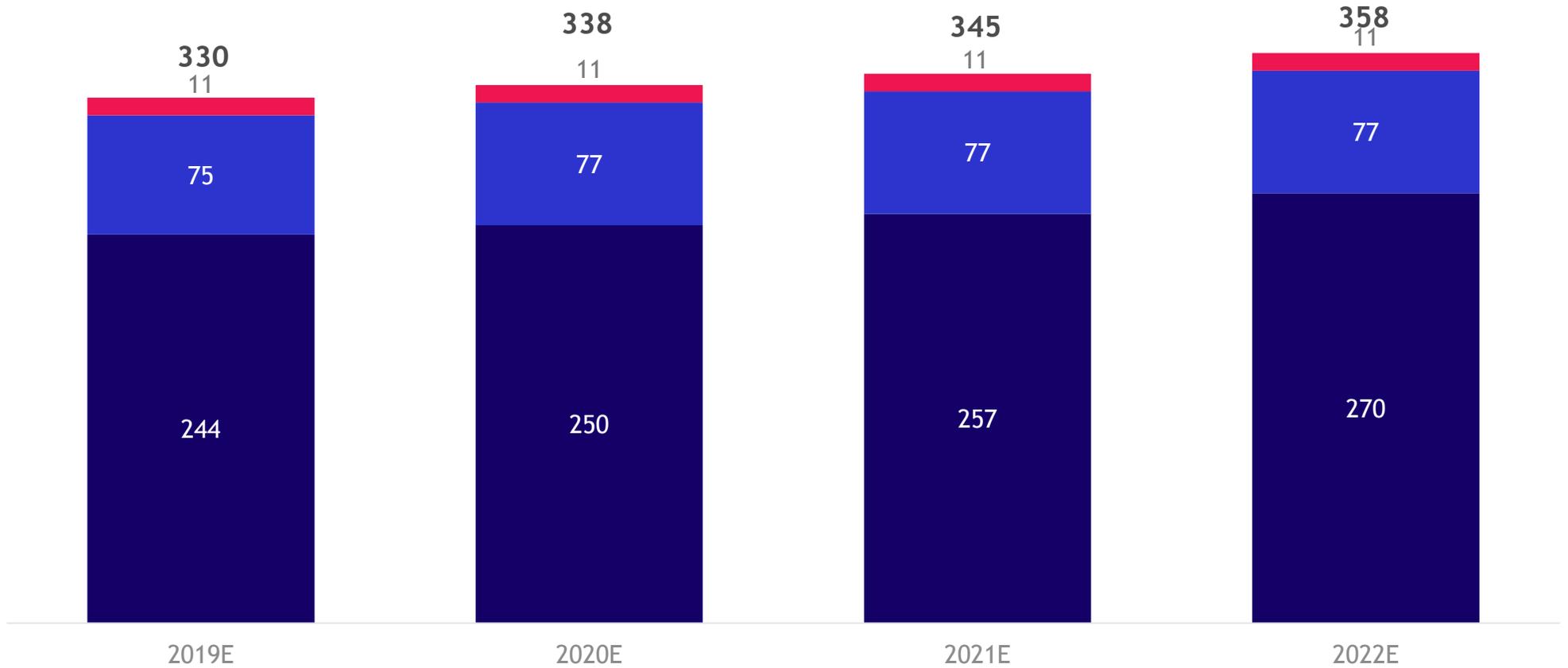
Owned²: 8 aircraft

Leases³: 1 aircraft



Fleet Plan 2019E-2022E

■ Narrow Body ■ Wide Body ■ Freighter



Fleet Commitments (US\$mm)

1,197	796	889	619
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Refocusing investments to passenger experience and loyalty

Cabin experience (US\$400 million in cabin retrofits in 2 years)



22 Wide-body aircraft and 150 Narrow-body aircraft



New seat design and layout of passenger accommodation; comfort, segmentation & efficiency

Acquisition of Multiplus (~US\$300 million)



- **+38** million members
- **4th** Largest FFP in the world
- Unified value proposition
- Revenue management



Source: www.latamairlinesgroup.net

Worldwide recognition

Best Airline in South America



Best
“Business Class”
“Business Class Lounge”
“Economy Class”

Best on-time performance



“Most punctual global network airline in the world in 2019”

Key takeaways

1

LATAM is the leading and largest airline group in Latin America with an unmatched network

2

Delivered resilient operational and financial results despite challenges

3

Disciplined financial policy focused on continuous de-leveraging and balance sheet strengthening

4

Successful implementation of transformational initiatives including (i) a rigorous cost cutting program, (ii) the reduction of fleet commitments (iii) acquisition of the minority stake in Multiplus, and (iv) transforming the cabin experience

5

Future performance anchored on an unique network strategy and positive business dynamics





Exhibits

April 2015

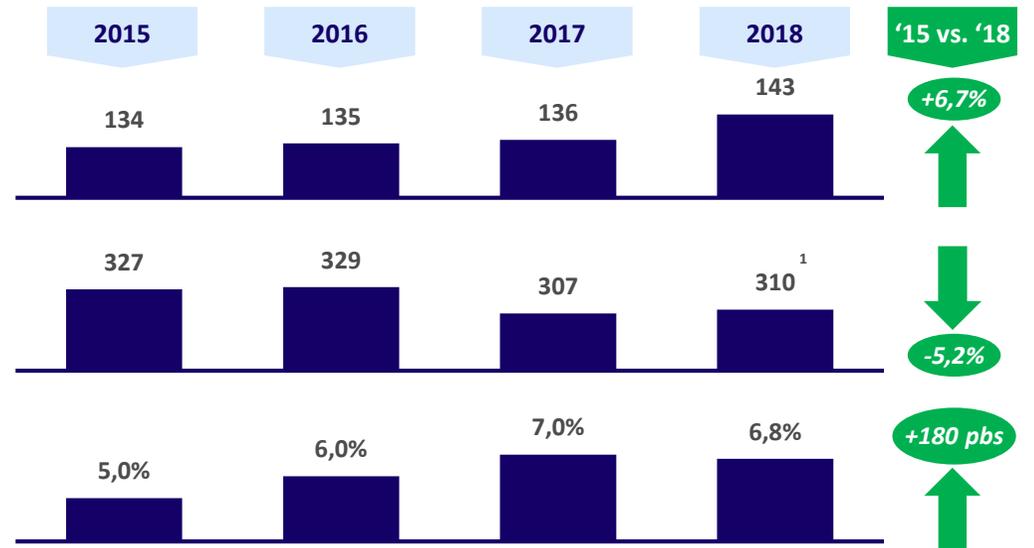
Results of the transformation plan

1
Focus on improving operational performance while solidifying the business model resilience ...

✓ ASK LTM (billion)

✓ Operational Fleet (units)

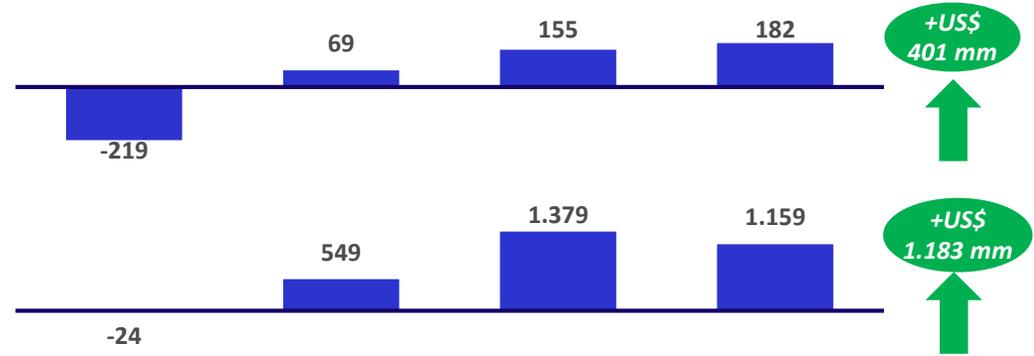
✓ EBIT Margin (%)²



2
Has proven to be a compelling path to drive profitability and cash generation ...

✓ Net Income LTM (US\$ million)

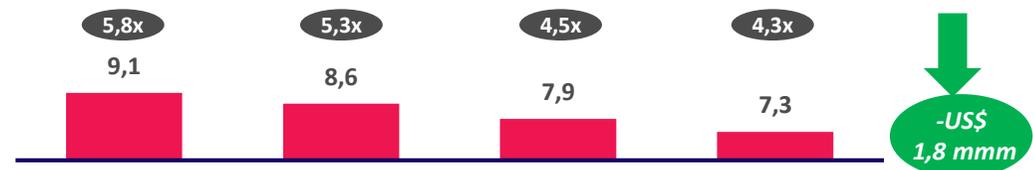
✓ Free Cash Flow (US\$ million)³



3
Maintaining a rigorous financial discipline for continuous de-leveraging

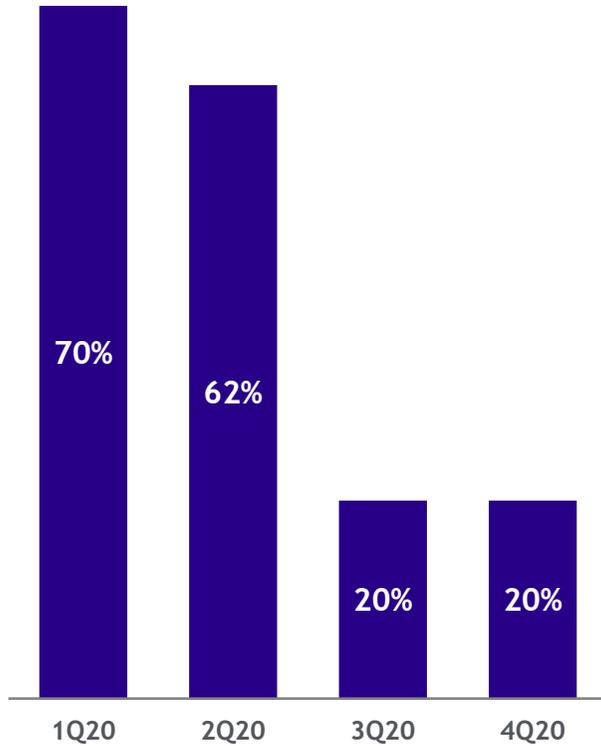
Adjusted net financial leverage (x)⁴

✓ Financial Debt (US\$ billion)

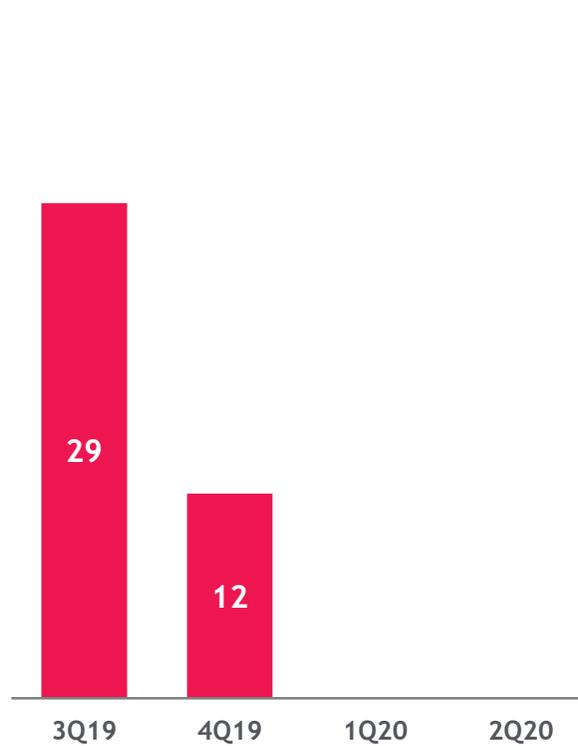


Financial hedging strategy to protect medium term operational margin

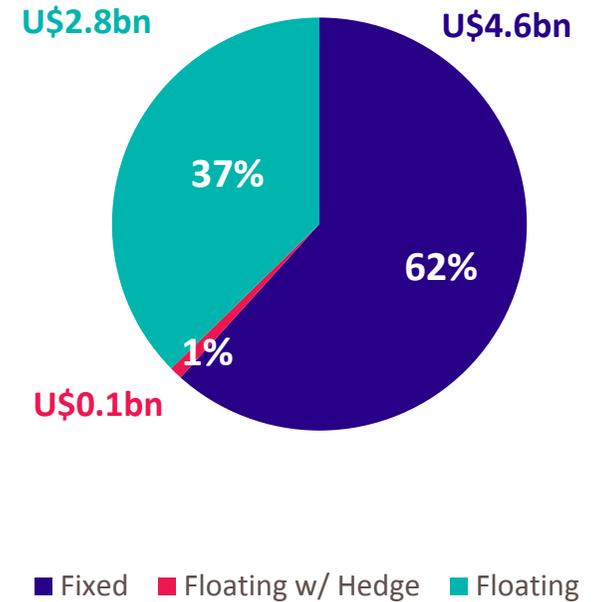
Fuel Hedge (% consumption)



BRL Hedge (US\$MM)¹



Reduced exposure to floating rates



Year-to-date 2019 Financial Summary

(US\$ Millions)	9M19	9M18	Change
Total Operating Revenues	7,560	7,580	-0.3%
Passenger	6,528	6,382	2.3%
Cargo	784	874	-10.3%
Others	248	324	-23.4%
Total Operating Costs	-7,169	-7,036	1.9%
Fuel	-2,185	-2,151	1.6%
Ex-fuel	-4,984	-4,885	2.0%
Operating Income	391	544	-28.1%
Operating Margin	5.2%	7.2%	-2.0 p.p.
Net Income	-37	-80	-54.4%
EBITDA	1,470	1,574	-6.6%
EBITDA Margin	19.4%	20.8%	-1,4 p.p.

Year-to-date 2019 Operating Statistics

% YoY	System Capacity	Capacity (ASK)	Traffic (RPK)	Load Factor	RASK/RATK (USc) ¹ (% YoY)
		+2.3%	+3.1%	85.4% (+0.7 p.p.)	5.7 (-8.7%)
		+4.3%	+5.6%	81.4% (+1.0 p.p.)	6.8 (+10.9%)
		+11.5%	+11.3%	81.7% (-0.1 p.p.)	6.5 (-9.3%)
Passenger		+4.4%	+5.1%	83.7% (+0.6 p.p.)	5.9 (-2.0%)
Cargo ²		+0.2%	+2.4%	55.2% (+1.2 p.p.)	16.6 (-6.8%)

BRL
9M19: +21.0%



Thank you!

April 2018