

LarrainVial 13th Annual Andean & Southern Cone Conference

Santiago, March 2019



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, 2017.

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LATAM's long-term success is supported by its regional leadership

Key Highlights



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



143 destinations in 26 countries



310 aircraft operating fleet¹ with an average age of ~9 years



69 million passengers transported in 2018



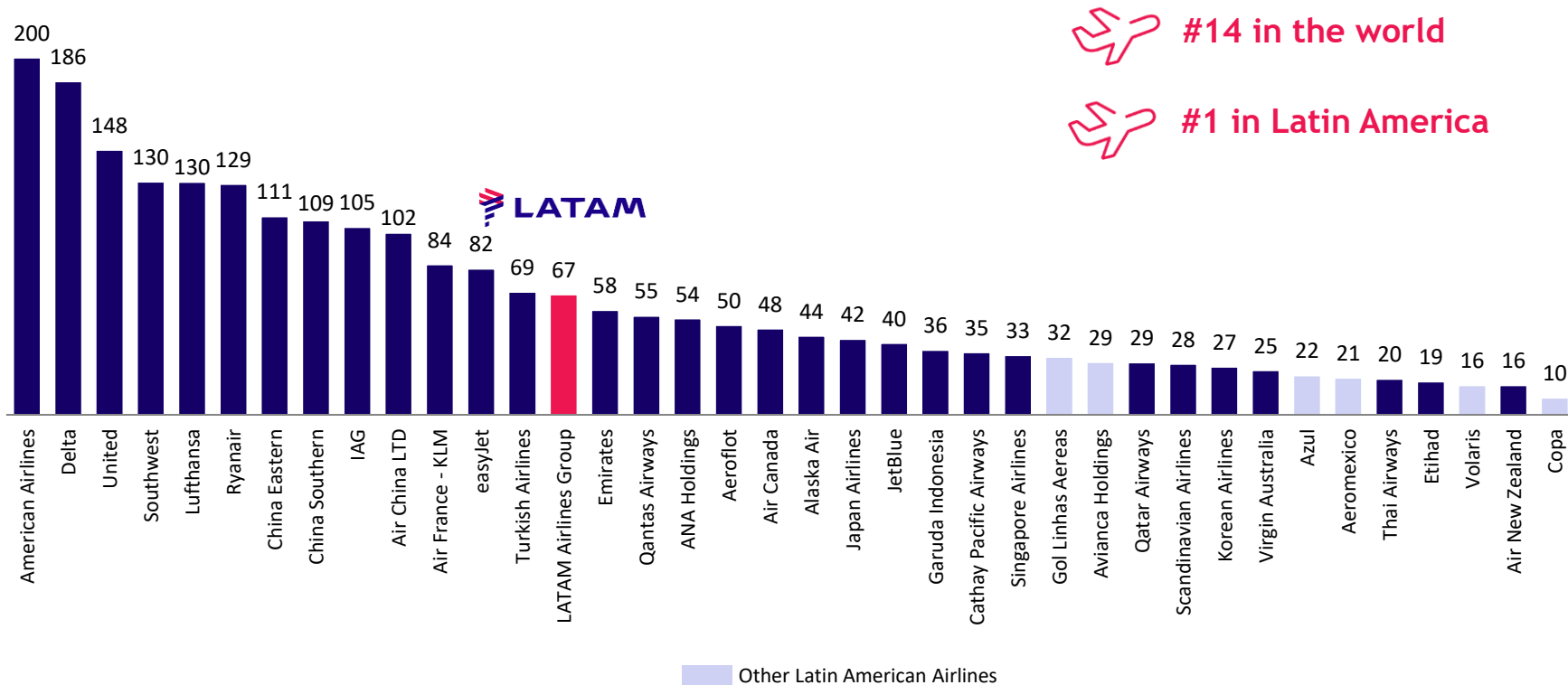
41,170 employees from 61 different countries



Leading frequent flyer and loyalty programs with **over 30 million members**

LATAM is amongst the largest airline groups in the world

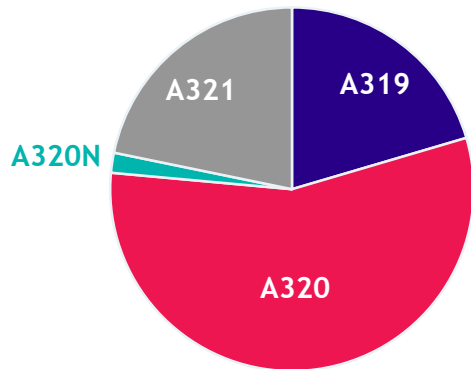
Passengers carried 2017 (million)



Fleet: One of the most modern in Latin America & the world

310 operating aircraft¹ with an average age of ~9 years

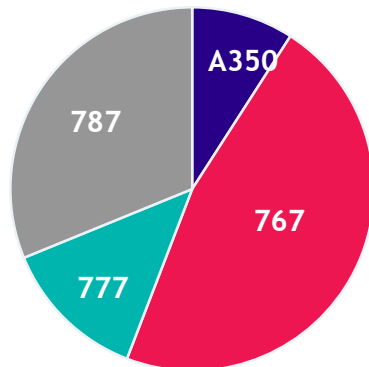
Narrow body: 225



Airbus A320N



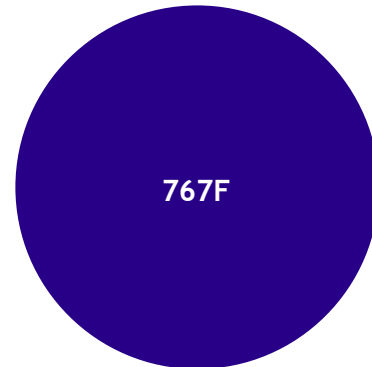
Wide body (PAX): 77



Boeing 787-9



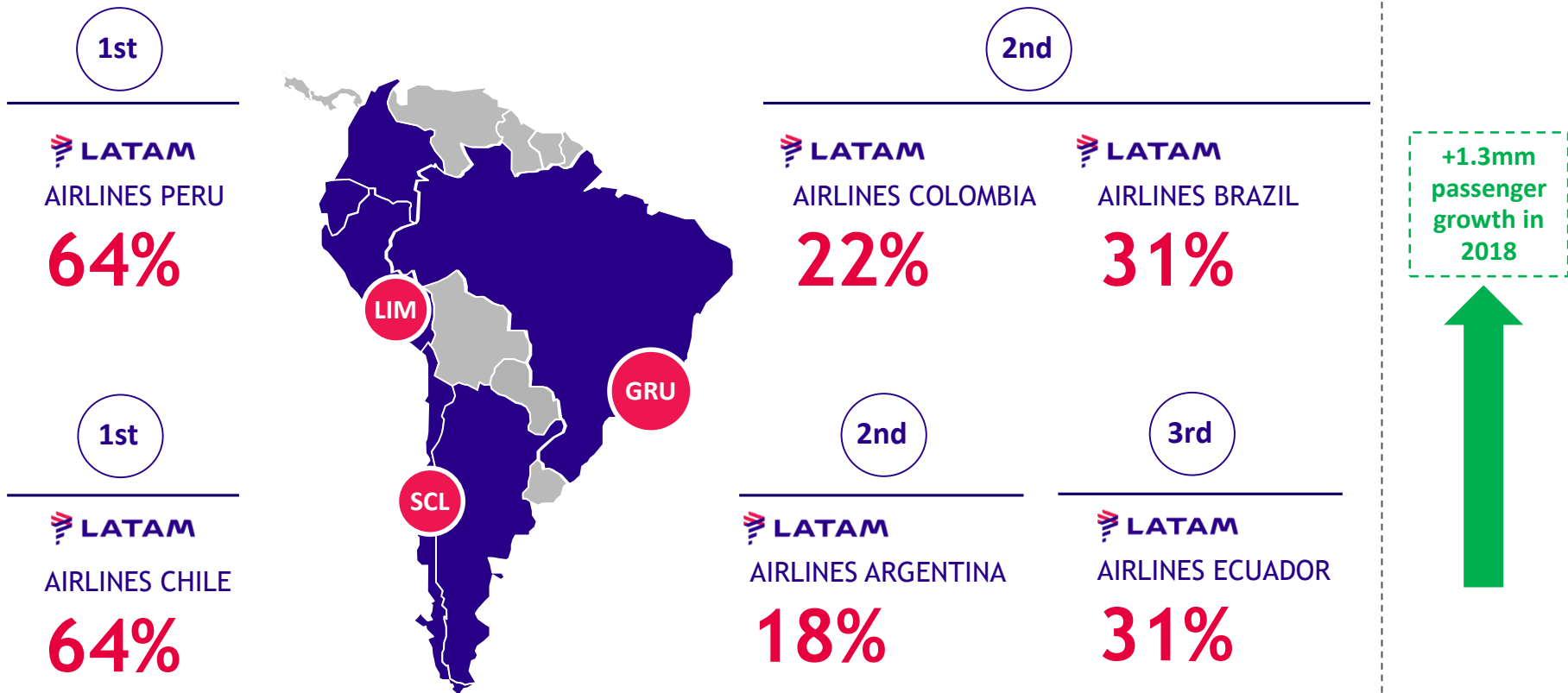
Wide body (Cargo): 8



Boeing 767F



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



Unique Leadership Position and Leading Regional Presence as a Key Competitive Advantage

Within South America



AIRLINES

43%

1st

South America - Asia Pacific



AIRLINES

53%

1st

South America - North America



AIRLINES

20%

2nd

South America - Europe



AIRLINES

12%

3rd

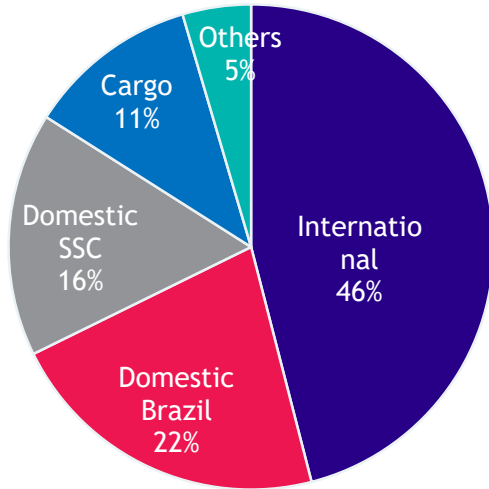


+399k
passenger
growth in
2018



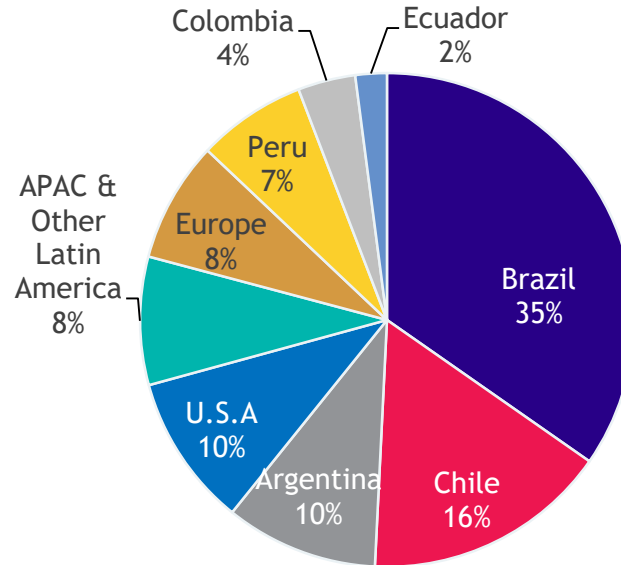
The Company has Developed Diversified Sources of Revenue

LTM Revenue by Business Unit



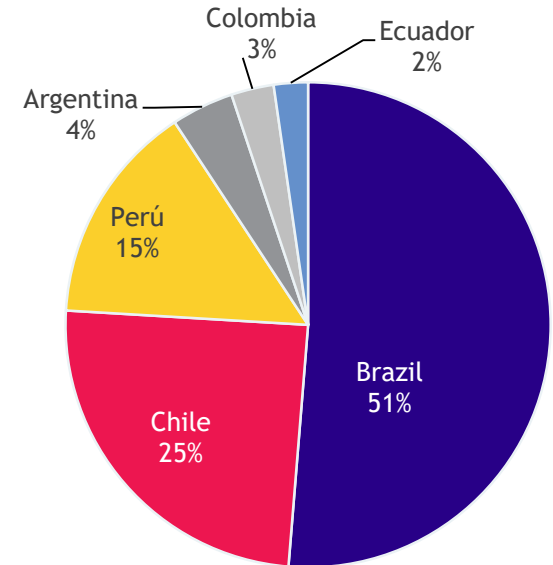
Total = US\$10,368 mm

LTM Revenue by Point of Sale



Total = US\$10,368 mm

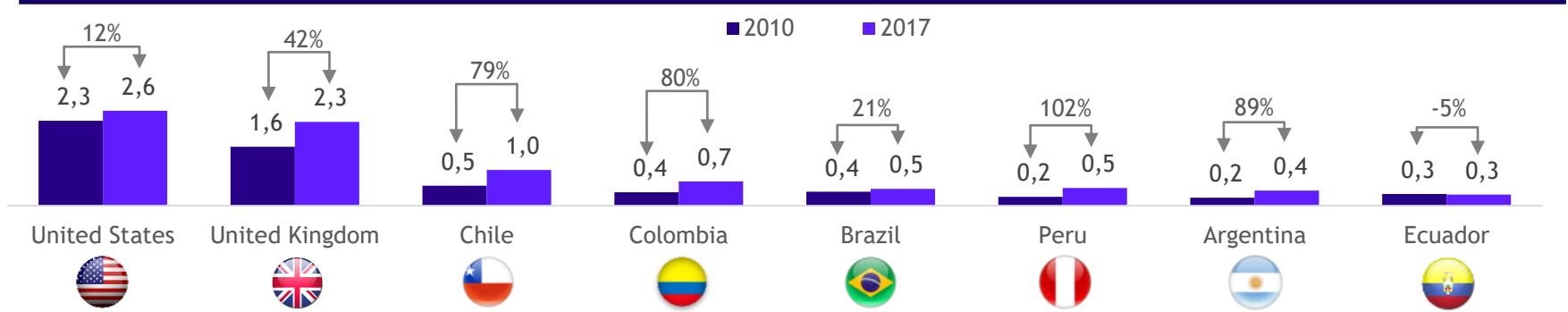
LTM ASK by Country



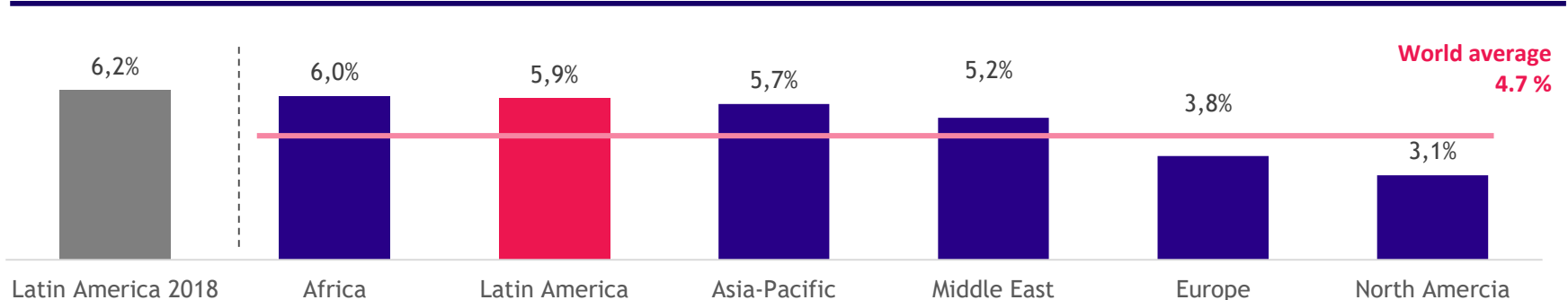
Total = 143,265 million ASK

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

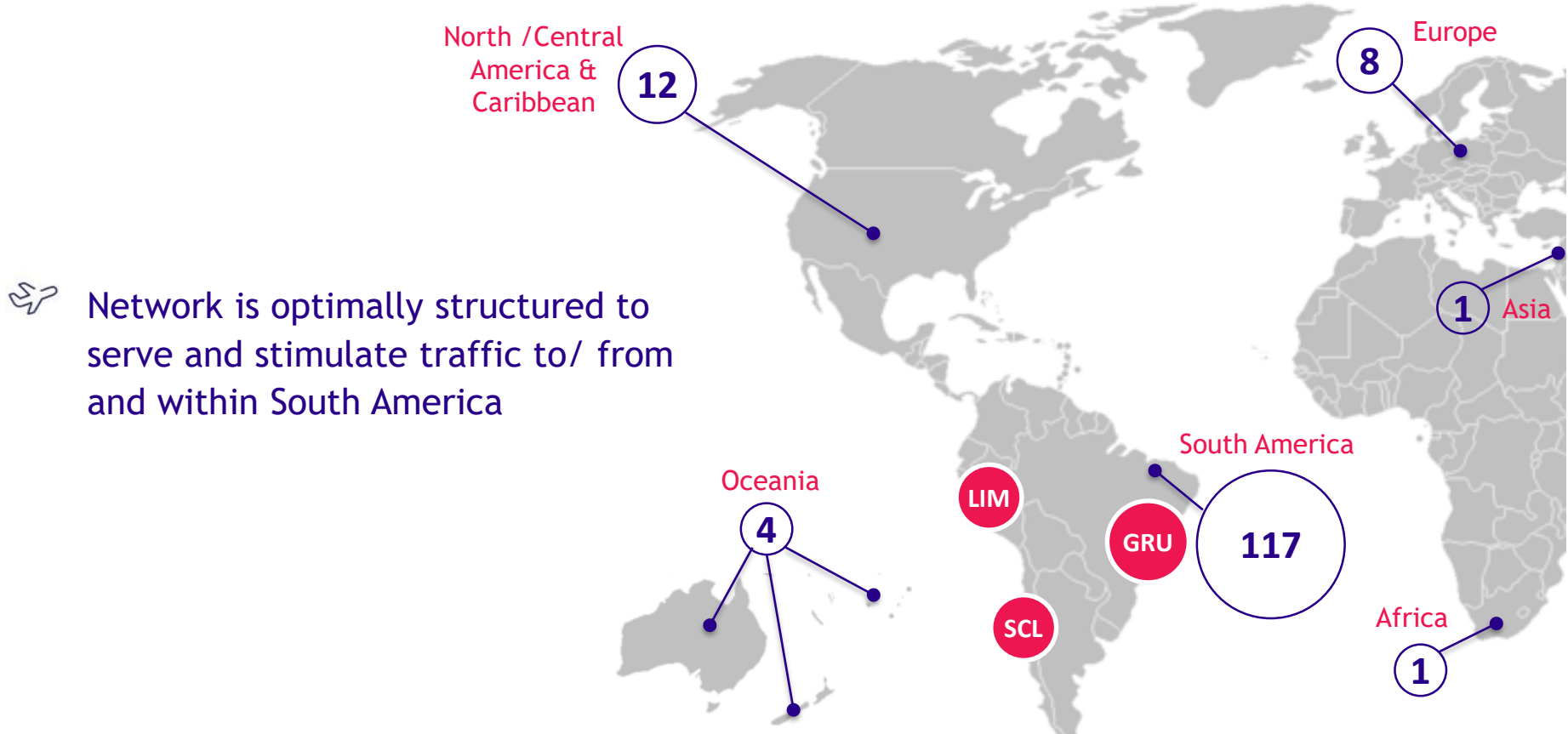
Trips per capita 2017



RPKs growth 2018E – 2037E



Latin America's strongest network supported by strong alliances



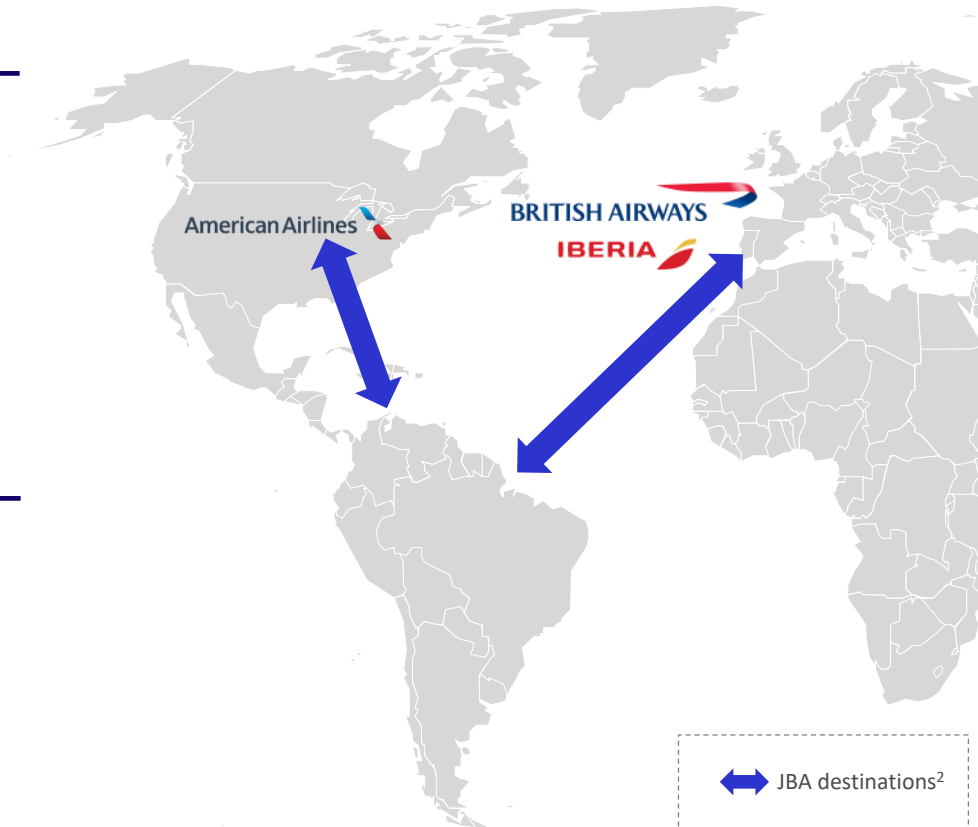
Business model complemented by joint business agreements with leading airlines

South America – North America

	Capacity share ¹
1 st American Airlines 	22%
2 nd  LATAM	20%
3 rd UNITED AIRLINES 	10%

South America – Europe

	Capacity share ¹
1 st AIRFRANCE  KLM  <small>TRANSPORTEURS OFFICIELS OFFICIAL CARRIERS</small>	21%
2 nd IAG INTERNATIONAL AIRLINES GROUP	18%
3 rd  LATAM	12%

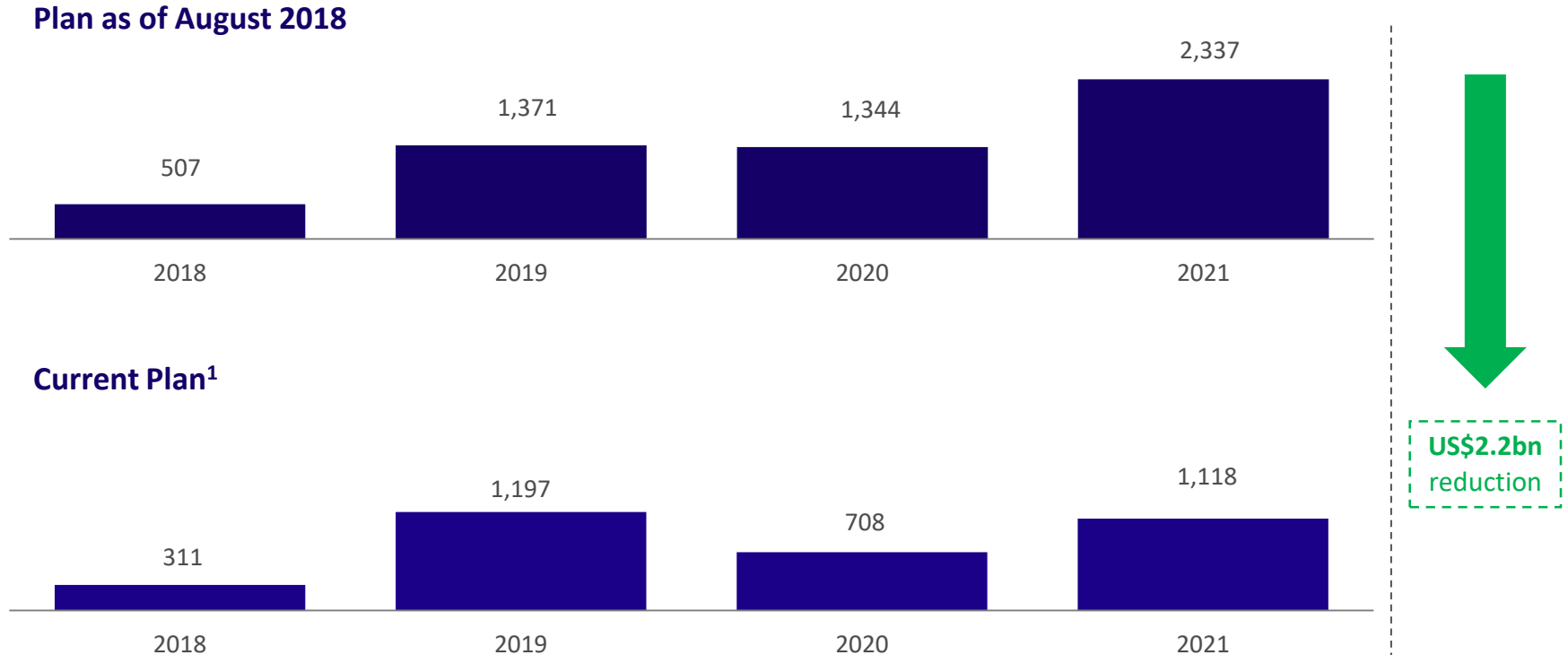


1 Market Share (ASK): December 2018 (Diio Mi).

2 JBA with American subject to US-DoT authorization.

Successful reduction of our fleet commitments


Right-sized fleet plan (US\$ in million)



Passengers are in the center of our decision making process

Transforming the cabin experience





 US\$400 million in cabin retrofits in approximately 2 years

 Comfort, segmentation & efficiency

Intention to acquire the minority stake in Multiplus



 Tender offer announced between March 1st – April 1st, 2019


 4th largest frequent flyer program in the world with over 30 million members

LATAM PLAY





+100
Movies


+300
TV Shows


+2800
Songs


Internet

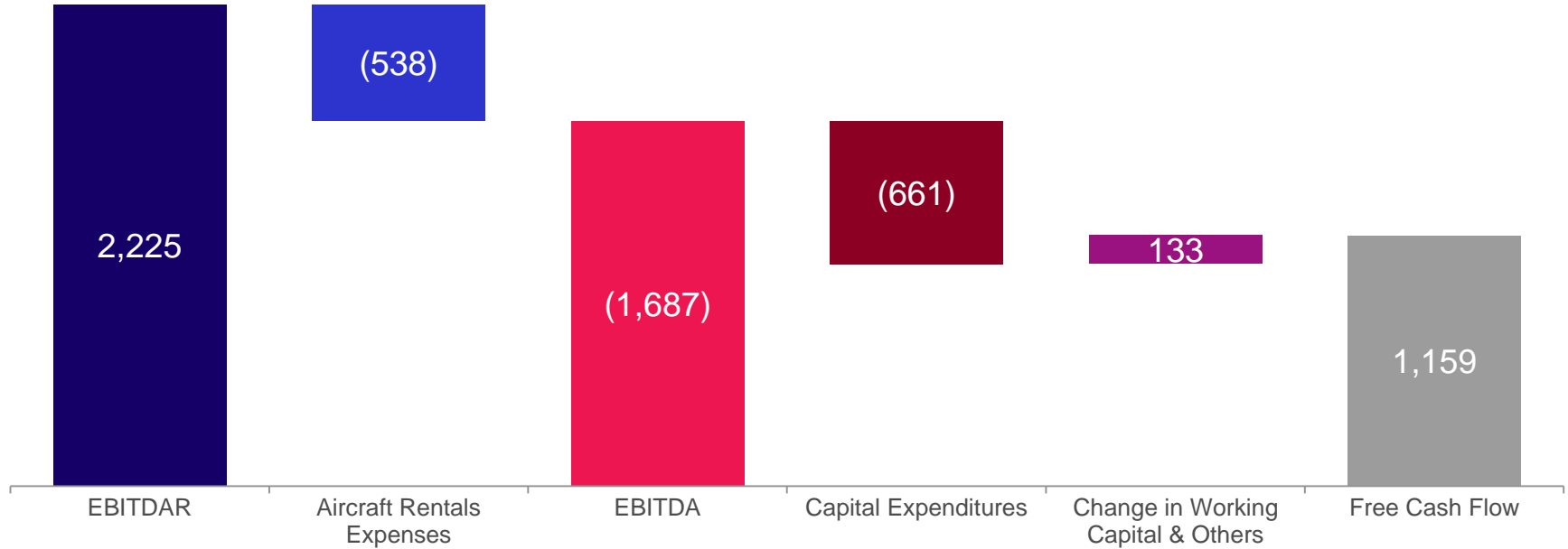

Live TV

Q4 2018 Financial Summary

(US\$ Millions)	4Q18	4Q17	Change	FY18	FY17	Change
Total Operating Revenues	2,788	2,768	0.8%	10,368	10,164	2.0%
Passenger	2,327	2,275	2.3%	8,709	8,494	2.5%
Cargo	312	337	-7.4%	1,186	1,119	6.0%
Others	149	156	-4.5%	473	550	-14.0%
Total Operating Costs	-2,493	-2,498	-0.2%	-9,663	-9,449	2.3%
Fuel	832	651	27.9%	2,983	2,319	28.6%
Ex-fuel	1,661	1,847	-10.1%	5,019	5,284	-6.3%
Operating Income	295	270	9.2%	705	715	-1.3%
Operating Margin	10.6%	9.8%	0.8 p.p.	6.8%	7.0%	-0.2 p.p.
Net Income (Loss)	149	67	121.3%	182	155	+17.1%
Foreign Exchange Gains/Losses	-12	-67	NM	-158	-19	678%
EBITDAR	675	660	2.2%	2,225	2,296	-3.1%
EBITDAR Margin	24.2%	23.9%	0.3 p.p.	21.5%	22.6%	-1.1 p.p.

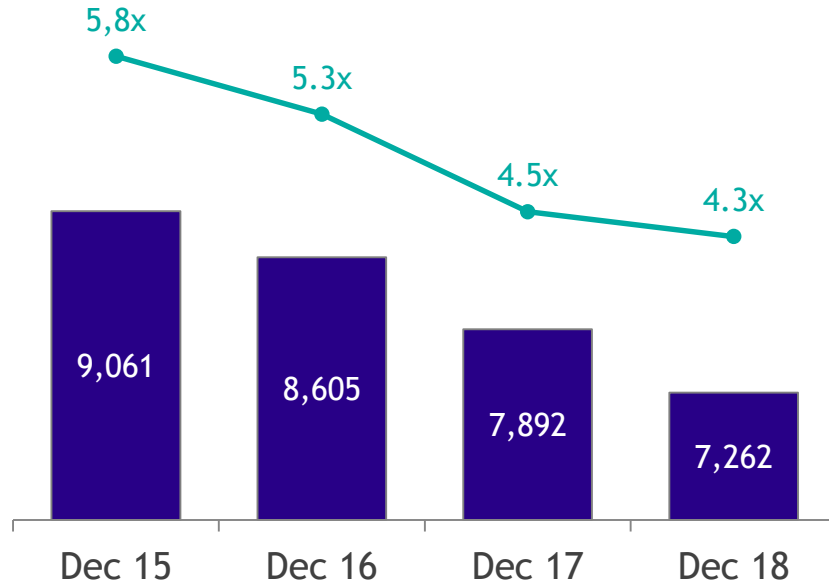
Strong free cash flow generation

US\$ million

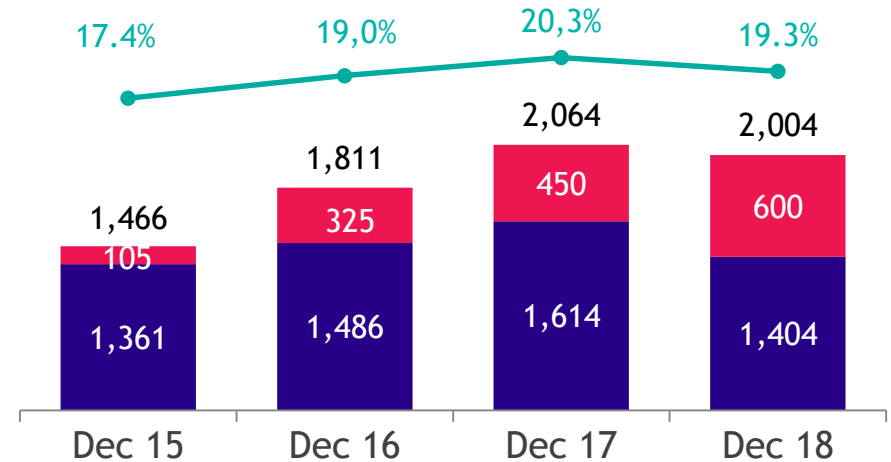


Continuous deleveraging trend and stronger balance sheet

Gross Debt¹ and leverage



Liquidity



■ Total Gross Debt (US\$ MM) ● Adjusted Net Debt / EBITDAR

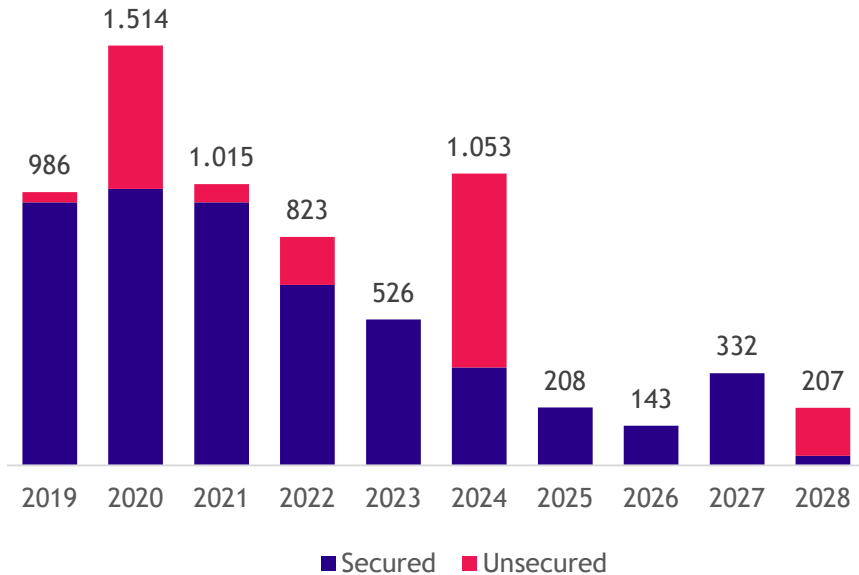
■ Committed Lines & RCF (US\$ MM) ■ Cash (US\$ MM) ● Liquidity

1. Adjusted for the capitalization of operating leases (7x yearly expense)

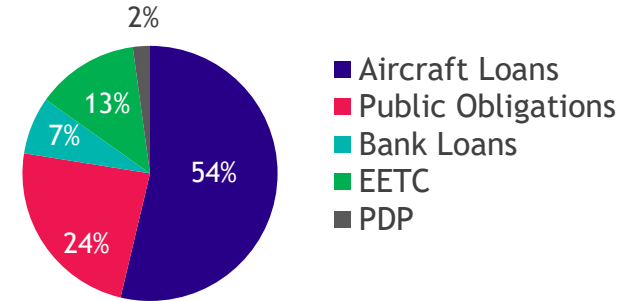
Source: Public Company filings

Debt maturity profile and structure

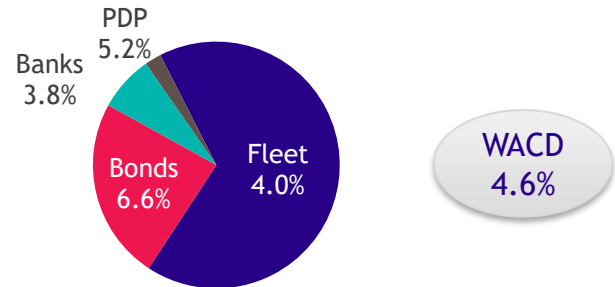
Debt maturity profile (US\$MM) as of December 31, 2018¹



Debt by type as of December 31, 2018²



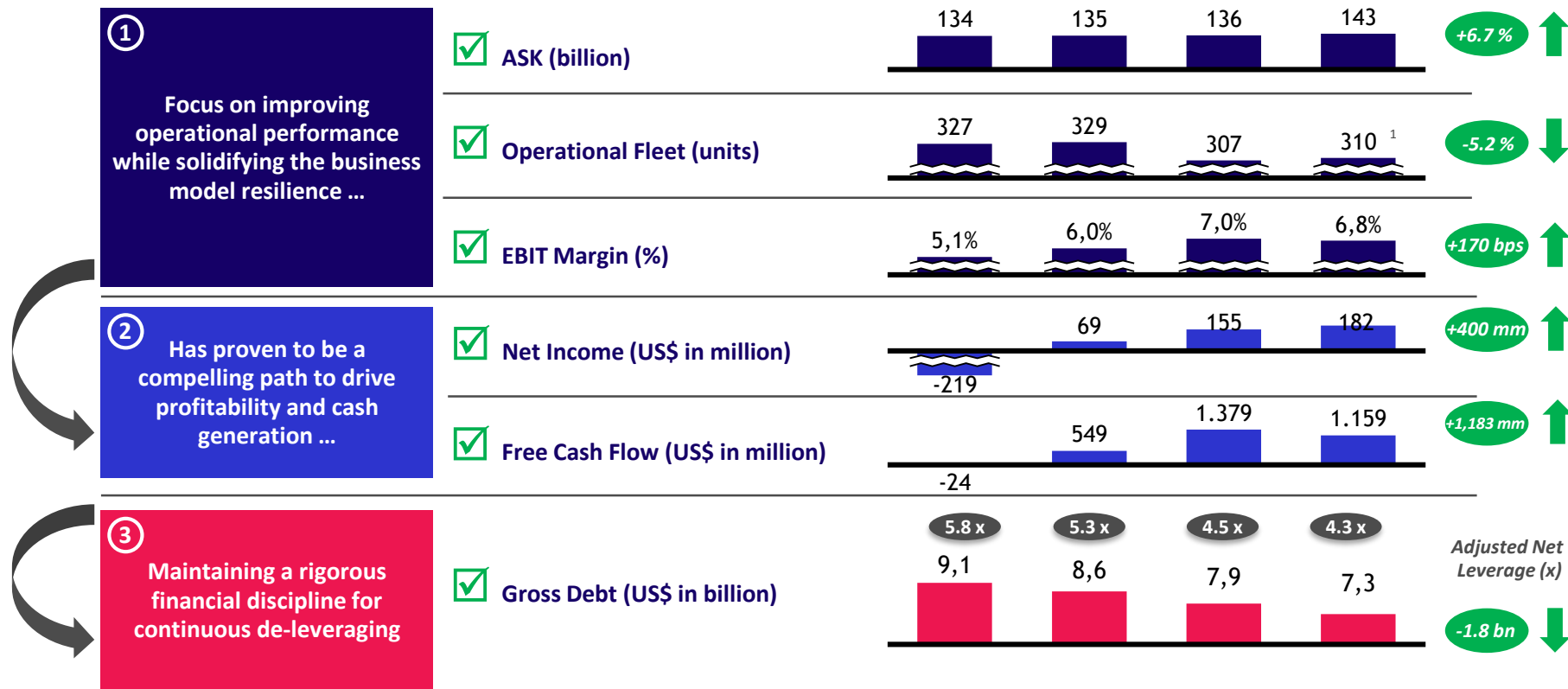
Cost of debt as of December 31, 2018²



1. The debt maturity profile does not include PDP and short term rolling debt.

2. Source: 2018 Financial Statements

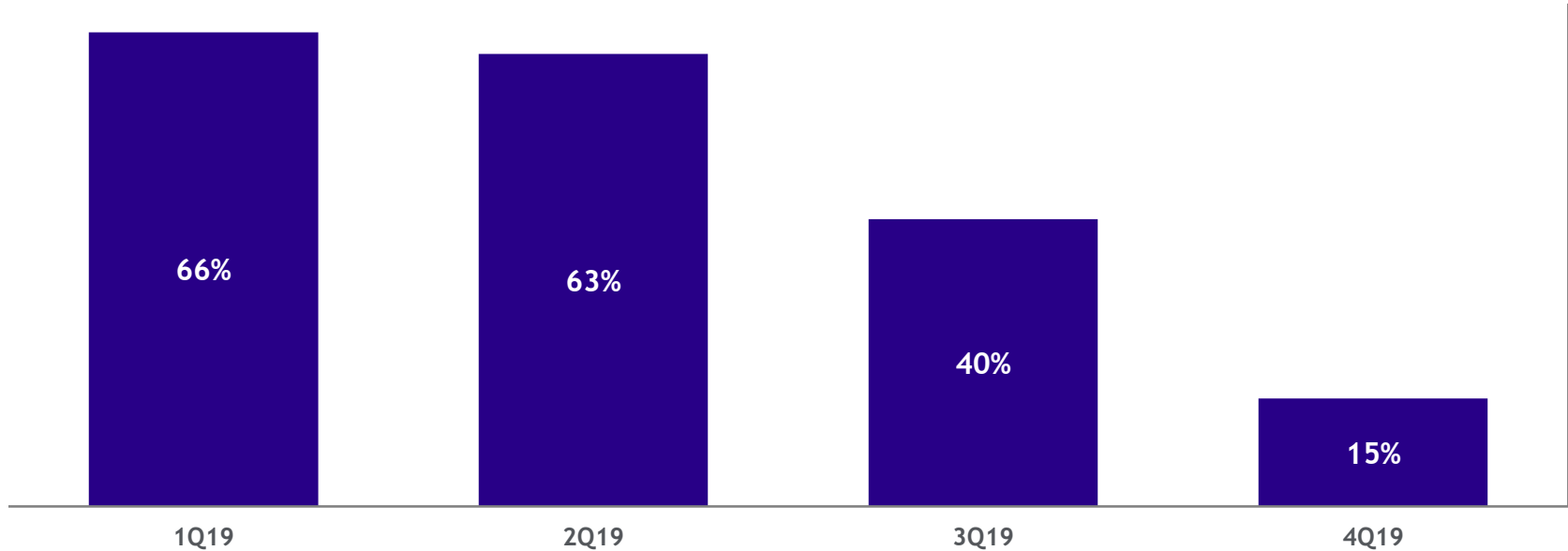
Successfully delivered on a transformational plan to enhance LATAM's performance






¹ Excludes 2 short-term leased aircrafts, as of December 2018.

Hedging strategy to support operational margin resilience

Fuel Hedge (% consumption)¹



		2018	2019E
Passenger (ASK) 	International	6.1%	3% - 5%
	Domestic Brazil	3.7%	2% - 4%
	Domestic Spanish Speaking Countries	3.5%	8% - 10%
	Total	5.0%	4% - 6%
Cargo (ATK) 		4.3%	1% - 3%
Operating Margin (%) 		6.8%	7% - 9%

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