

# Second Quarter 2020 Results Presentation

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August, 2020



# Second Quarter 2020 Highlights of LATAM group

## Operations & Network



- Operated only 6% of ASKs
- Operations increased to 9% of ASKs in July
- Border closures extended more than forecast

## Cargo Business



- Revenues increased 18%, though total capacity fell 40%
- Freighter capacity increased 28%, including 72 charter flights

## Chapter 11 updates



- Affiliates in Chile, Perú, Colombia, Ecuador and USA filed for Ch11
- LATAM Airlines Brazil subsequently also filed in the Ch 11 process
- DIP financing commitment for US\$2.2 bn upsizable in US\$250mm<sup>1,2</sup>

## Others & Financial



- Liquidity of US\$1.4 bn
- Financial Debt reduced by US\$965mm YoY to US\$6.8bn
- 32 aircraft leases contracts rejected or in process of rejection<sup>2</sup>

<sup>1</sup> Waiting for court approval

<sup>2</sup> As of August, 2020

# Second Quarter 2020 Financial Summary

(US\$ Millions)	2Q20	2Q19	Change
<b>Total Operating Revenues</b>	<b>572</b>	<b>2,370</b>	<b>-75.9%</b>
Passenger	123	2,020	-93.9%
Cargo	319	269	+18.4%
Others	130	81	+60.7%
<b>Total Operating Costs</b>	<b>-1,267</b>	<b>-2,330</b>	<b>-45.6%</b>
Fuel	-77	-721	-89.3%
Ex-fuel	-1,190	-1,608	-26.0%
<b>Operating Income</b>	<b>-695</b>	<b>40</b>	<b>nm</b>
Operating Margin	-121.5%	1.7%	-123 p.p.
<b>Net Income</b>	<b>-890</b>	<b>-63</b>	<b>nm</b>
<b>EBITDA</b>	<b>-388</b>	<b>392</b>	<b>nm</b>
EBITDA Margin	-67.8%	16.5%	-84 p.p.

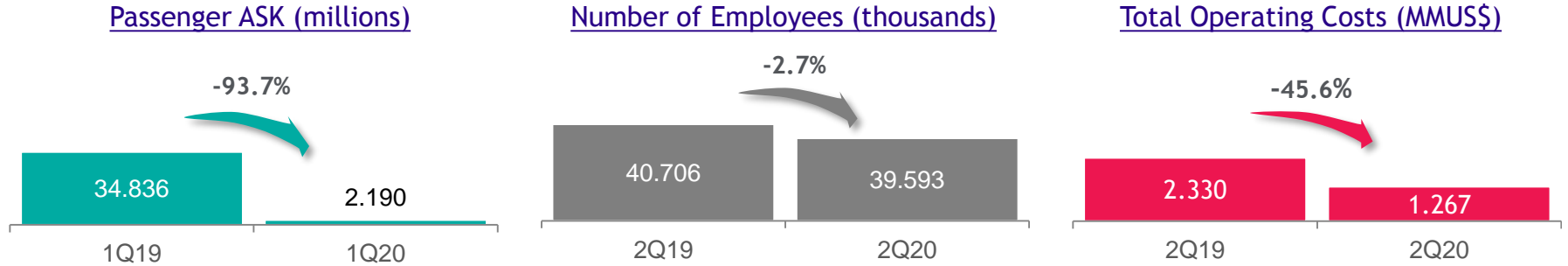
# Second Quarter 2020 Operating Statistics

% YoY	System Capacity	Capacity (ASK)	Traffic (RPK)	Load Factor	RASK/RATK (USc) <sup>1</sup> (% YoY)
		-95.3%	-97.7%	41.6% (-44.5 p.p.)	7.5 (+40.2%)
		-90.2%	-92.6%	60.8% (-19.1 p.p.)	5.0 (-26.8%)
		-93.8%	-95.8%	54.6% (-24.9 p.p.)	6.9 (+6.2%)
Passenger		-93.7%	-96.1%	51.6% (-31.7 p.p.)	5.6 (-3.2%)
Cargo		-39.6%	-15.7%	78.0% (+22.1 p.p.)	34.7 (+96.0%)

BRL  
2Q20: +2.2%

<sup>1</sup> RASK by business unit includes ticket revenue, breakage, frequent flyer program contribution and ancillary revenues

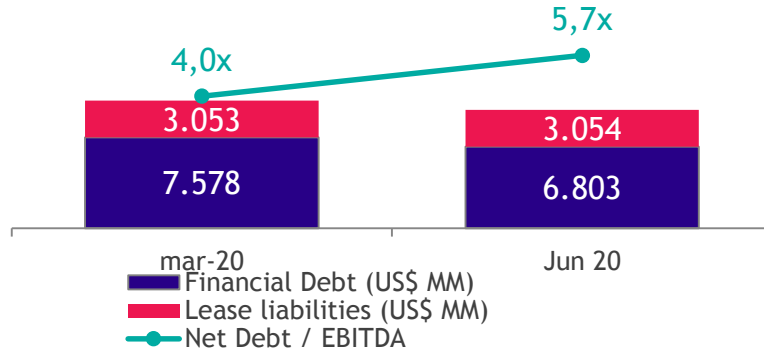
# Total Operating Costs decreased 45.6%



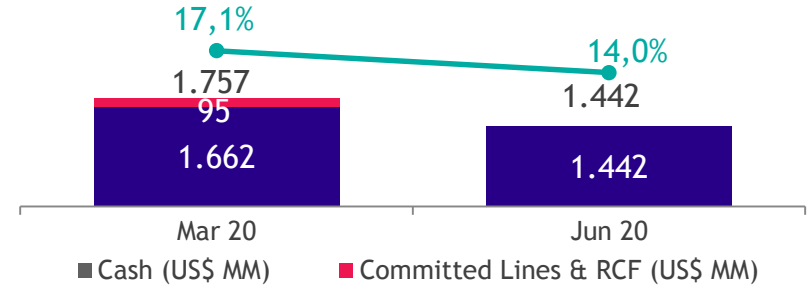
Total Costs US\$MM	2Q20	2Q19	Change
Fuel Cost	77	721	-89.3%
Wages & Benefits	174	432	-59.7%
Fleet Cost	447	460	-2.8%
Others	569	716	-20.6%
<b>Operating Costs</b>	<b>1,267</b>	<b>2,330</b>	<b>-45.6%</b>

# Second quarter 2020 credit metrics

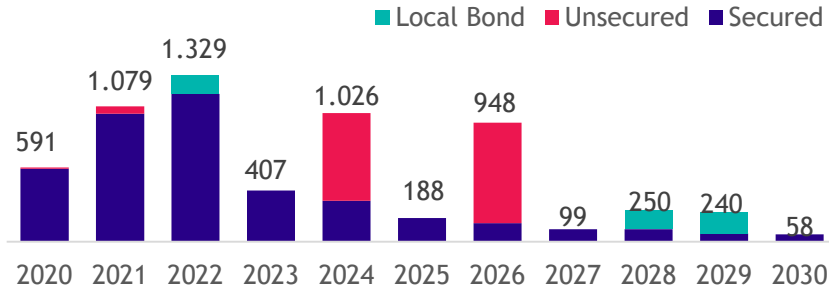
## Net Debt / EBITDA LTM



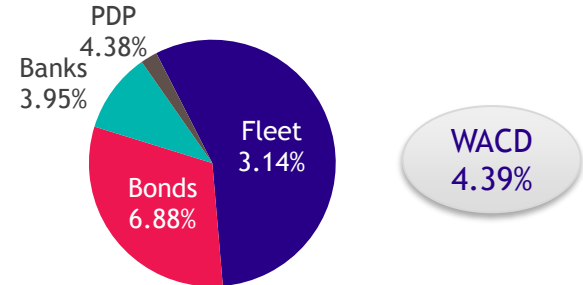
## Cash and Equivalents as % of LTM revenues



## Debt profile<sup>1</sup>



## Cost of debt as of June 30, 2020



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