



*Results presentation*

# *First Quarter 2023*

*May 3, 2023*

Sustainability Award  
Bronze Class 2022

S&P Global

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## 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 group operations continue to recover, driven by international demand and strong RASK environment



	1Q23 Capacity Breakdown	Capacity (ASK/ATK) change % vs 1Q2022	Traffic (RPK/RTK) change % vs 1Q2022	Load Factor	RASK / RATK (US\$cent) (% vs 1Q2022)
Consolidated		26.3%	27.2%	81.0% (+0.6 pp)	7.3 (24.3%)
International (Long Haul & Regional)	 47%	48.6%	55.6%	82.6% (+3.7 pp)	7.0 (27.8%)
Domestic Brazil	 35%	19.8%	14.8%	78.4% (-3.4 pp)	7.2 (24.5%)
SSC Domestic	 18%	-2.3%	-1.3%	81.9% (+0.8 pp)	8.2 (23.4%)
Cargo		19.1%	7.9%	52.9% (-5.5 pp)	22.5 (-26.2%)

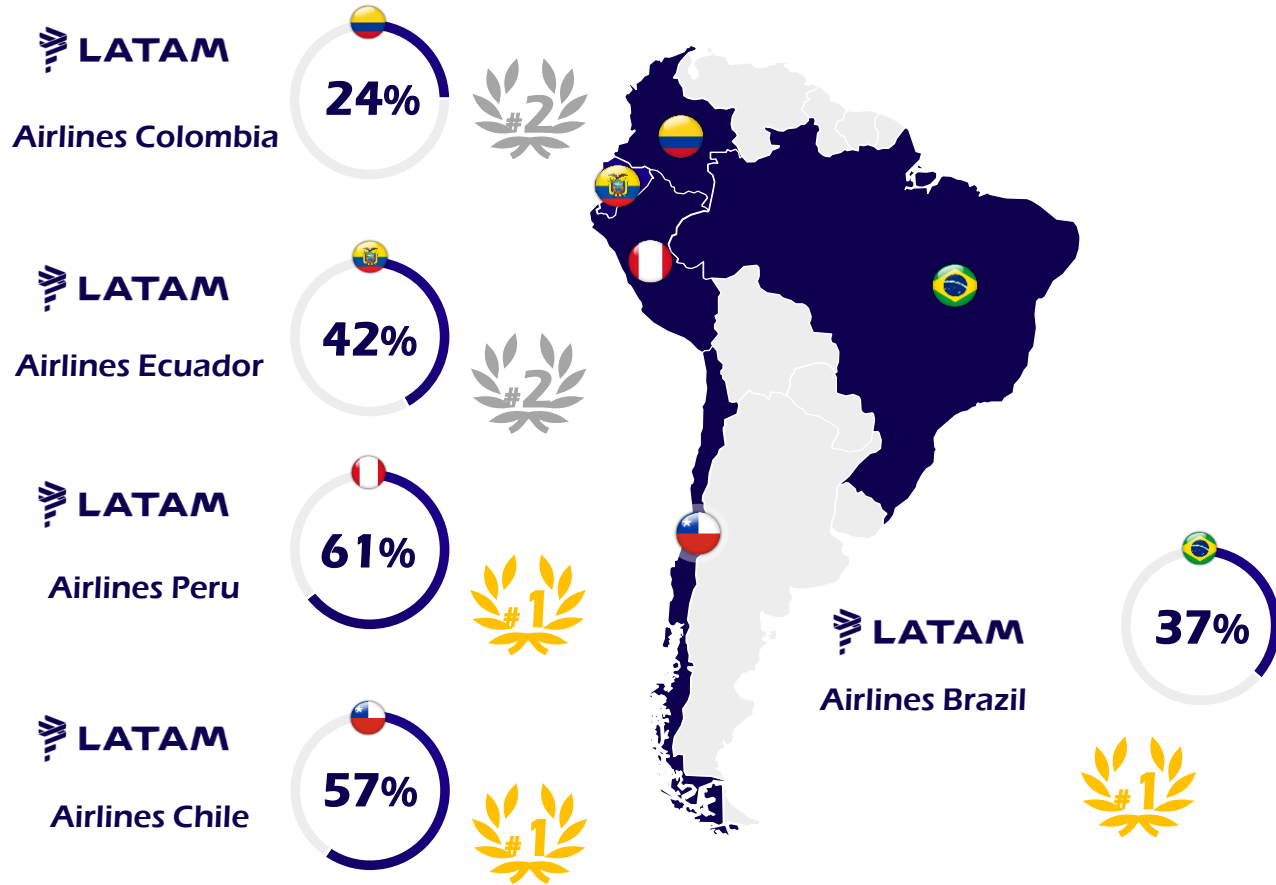
**BRL**  
**+24.6%**

# LATAM group affiliates are leaders in their domestic markets



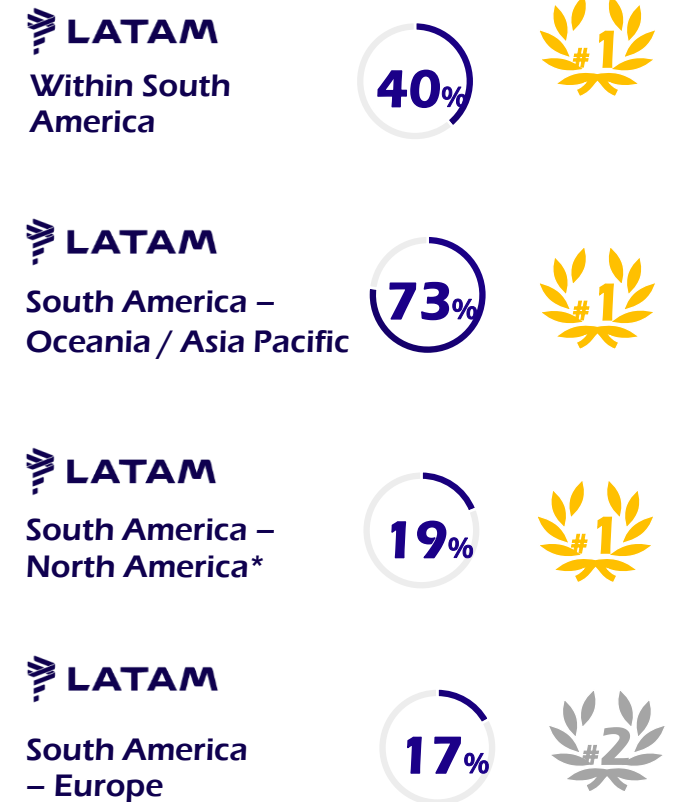
## Domestic Affiliate Market Share<sup>1</sup>

1Q2023



## International Capacity Share

ASK March 2022



1. Domestic Market shares for the first quarter of 2023.

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

# LATAM reached a double-digit adjusted EBIT margin of 10.5% in the quarter



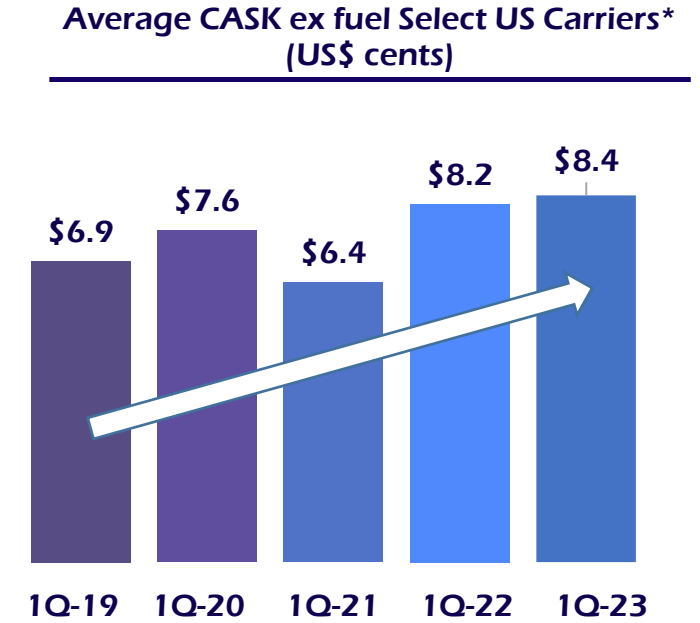
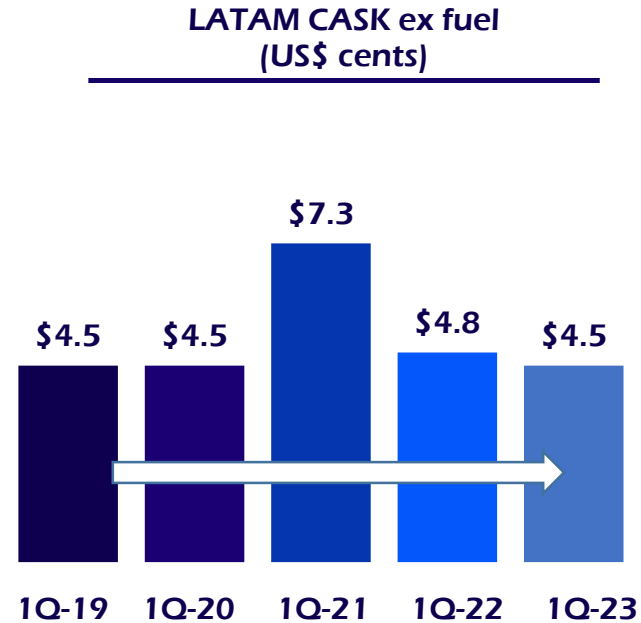
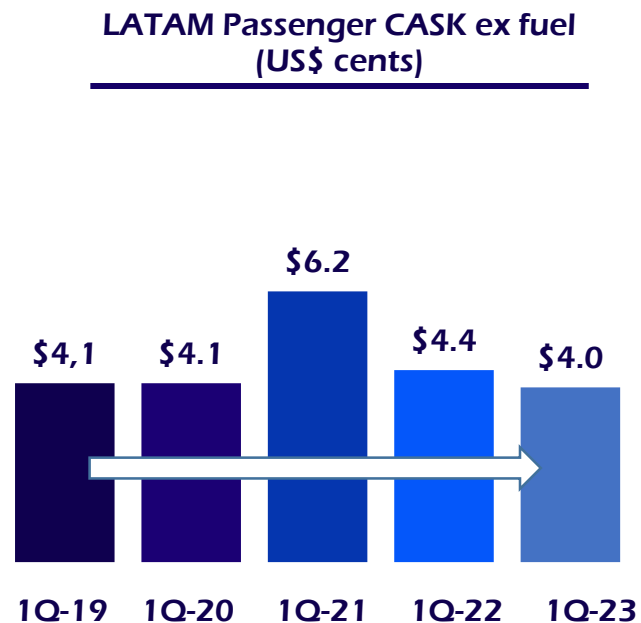
	1Q2023	Change (%) vs 1Q2022
<b>Revenues (US\$ million)</b>	<b>2,805</b>	<b>43.2%</b>
Passengers (US\$ million)	2,394	61.1%
Cargo (US\$ million)	377	-12.4%
<b>Total Adjusted Expenses (US\$ million)</b>	<b>2,510</b>	<b>23.8%</b>
Fuel cost (US\$ million)	1,060	41.2%
Cost ex-fuel (US\$ million)	1,450	13.5%
<b>Adjusted EBIT (US\$ million)</b>	<b>295</b>	<b>530.5%</b>
<b>Adjusted EBIT Margin</b>	<b>10.5%</b>	<b>14.0 p.p.</b>
<b>Adjusted EBITDAR (US\$ million)</b>	<b>573</b>	<b>156.2%</b>
<b>Net income (US\$ million)</b>	<b>122</b>	
Passenger CASK ex-fuel <sup>1</sup> (US\$ c)	4.0	-10.2%
Adj. Leverage (Net Debt / Adj, EBITDAR)	3.0x	
Liquidity (US\$ billion)	2.5	113%
Fleet Cash Cost (US\$ million)	199	

Note: Adjustments to these Income Statement figures are made for Special Items. These adjustments to include or exclude special items allows management an additional tool to understand and analyze its core operating performance and allow for more meaningful comparison in the industry. 1) Passenger CASK ex fuel excludes cargo costs associated with belly and freighter operations, variable Aircraft Rental expenses (non-cash P&L effect) and CIP expenses.

# Passenger CASK ex-fuel of US\$ 4.0 cents in the period



- Over US\$1 billion in cost savings initiatives implemented in 2020 and 2021.
- In the quarter, LATAM group reported a Passenger CASK ex fuel of 4.0 cents, 3.7% less than the one in 2019, offsetting the region's high inflation in recent years.
- In contrast to the average CASK ex-fuel of US carriers, LATAM's unit costs are decreasing.



Source: Financial Statements March 2023 and Bloomberg.

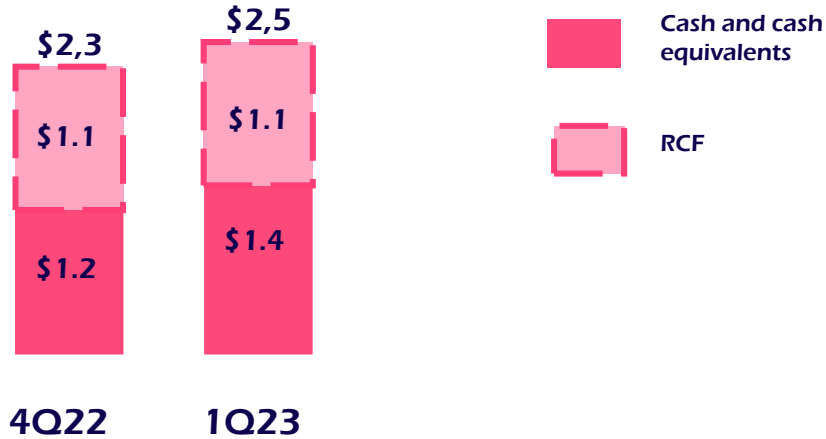
Note: The selected US Carriers are American Airlines, Delta, United and Southwest airlines.

Passenger CASK ex fuel excludes cargo costs associated with belly and freighter operations, variable Aircraft Rental expenses (non-cash P&L effect) and CIP expenses

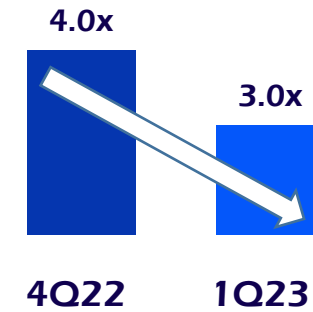
# LATAM reported liquidity of US\$ 2.5 billion and adjusted leverage of 3.0x, showing quarter over quarter improvement



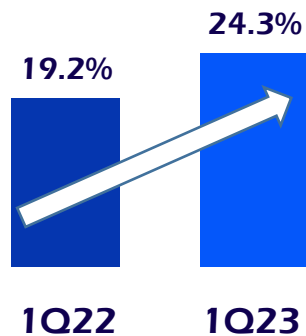
LATAM Liquidity  
(US\$ billion)



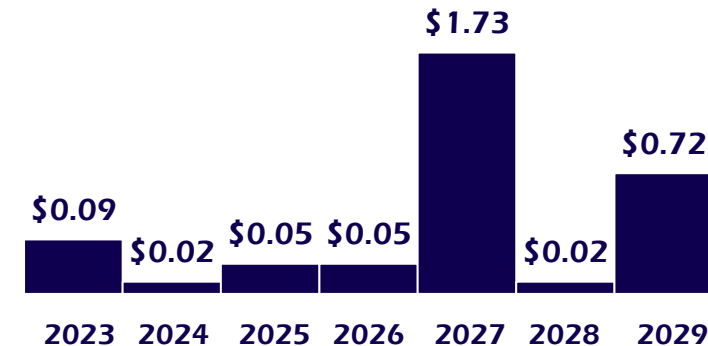
LATAM Adj. Leverage  
(Net Debt / Adj. EBITDAR)



LATAM Liquidity\*  
(% of LTM revenues)



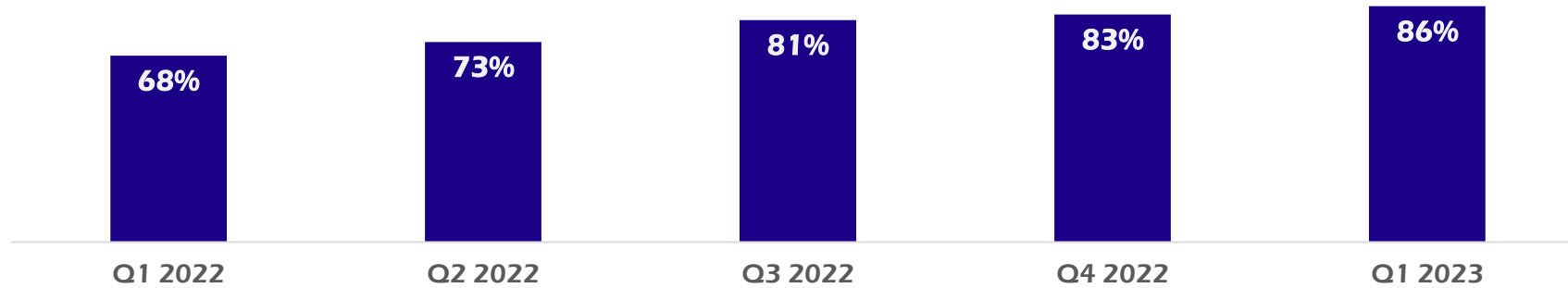
Non-Fleet Debt Maturity Profile  
(US\$ billion)



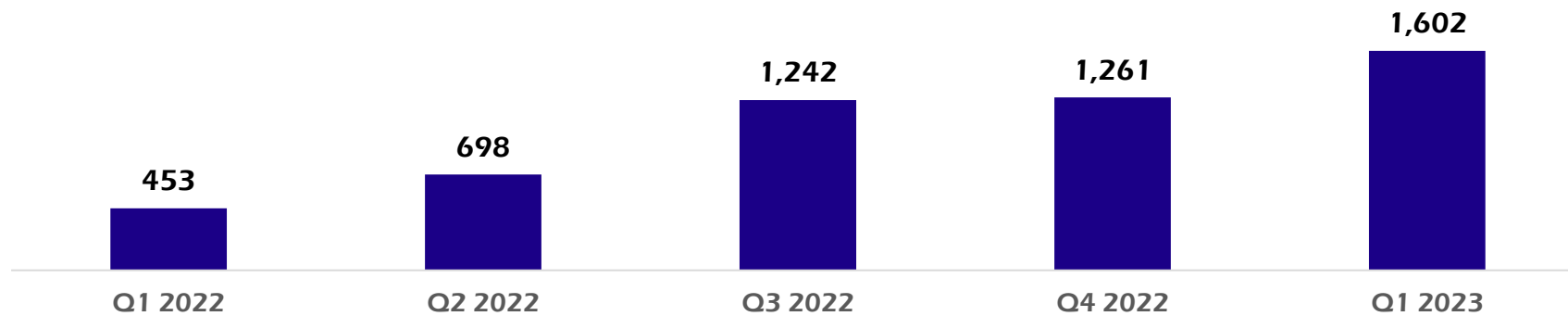


# LATAM group has also seen a sustained improvement in both its capacity and financial results

### Capacity (ASK) vs 2019 levels (%)



### EBITDAR LTM (US\$ million)







Unlevered Free Cash Flow	For the three month period ended March 31
<i>\$ millions</i>	
Adjusted EBITDAR	573
Income Statement adjustments for special items	(8)
<b>EBITDAR</b>	<b>565</b>
Changes in working capital	(65)
Cash taxes	(6)
Operating lease payments	(108)
Interest Income	23
<b>Adj. Operating cash flow</b>	<b>409</b>
Maintenance Capex	(110)
Capex for growth & Fleet Capex Net of Financing	(10)
<b>Adj. Investment cash flow</b>	<b>(120)</b>
<b>Adj. Unlevered FCF</b>	<b>289</b>
Interest on financial debt	(38)
Interest on finance leases	(18)
<b>Adj. Levered FCF</b>	<b>233</b>
Finance lease amortization	(80)
Non-Fleet Financial debt amortization, net	(3)
Statutory Dividends	0
Other (Incl. Asset Sale, Fx and others)	48
<b>Adj. Financing &amp; Others cash flow</b>	<b>(91)</b>
<b>Change in cash</b>	<b>199</b>

# First quarter takeaways



1

Capacity increase

**LATAM group increased its capacity (ASKs) by 26.3% compared to 2022, and reached a load factor of 81% during this quarter.**

2

Net income and double digit margin

**Net Income of US\$ 121.8 million and adjusted operating margin of 10.5% at the end of the first quarter of the year.**

3

Continued cost efficiency

**Passenger CASK ex fuel of 4.0 cents, 10% lower than 2022 and 4% lower than 2019, offsetting the region's high inflation in recent years.**

4

Liquidity and cash generation improvements

**LATAM group improved liquidity by US\$ 199 million in the quarter, reaching US\$ 2.5 billion.**

5

Adj. Leverage reduction

**LATAM continued to reduce leverage, reporting Adj. Leverage (Net debt / Adj. EBITDAR) of 3.0x.**



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