



*Results presentation*

# *Second Quarter 2023*

*August 3, 2023*



# Disclaimer



Neither the United States Securities and Exchange Commission (“SEC”) nor the Chilean Comisión para el Mercado Financiero (the “CMF”) nor any securities commission of any other U.S. or non-U.S. jurisdiction has reviewed, approved or disapproved of this Presentation, or determined that this Presentation is truthful or complete. No representations or warranties, express or implied, are given in, or in respect of, this Presentation. To the fullest extent permitted by law in no circumstances will LATAM or any of its respective subsidiaries, shareholders, affiliates, representatives, directors, officers, employees, advisers or agents be responsible or liable for a direct, indirect or consequential loss or loss of profit arising from the use of this Presentation, its contents, its omissions, reliance on the information contained within it, or on opinions communicated in relation thereto or otherwise arising in connection therewith. Industry and market data used in this Presentation have been obtained from public filings from industry competitors, third-party industry publications and sources as well as from research reports prepared for other purposes. LATAM has not independently verified the data obtained from these sources and cannot assure you of the data’s accuracy or completeness. This data is subject to change. In addition, this Presentation does not purport to be all-inclusive or to contain all of the information that may be required to make a full analysis of LATAM. Viewers of this Presentation should read the same in full together with the Company’s SEC filings indicated herein and each make their own evaluation of LATAM and of the relevance and adequacy of the information taken as a whole and should make such other investigations as they deem necessary.

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, 2022.

## 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.

# Second Quarter Highlights



1 Healthy demand

During the quarter, **demand growth was healthy, increasing by 28.6%** compared to 2022. **Consolidated load factor reached 80.4%**. LATAM continued recovering its operations, reaching 93% of 2019 levels.

2 Strengthened network

The group currently **operates to 143 destinations** and during the second quarter strengthened its network adding 3 new routes within the scope of the JV with Delta Air Lines. Additionally **the Colombian affiliate's market share increased to 33%**.

3 Best second quarter

**Record operating income** in the second quarter with **10.1% adjusted operating margin** and record adjusted EBITDAR for the second quarter of the year, **posting US\$559 million in adjusted EBITDAR**.

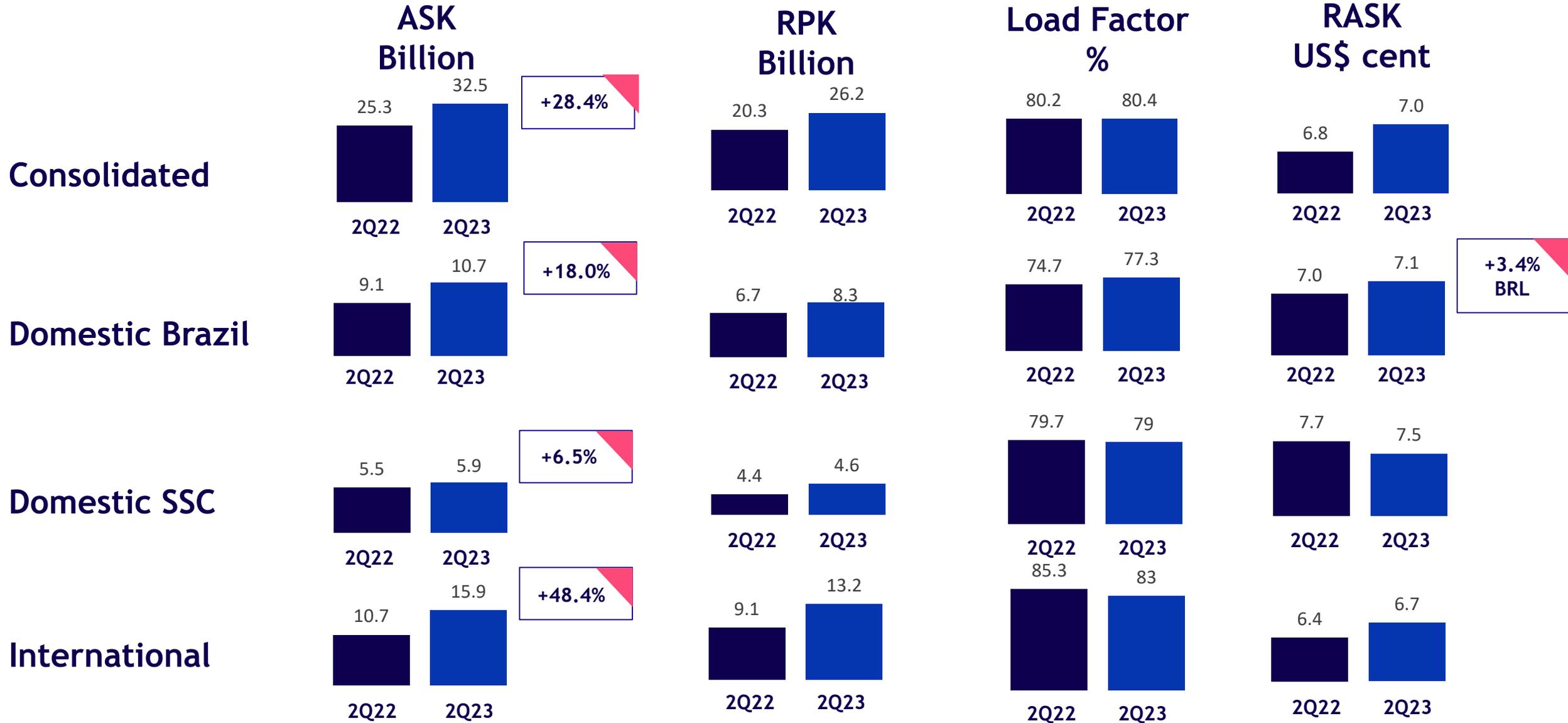
4 Robust balance sheet

LATAM continued to improve its balance sheet, quarter over quarter, reporting a **total liquidity of US\$2.6 billion** and **Adj. net Leverage (Net debt / Adj. EBITDAR) of 2.4x**.

5 Improved Guidance

LATAM raised its FY 2023 projection of **Adjusted EBIT margin to 10% - 11%**, its **Adjusted EBITDAR to US\$2.35b – US\$2.5b** and **adjusted net leverage to 2.4x – 2.5x**.

# International operations grew 48% during the quarter in a healthy demand and strong RASK environment

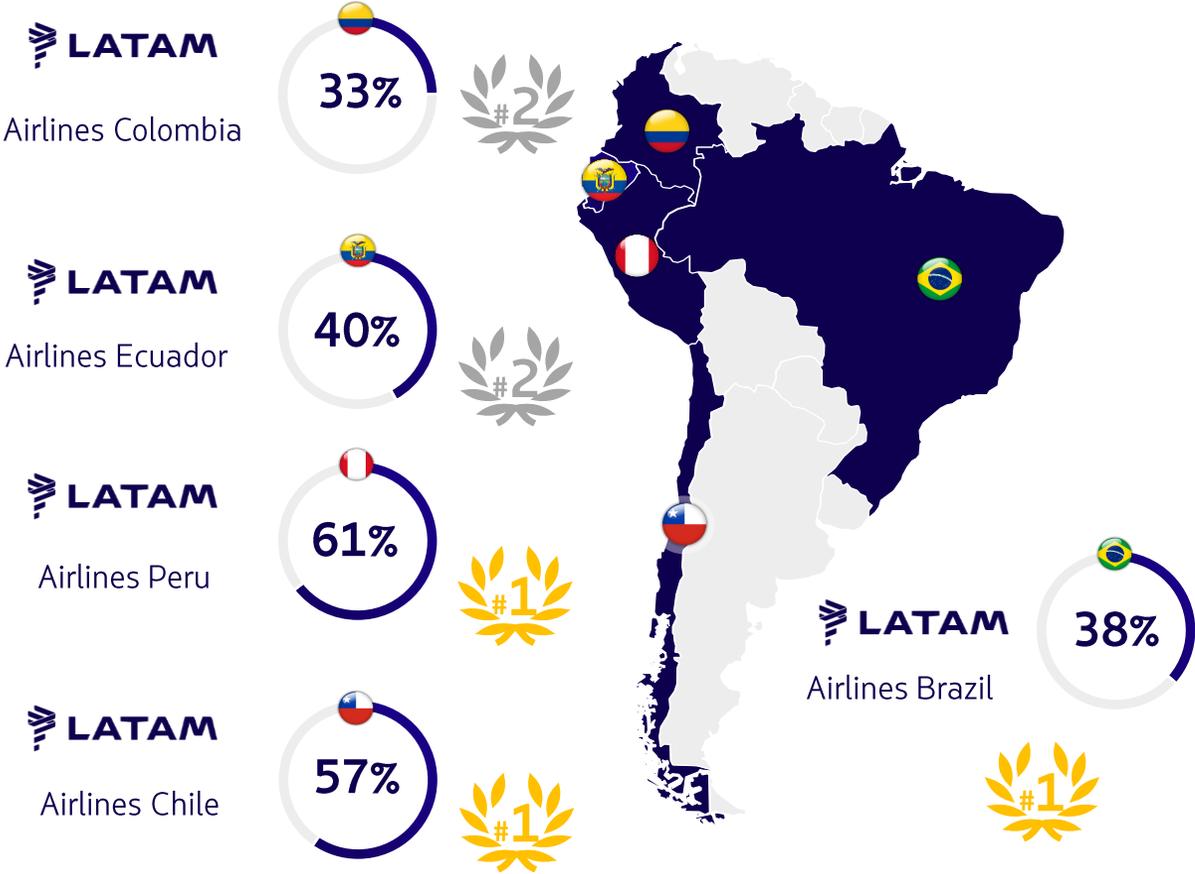


Note: Domestic Brazil refers to LATAM Airlines Brazil domestic operations. Domestic Spanish speaking countries refers to domestic operations of LATAM Airlines Chile, LATAM Airlines Colombia, LATAM Airlines Ecuador, and LATAM Airlines Peru. International operations refers to international operations of LATAM Airlines Brazil, LATAM Airlines Chile, LATAM Airlines Colombia, LATAM Airlines Ecuador and LATAM Airlines Peru

# LATAM group affiliates are leaders in their domestic markets



## Domestic Affiliate Market Share<sup>1</sup> 2Q2023



LATAM Airlines Colombia market share increased to 33% in the second quarter after the recent changes in the airlines industry in Colombia.



LATAM Airlines Brazil codeshare Agreement with Voepass added 13 new destinations to its network.



LATAM Airlines Chile increased frequencies to Easter Island, an iconic destination (6 times per week).

Domestic Market shares for the second quarter of 2023, Peru: June data not available  
 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 group international operations continue to increase in the region



## International Capacity Share

ASK 2Q2023



Within South America



South America –  
Oceania / Asia Pacific



South America –  
North America\*



South America –  
Europe



- International operations account for 40% of last six month total revenues.
- The group's international operations continue to recover and achieved a recovery of 80.5% in the second quarter of 2023, compared to 2019.
- LATAM group will connect South America to four continents in the second half of 2023 with the return of its Sao Paulo – Johannesburg flight.
- LATAM Airlines Brazil announced an agreement with the South African carrier Airlink, adding 40 new destinations to the network.

### LATAM + Delta Air Lines JVA is a game changer in the region

- Six new international routes and one increased frequency in a route that was already operating have been announced within the scope of the JV, since its approval.
- LATAM group and Delta JV routes that connect South and North America have 26% of the market capacity share.

# LATAM posted a record second quarter with 10.1% adjusted EBIT margin



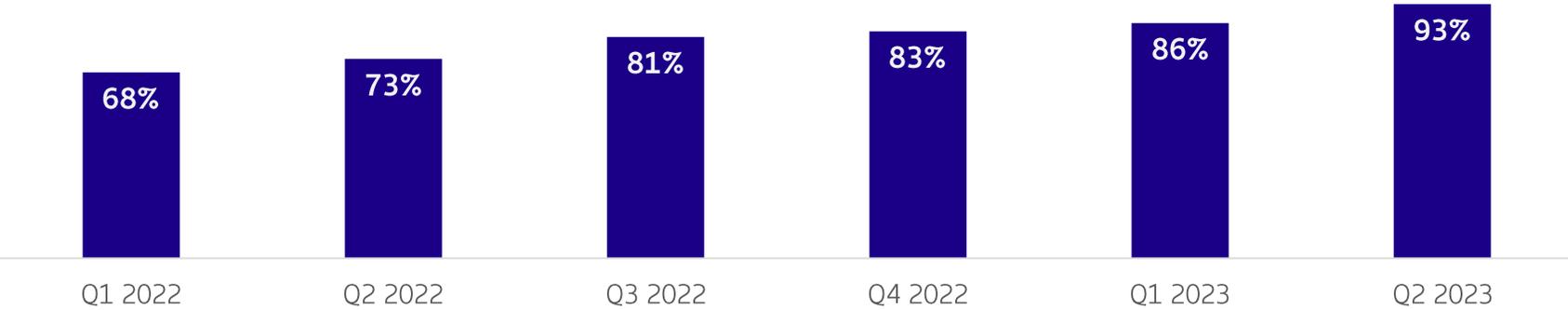
	2Q2023	Change (%) vs 2Q2022	1H2023	Change (%) vs 1H2022
Revenues (US\$ million)	2,676	20.2%	5,482	31.0%
Passengers (US\$ million)	2,278	32.9%	4,672	46.0%
Cargo (US\$ million)	355	-23.2%	733	-18.0%
Total Adjusted Expenses (US\$ million)	2,405	2.8%	4,915	12.6%
Fuel cost (US\$ million)	851	-10.4%	1,910	12.4%
Cost ex-fuel (US\$ million)	1,554	11.9%	3,005	12.7%
<b>Adjusted EBIT (US\$ million)</b>	<b>271</b>	<b>N.A.</b>	<b>566</b>	<b>N.A.</b>
Adjusted EBIT Margin	10.1%	15.2 p.p.	10.3%	14.7 p.p.
<b>Adjusted EBITDAR (US\$ million)</b>	<b>559</b>	<b>226.4%</b>	<b>1,132</b>	<b>186.6%</b>
<b>Net income (US\$ million)</b>	<b>145</b>	<b>N.A.</b>	<b>267</b>	<b>N.A.</b>
Passenger CASK ex-fuel <sup>1</sup> (US\$ c)	4.3	-10.4%	4.1	-10.9%
Adj. Leverage (Net Debt / Adj, EBITDAR)	2.4x	N.A.	2.4x	N.A.
Liquidity (US\$ billion)	2.6	24.5%	2.6	23.8%
Fleet Cash Cost (US\$ million)	180	-	379	-

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 (Company incentive plan) expenses.

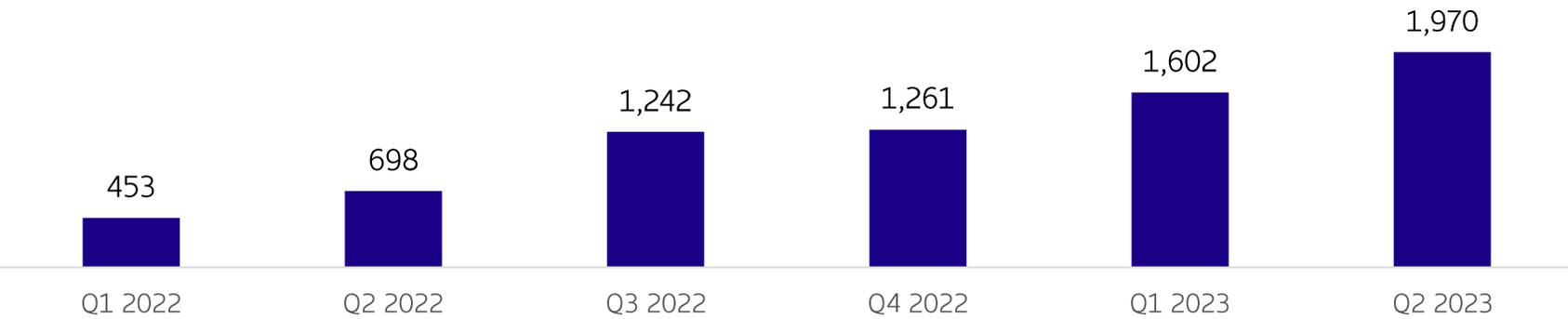
# LATAM group has also seen a sustained improvement in both its capacity now reaching 93% of pre-pandemic operation, and financial results



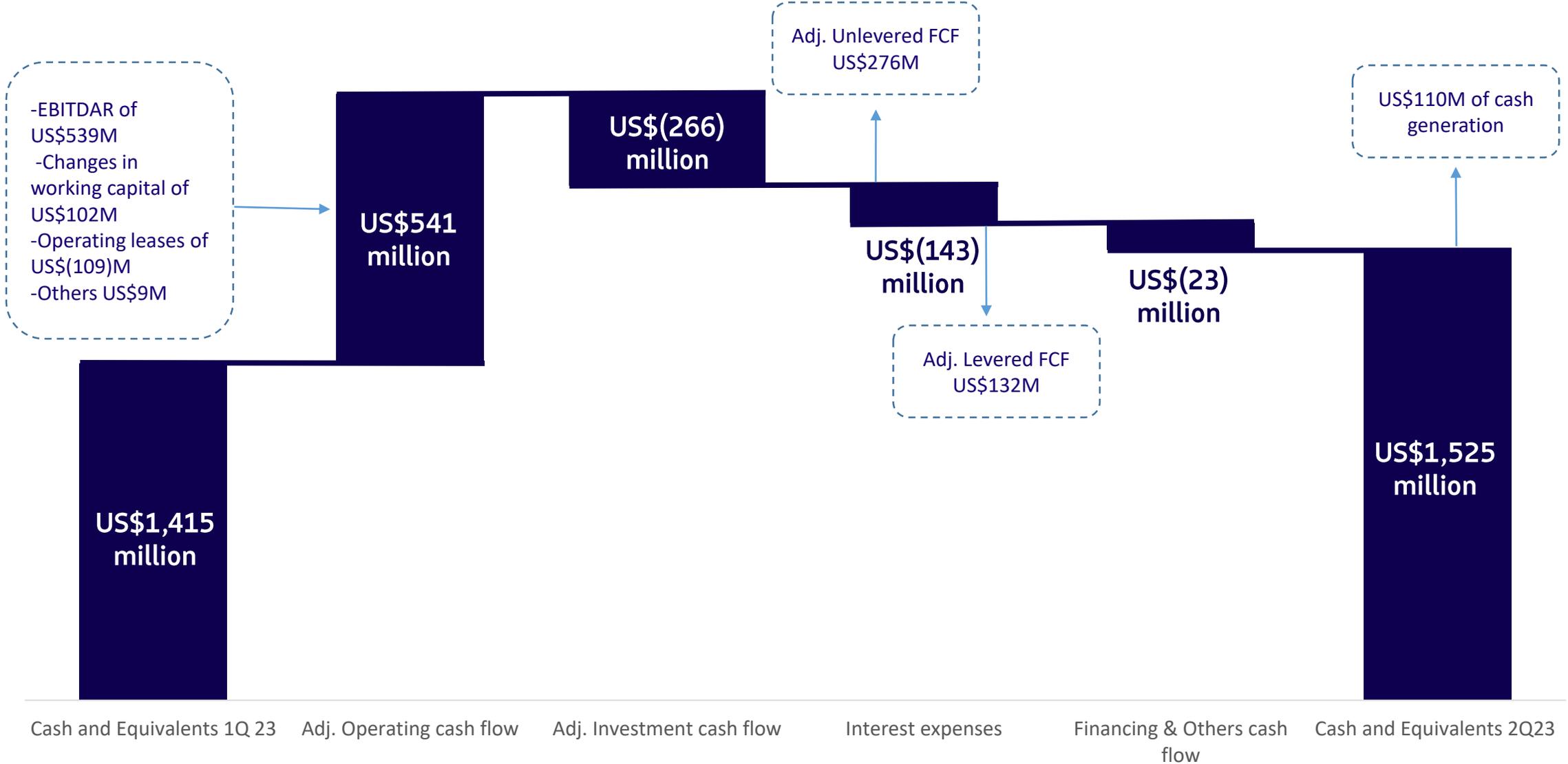
### Capacity (ASK) vs 2019 levels (%)



### EBITDAR LTM (US\$ million)



# LATAM group generated US\$110 million cash in the second quarter, totaling US\$309 million in the first half of the year





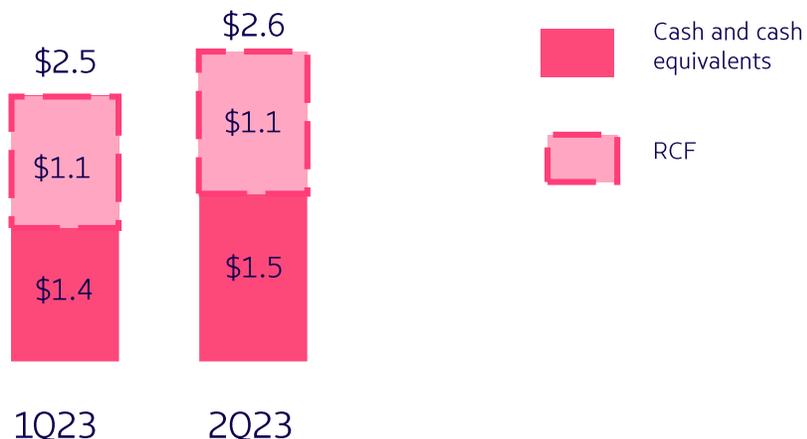
Unlevered Free Cash Flow	For the three month period ended June 30	For the six month period ended June 30
<i>\$ millions</i>		
Adjusted EBITDAR	559	1,132
Income Statement adjustments for special items	(19)	(28)
<b>EBITDAR</b>	<b>539</b>	<b>1,104</b>
Changes in working capital	102	37
Cash taxes	(6)	(12)
Operating lease payments	(109)	(217)
Interest Income	14	38
<b>Adj. Operating cash flow</b>	<b>541</b>	<b>951</b>
Maintenance Capex	(176)	(286)
Capex for growth & Fleet Capex Net of Financing	(90)	(99)
<b>Adj. Investment cash flow</b>	<b>(266)</b>	<b>(386)</b>
<b>Adj. Unlevered FCF</b>	<b>276</b>	<b>565</b>
Interest on financial debt	(125)	(163)
Interest on finance leases	(19)	(37)
<b>Adj. Levered FCF</b>	<b>132</b>	<b>365</b>
Finance lease amortization	(57)	(136)
Non-Fleet Financial debt amortization, net	(3)	(6)
Statutory Dividends	-	-
Other (Incl. Asset Sale, Fx and others)	37	85
<b>Adj. Financing &amp; Others cash flow</b>	<b>(166)</b>	<b>(257)</b>
<b>Change in cash</b>	<b>110</b>	<b>309</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,415	1,217
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,525	1,525
Fleet Cash Cost <sup>1</sup>	(180)	(379)

1) Fleet Cash cost includes Finance lease amortization, Interests on finance leases and Operating lease payments (Excluding Non-fleet lease liabilities)

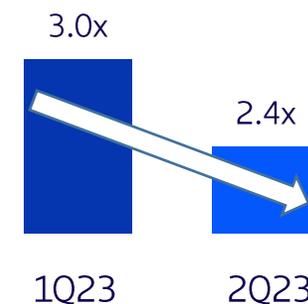
# LATAM reported liquidity of US\$ 2.6 billion and adjusted leverage of 2.4x, noting another quarter-over-quarter improvement



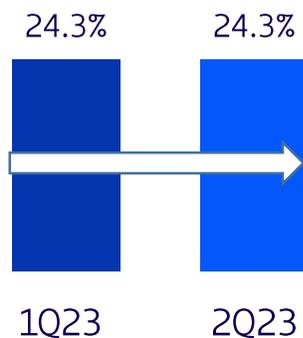
LATAM Liquidity  
(US\$ billion)



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



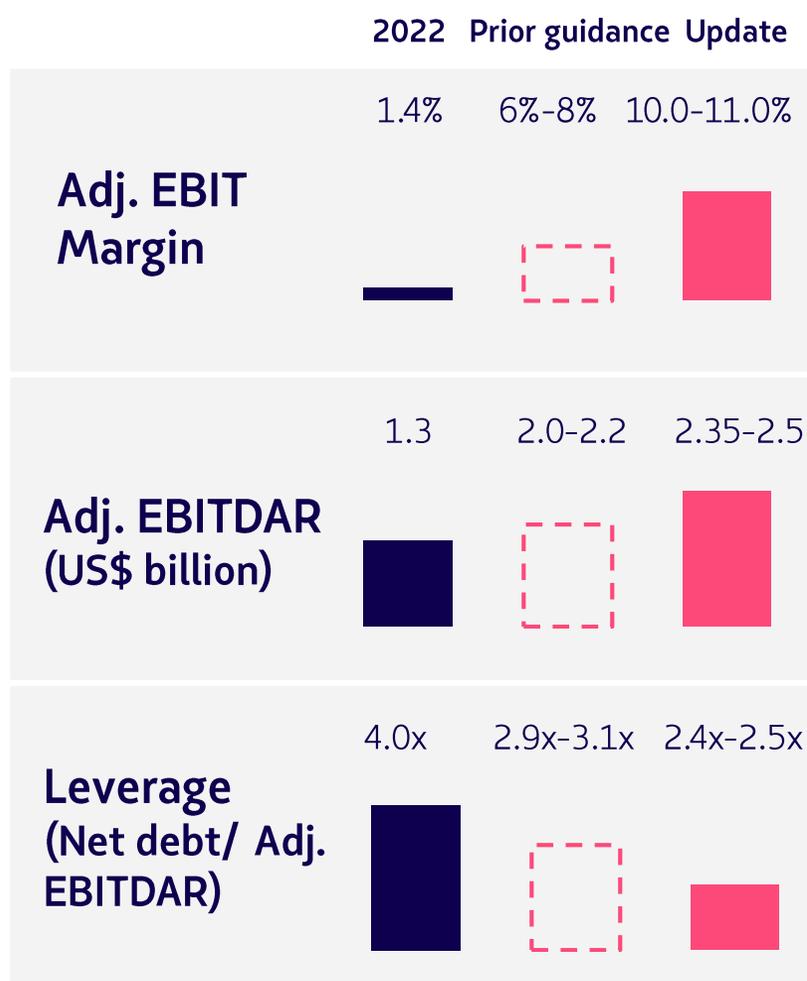
LATAM Liquidity\*  
(% of LTM revenues)



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



# LATAM updates its guidance with a better perspective for FY 2023

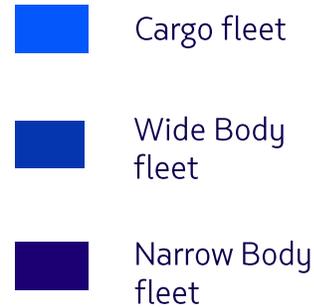


Guidance	Updated 2023E	Previous 2023E
ASK Growth vs 2022 International	35% - 37%	37 - 40%
Brazil Domestic	8% - 10%	8 - 11%
Spanish Speaking Countries Domestic	6% - 8%	8 - 11%
TOTAL	20% - 22%	20 - 24%
ATK Growth vs 2022	16% - 18%	20 - 23%
Revenues (US\$ billion)	11.3 - 11.6	11 - 11.5
CASK ex fuel (US\$ cents)	4.8 - 4.9	4.6 - 4.7
Passenger CASK ex fuel (US\$ cents)	4.2 - 4.3	4.0 - 4.1
EBIT Margin	9.0% - 10.0%	5 - 7%
<b>Adjusted EBIT Margin</b>	<b>10.0% - 11.0%</b>	<b>6 - 8%</b>
<b>Adjusted EBITDAR (US\$ billion)</b>	<b>2.35 - 2.50</b>	<b>2.0 - 2.2</b>
Liquidity (US\$ billion)	2.6 - 2.7	2.3 - 2.4
Financial Net Debt (US\$ billion)	5.7 - 5.8	6.1 - 6.2
<b>Net Debt/Adjusted EBITDAR (x)</b>	<b>2.4x - 2.5x</b>	<b>2.9x - 3.1x</b>
<b>Assumptions</b>		
Average exchange rate (BRL/USD)	4.8	
Jet fuel price (US\$/bbl)	100	

# Despite a capacity constrained market, LATAM group is confident in its fleet renovation and growth plan

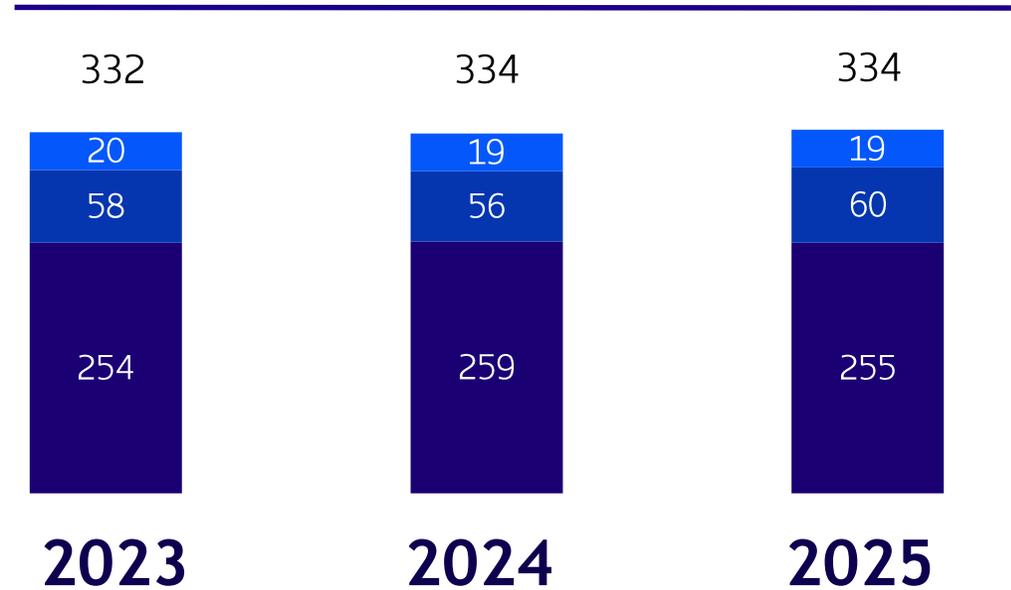


- In the first half of the year LATAM group has received 6 aircraft.
- LATAM group has orders for 82 narrow body and 2 wide body aircraft with Airbus and Boeing, respectively and has commitments to receive 19 narrow body and 8 wide body aircraft from lessors in the next 7 years.
- The group's current fleet has flexibility in terms of its retirement management strategy.



## LATAM Group Fleet Plan

As of end of the year



# The group is committed to its sustainability strategy at all levels of the organization



CLIMATE  
CHANGE

LATAM group started the program "1+1 offset to conserve". For every ton of CO2 that is compensated by the customers, LATAM compensates the same amount, doubling the impact.

LATAM Airlines Colombia announced the partnership with Bio-D, one of the main companies in Colombia leading the search for sustainable energy solutions.



CIRCULAR  
ECONOMY

LATAM cargo affiliates were distinguished by the IATA as winners of the Air Cargo Innovation Award for its plastic reduction projects in its cargo operations in Chile and Brazil.

During the second quarter of the year, LATAM group reached an 88% reduction of single-use plastics in onboard passenger services and an 82% reduction in the group's total operations thanks to the implementation of circular economy projects, which meant a total reduction of 1,600 tons of plastic, equivalent to 266 million plastic bags.

# Second Quarter Takeaways



Capacity growth of 28.4%, levered on international operations with 48% capacity growth.



Strong operating income in the second quarter with 10.1% adjusted operating margin.



Record adjusted EBITDAR for the second quarter of the year, posting US\$559 million. Last twelve months EBITDAR of US\$1,970 million.



Total liquidity of US\$2.6 billion and Adj. Leverage (Net debt / Adj. EBITDAR) of 2.4x.



Improved guidance for FY 2023: Adjusted EBIT margin to 10% - 11% and Adjusted EBITDAR between US\$2.35 – 2.5 billion.



*Results presentation*

# *Second Quarter 2023*

*August 3, 2023*

