

# First Quarter 2020 Results Presentation

June, 2020



# First Quarter 2020 Highlights of LATAM group

## Operations & Network



- Operating only 5% of ASK
- Mainly domestic Chile and Brazil
- Suspended guidance
- Capacity by year end 50% - 70%

## Society factor



- Flown over 105 thousands passengers back home
- Commitment to the medical staff working in the control of the pandemic
- LATAM Cargo performing solidarity flights

## Five priorities to face the crisis



- Focus on preserving liquidity
- Adapt to new reality
- Adjust size of the group
- Maintain connectivity
- Selectively allocation of resources

## Financial position

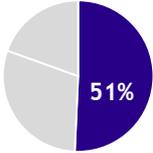
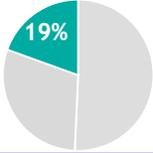


- Liquidity of US\$1.7 bn
- Operating margin 4,1% (+0.8 p.p)
- Leverage 4.0x (same as December 2019)

# First Quarter 2020 Financial Summary

(US\$ Millions)	1Q20	1Q19	Change
<b>Total Operating Revenues</b>	<b>2,352</b>	<b>2,525</b>	<b>-6.8%</b>
Passenger	2,014	2,168	-7.1%
Cargo	252	263	-4.2%
Others	86	94	-8.1%
<b>Total Operating Costs</b>	<b>-2,256</b>	<b>-2,443</b>	<b>-7.6%</b>
Fuel	-652	-747	-12.6%
Ex-fuel	-1,604	-1,697	-5.5%
<b>Operating Income</b>	<b>96</b>	<b>82</b>	<b>16.8%</b>
Operating Margin	4.1%	3.3%	+0.8 p.p.
<b>Net Income</b>	<b>-2,120</b>	<b>-60</b>	<b>n.a.</b>
<b>EBITDA</b>	<b>479</b>	<b>433</b>	<b>10.4%</b>
EBITDA Margin	20.4%	17.2%	+3.2 p.p.

# First Quarter 2020 Operating Statistics

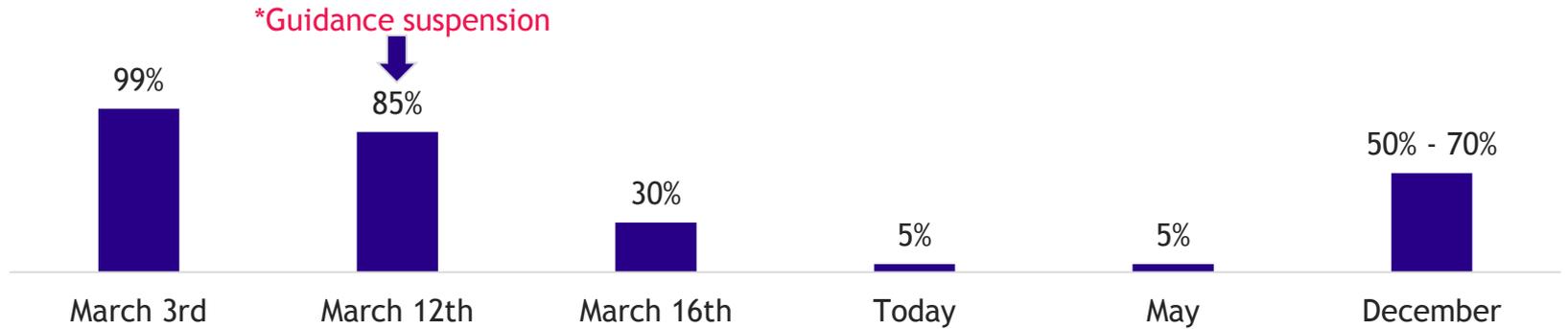
% YoY	System Capacity	Capacity (ASK)	Traffic (RPK)	Load Factor	RASK/RATK (USc) <sup>1</sup> (% YoY)
International (Long Haul & Regional)		-17.1%	-20.5%	81.6% (-3.5 p.p.)	5.9 (+6.1%)
Domestic Brazil		+12.5%	+11.1%	81.1% (-1.0 p.p.)	6.0 (-2.5%)
SSC Domestic		+0.2%	-4.8%	79.9% (-4.3 p.p.)	6.1 (-5.7%)
Passenger		-6.6%	-10.1%	81.0% (-3.1 p.p.)	5.7 (-0.6%)
Cargo <sup>2</sup>		-1.1%	-7.4%	52.5% (-3.6 p.p.)	15.9 (-3.2%)

BRL  
1Q20: +10.7%

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

# COVID-19 forced LATAM group to adjust passenger operations

% ASKs in operation<sup>1</sup>



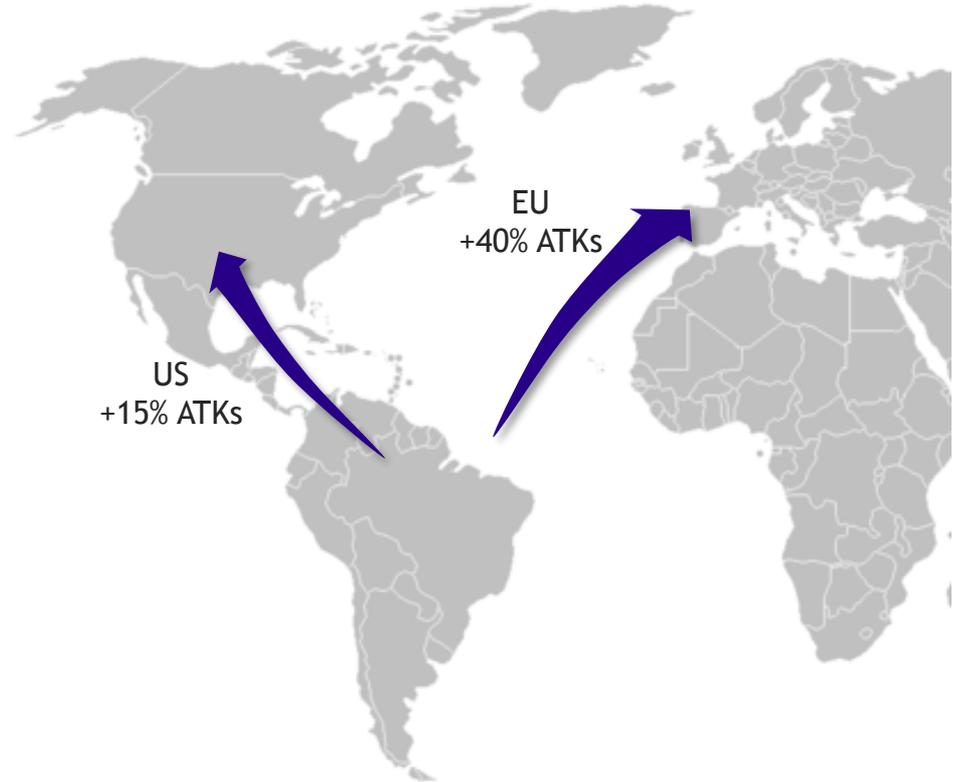
## Current operations

Operation Type	Chile	Brazil	Peru	Colombia	Argentina	Ecuador
Domestic	✓	✓	✗	✗	✗	✗
International	✗	✗	✗	✗	✗	✗

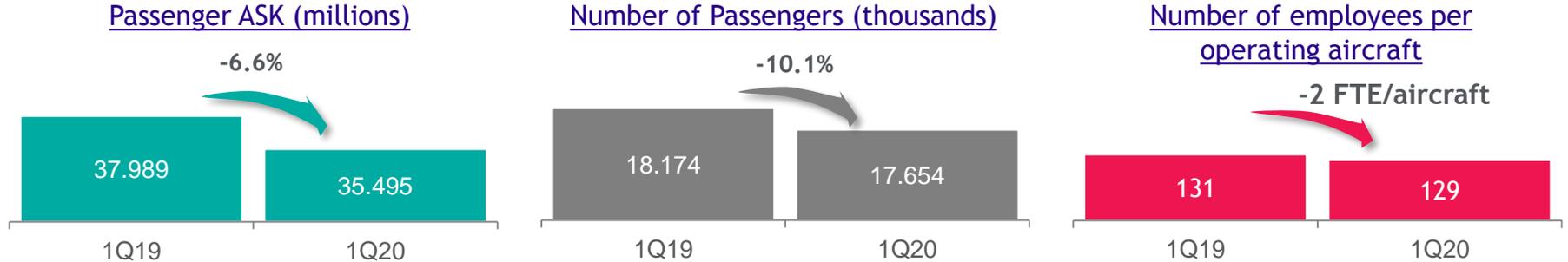
<sup>1</sup> As % of pre-crisis levels

# LATAM Cargo and affiliates have not been affected by the closing of borders

- ✓ A 7th frequency was launched to Europe (+40% of capacity compared original operations)
- ✓ Capacity to US increased 15%
- ✓ +40 exclusively cargo flights made with passenger planes
- ✓ New destinations: Ciudad de México and Los Angeles
- ✓ 1st flight to China bringing medical supplies to Chile



# Cost per ASK fell by 1.2% YoY in the quarter



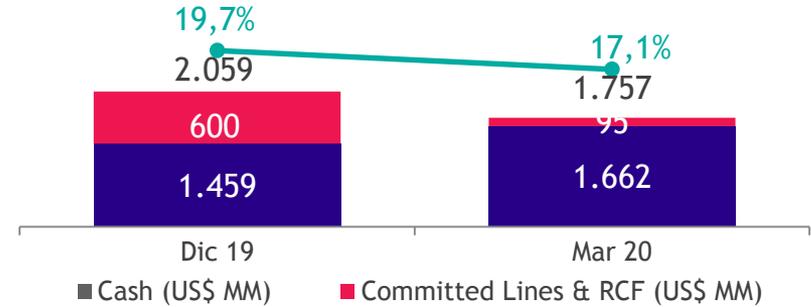
Total Costs US\$MM	1Q20	1Q19	Change
Fuel Cost	652	747	-12.6%
Wages & Benefits	406	476	-14.7%
Fleet Cost	477	456	+4.7%
Others	721	765	-5.8%
Operating Costs	2,352	2,525	-6.8%
CASK(US cents)	6.4	6.4	-1.2%
CASK ex-fuel (US cents)	4.5	4.5	+1.2%

# First quarter 2020 credit metrics

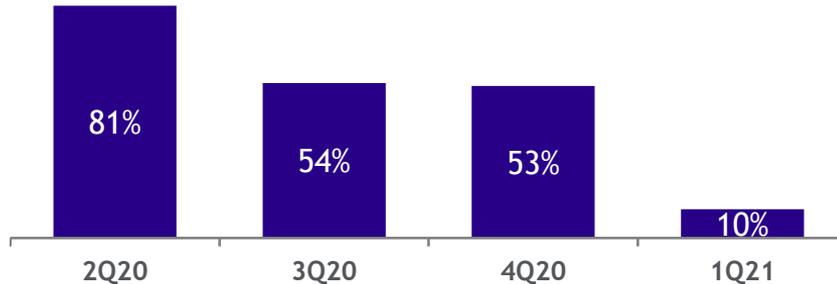
## Net Debt / EBITDA LTM



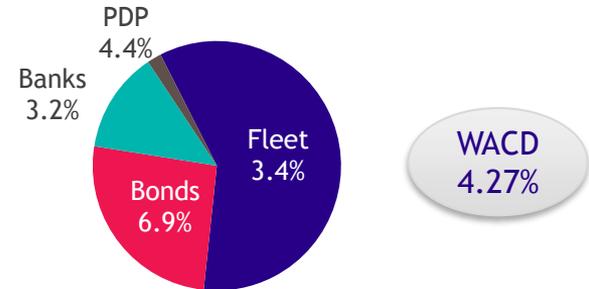
## Cash and Equivalents as % of LTM revenues



## Fuel Hedge (% consumption)



## Cost of debt as of March 31, 2020



# To confront the crisis, 5 short term priorities were defined

1. Maximize LATAM's liquidity
2. Take advantage of the crisis to transform LATAM group to a new reality
3. Adequate our resources to our future size
4. Enhance connection with our clients, employees and society; with an impeccable execution from the sanitary standpoint
5. Invest in key projects, being highly selective in them





# First Quarter 2020 Results Presentation

June, 2020

