

Company Name: Latam Airlines  
Company Ticker: LTM CI  
Date: 2026-03-17  
Event Description: JP Morgan Industrials Conference

Market Cap: 13011734.103227535  
Current PX: 22.65999984741211  
YTD Change(\$): -1.99  
YTD Change(%): -8.073

Bloomberg Estimates - EPS  
Current Quarter: 0  
Current Year: 0.002  
Bloomberg Estimates - Sales  
Current Quarter: 3784.8  
Current Year: 15956.6

## JP Morgan Industrials Conference

### Company Participants

- Tori Creighton, Head of Investor Relations
- Roberto Alvo, Chief Executive Officer

### Other Participants

- Guilherme Mendes, Analyst

### Presentation

#### Guilherme Mendes, Analyst

Okay testing, testing. It's working. Good afternoon, everybody. Thanks for joining. For those that do not know me, my name is Guilherme Mendes. I'm the JPMorgan analyst covering airlines for Latin America, including LATAM Airlines. More than glad to welcome Roberto Alvo here today. I guess before we started, Tori will make some quick comments, and then we can get it started.

#### Tori Creighton, Head of Investor Relations

Thank you very much, and thank you, everyone, for being here. It's a pleasure to be here with you all today.

Before I turn the call over to Roberto and Guilherme for some brief remarks and then kicking off our fireside chat, I'd just like to remind you all that certain statements in this session may be forward-looking statements relating to the Company's future plans, objectives and expectations.

These statements are based on a range of assumptions that LATAM believes are reasonable, but are subject to certain uncertainties that are outlined and discussed in detail in our 20th, our CMF and SEC filings. And the Company's actual results may differ significantly from those that are projected or suggested, any forward-looking statements due to the variety of those factors.

So, with that, I will turn it over to Roberto for a few introductory remarks.

#### Roberto Alvo, Chief Executive Officer

Thank you very much. Thanks, Guilherme, for hosting me here. I think it's an interesting time to be in this industry. At this moment, we're coming off the back of the best year ever of LATAM, with very solid margins, cash flow, a great position in the market. And as I look forward, I look our operation, what we're doing, with a lot of optimism, I think that LATAM stands to continue standing out in the region going forward, with a very good execution, with very good drive for premium passenger and premium revenue coming forward.

So, despite of the crisis that we're seeing, at this point in time, with the war in Iraq, I think that this happens in the best moment that the time has ever been, and it's a good place to be, given the fact that we have this crisis. So, thanks, again for having me.

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## Questions And Answers

### Guilherme Mendes, Analyst

Yes, thank you. So, let me start with the -- with we exit 2025, as you mentioned, as a stellar year, the Company revised its guidance three times, if I'm mistaken. And then, we started 2026, as you mentioned, a very good position. And then, the war heat. So, I mean how you're seeing 2026 in terms of demand environment, and the LATAM's ability to potentially compensating despite on oil prices going forward?

### Roberto Alvo, Chief Executive Officer

So, demand started -- the year started with very strong demand figures. We have released our general February traffic report. As you've seen, it very strong. We see in every segment, whether it's passenger, whether it's cargo, in general, a very good demand trend. LATAM is more exposed to premium travel, to corporate market share, to premium leisure than most of the areas in the region that I think puts us in a very good situation vis a vis the current position.

Let me just give you one figure. LATAM has 40% of domestic market share capacity in Brazil, but we're closer to 50% in corporate market share for domestic Brazil. So, in that sense, this is happening on the back of a very strong environment. Our revenues are growing much faster than capacity is. And in the last two or three weeks, we have seen, despite of the, of the news, geopolitically, no impact on any of the segments where we're operating.

Much on the country, I think we've seen an acceleration of revenues in the last two or three weeks. We've seen the industry being very active in passing the cost of higher fuel into prices. And in our case, we have seen a good response in the most important markets where we operate.

### Guilherme Mendes, Analyst

Great. Put into perspective what we saw in 2022, kind of similar situation with the Russia and Ukraine and the spoken IO, if I recall it correctly, the industry, we're able to pass it through, if not 100% of it, a big chunk of it. Do you think that we might be in the same situation, meaning demand is strong enough for the current oil curve to be compensated?

### Roberto Alvo, Chief Executive Officer

I think the dynamics are actually a little bit better in 2022. If you remember, still the industry was coming out of the effects of the pandemic. I don't think that demand was in such a strong position. We still have a few waves of Covid hitting us from time to time. Today the demand environment, I think is much healthier than the one we saw at that time.

We had a bigger capacity reduction in 2022 in some of the markets, just because demand wasn't as strong. At this point in time, what we're seeing is some reduction in marginal flying of some of our competitors. I think that this is fair that will continue happening. There's probably a number of no regret decisions, in terms of capacity to be taken with this high full price. But I think that the fact of matter is that the situation on the revenue perspective is very solid today.

### Guilherme Mendes, Analyst

Perfect. And LATAM is the only airline in the region that actually hedges for fuel, right? Can you remind us your current policy? I mean how protected you were, at least, in the short term?

### Roberto Alvo, Chief Executive Officer

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Yes, our hedging policy is relatively simple. We are protected with options and collars, and they protect us within a range. So, this is, this is not designed for these price spikes, because we believe that the industry, at the end of the day without [ph] itself and higher costs will be passed on to onto prices or lower fuel on the other side, more than, more than the hedge in itself.

So, we have a policy where we'll cover around 40% of our volume, but that coverage happens only within a range of pricings with options. It's asymmetrical options, so that means we benefit more relatively on the higher prices than on the lower prices. But still, as we have disclosed priorly, covers also only within a range of prices

### **Guilherme Mendes, Analyst**

Perfect. And think about your guidance for the year, and think about maybe in the, in the short term, besides the potential ability to increase yields. On the cost front, we saw a major adjustment since the Chapter 11 process, CASK ex-fuel materially coming down. Do you see in your room, or maybe before that, what has changed since then, since Covid, since Chapter 11, and what leverage you still think you can pull --

### **Roberto Alvo, Chief Executive Officer**

So --

### **Guilherme Mendes, Analyst**

-- and optimize it?

### **Roberto Alvo, Chief Executive Officer**

-- the non-fuel cost, of course. So, yes. We have pretty much kept our cost per ASK constant since 2019, if you adjust for exchange rate and inflation. Actually, we are probably 16 or 17 percentage points of lower cost per ASK, as compared to 2019.

The Company doesn't think about cost reduction in programs done from time to time. This is a permanent action we do on a day-to-day basis. We run 500 or 700 -- 500 to 700 different initiatives to keep our costs down, and we have been able to, basically, offset all of the macro impacts over the last five years with that.

Going forward, the focus is the same. I think that technology actually now brings a very interesting opportunity to continue keeping our operations better. If you believe that we run an airline that transport 250,000 passengers today it's a big operation, and I think we do it pretty well, but if you believe that we cannot improve, that is a wrong assumption. I think that there's significant room for improvement.

But I think that that room for improvements can come on the side of how we treat, manage and use information, data. I'm not talking about AI, I'm talking about technology, in general. But that requires, I think to relearn how do we do many things. I think about technology not as something that you just showcase and say we're doing it is -- how we change the way we work? How do we embed the use of information and data into our teams? And I think that the potential that the industry has, as a whole, to streamline, improve their operations with technology is huge.

So, the focus is there. Regardless of the very good results we've had in the last two or three years, we will continue keeping this as one of the most significant advantages we have created in the last few years, and the destruction -- the restructuring helped, but this is way behind us already. Now, we're focusing on how we continue to have a leading cost position in the industry, despite of the macro environment.

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## Guilherme Mendes, Analyst

To that point, you said it's not all by AI, but AI seems to be a big thing for now, and so how the Company is adjusting to this? In reality, can you comment some of those technology investments that you have been making?

## Roberto Alvo, Chief Executive Officer

Yes, but more than investments, this is just rethinking the way we work. So, we embedded technology into the areas. Today there is no IT structure. The IT structure is very small, is -- the central IT structure is basically hardware only. The IT teams are within the area. So, the VP of Maintenance runs maintenance, together with all the IT work that they need to do to optimize their operations.

So, this is more than, more than a technological change. For me, it's a culture and an organizational change. So, what we're doing is, basically, piece by piece in the Company, we're transforming the way we have operated normally, and we're doing the same things that technology companies are doing, by simply having technology being another tool of the craftsmanship that the people that know how to run the business do on a day-to-day basis. We started with maintenance three years ago. It's amazing what we have achieved. I gave on Investor Day a very good example. I'll just repeat it.

With a team of eight people, four from the business, from technology, we were able to redo our long-term planning for maintenance, and we found 1.4% of the assets be given back to the business, basically by improving the long-term maintenance planning of the Company. The opportunity cost of the fleet [ph] of LATAM is probably \$15 billion, so 1.4% is \$200 million of incremental assets that I Created with a \$4 million investment, so return is 50 times. So, that's the potential that technology has to into streamlining operations. In an industrial company, whether it's an airline or an industrial company, I think that's a big portion of the future.

## Guilherme Mendes, Analyst

Amazing. And I remind everyone, if you want to ask questions, please feel free to raise your hand, and we can bring with the mic. But, Roberto, back to -- east had strong demand, despite all the, let's say uncertainties in -- regarding in fuel. Can you comment about competition? I guess the overall impression is that the competitive environment in the region, in Latin America, in general, has been pretty good. Post-pandemic, everybody kind of going to the same direction thinking about profitability. I mean just correct me if I'm wrong. But I mean how -- is that the case? Is competition really that healthy? And if anything has changed in recent weeks, once the -- those conflicts started?

## Roberto Alvo, Chief Executive Officer

Yes. I would say that we see a very rational market today. I think it's very clear, everyone want -- wants to make money. We have seen higher fuel prices being passed. The industry is very dynamic. In domestic Brazil, for example, there's been already four price increases --

## Guilherme Mendes, Analyst

Since the conflict started.

## Roberto Alvo, Chief Executive Officer

-- since the conflict started. I see capacity being relatively ordered, in terms of the number of planes that are bringing -- are coming to the industry. You see reports from our competition, as well -- just exited Chapter 11. We're a very clear

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plan of very little growth. And I see on the Pacific side, actually, we are the only non-ULCC operating on the Pacific side, which is good because it allows us to craft our product to what is really needed for the market, who is not an ULC customer.

And we have much lower exposure than most of the companies in the Pacific. And in this current environment, that is going to be a key distinguishing factor. I don't know what's going to happen with the crisis? Who knows. But I think that LATAM will -- is -- has positioned itself in a place where, at the end of the day support -- there's an opportunity on the back office. And I think that we'll be on the outset of this better place on a relative basis vis a vis the rest of the industry.

LATAM has an absolute advantage, which is its numbers, its balance sheet, very solid across the line. It has a relative advantage, which is that we're better positioned, whether it's on the revenue side, whether it's on the financial side, to overcome big swings in the markets, as the one we're seeing today. But all in all, today we see, in general, a market that that has been very stable, in terms of capacity. And actually LATAM is probably growing a little bit more than the average industry this year as well.

### **Guilherme Mendes, Analyst**

So, let me break down, thinking about the two main region at least in South America, one is Brazil, and one is Colombia, let's start with Colombia, maybe. Historically, is the region where we saw the -- let's say the most aggressive competition, in relative terms for the industry. It looks like the situation, it's kind of changing. I guess the rationality argument probably also applies to Colombia. But specifically, about that -- the market domestically, how EDA has been training?

### **Roberto Alvo, Chief Executive Officer**

We have 2024 that was -- had over capacity in domestic Colombia. 2025 was more stable. We see a level of stability today. I think that capacity and demand are in a good place. But I think the most important thing here is, at the end of the day carriers are more exposed to a more leisure travel segment.

Have a problem today. You said that either they try to pass on higher fuel prices at the expense of probably losing passengers because of them operating on more elastic segments of the market, or they try to keep their prices not higher, but then absorbing the whole of the fuel price increases. And that's a complicated place to be. And we see that, in general in the Pacific, not only in Colombia, but also in Peru and Chile, where the ULCCs -- the operators are target of more elastic market segment are going to be faced with the complicated decisions in the next few weeks, I think.

### **Guilherme Mendes, Analyst**

And then, and then think about Brazil now. So, Brazil is the largest domestic market that you operate. The past few years has been pretty good, in terms of competition, because Gol and Azul was dealing with their own restructuring process. We now see Gol came out of Chapter 11 last year. Azu is now coming out of their own restructuring. So, does anything change in Brazil for 2026?

### **Roberto Alvo, Chief Executive Officer**

I think that, before talking about them, I think it's important to talk about LATAM -- what we're doing, what we're set up to do. We have become, I believe, the leader, by far, clearly in Brazil, whether it's in the domestic industry, whether as the Brazilian operator that connects Brazil into the world. Today we have 40% capacity share domestic Brazil, as I said, close to 50% of corporate market share. We have almost 25% of international capacity share.

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From Brazil to the world, we have the largest, most complete frequent flyer program in South America, and particularly in Brazil. The delivery that we have, the service, the product today stands out completely vis a vis the rest of the industry. Our people are the best, by far. And I think that I can voice what said -- what Ed [ph] said in the morning, I heard him, and this is the only thing that you cannot copy. And I think that LATAM has the best people in South America, by far.

So, LATAM is put itself, I think in a leading position in its most important market, Brazil is 45% of what represents to LATAM, and it's 50% of the industry in South America with a footprint today that is very, very, very hard to equate. We have more than 55% of capacity sharing the most important market in South America, which is Guarulhos, 60% of the premium slots of Congohas -- and of Guarulhos are operated by LATAM.

So, regardless of what Gol and Azul do today I think that we will put ourselves in a position to lead the industry going forward with confidence, and I think that the consumers are seeing that.

Having said that, those two airlines exited our restructurings much later than what we did. I think that we took good advantage of the timing. And what I think about, or I see going forward in Brazil is the same -- with the same level of confidence, is just making sure that this is the preferred, and then for everybody that wants to fly within Brazil or to the world.

### **Guilherme Mendes, Analyst**

Great. And thinking still about Brazil and trying to connect with your freight plan, so you're bringing in a couple of Embraers, which is something new for a time. So, yes, can you comment about the decision to start operating the E2s, and your expectations in terms of deployment, timing, which route to be focusing first?

### **Roberto Alvo, Chief Executive Officer**

We're very, very pleasantly surprised with E2 -- what we have seen. I think it's a great airplane. I think it's going to be a great success in Brazil. South America, in general, is still -- do remember that it's a relatively immature market.

### **Guilherme Mendes, Analyst**

Yes.

### **Roberto Alvo, Chief Executive Officer**

I mean it's one-fourth of the passengers per capita you see in the US or in Europe. And many of the cities, the smaller cities, are very poorly connected. So, this is a great tool to provide LATAM with capillarity into their network on a -- on an aircraft that I think it's going to be extremely successful and extremely efficient.

And it can serve, in time, three purposes -- one is opening new routes, where we currently don't operate because the airport infrastructure doesn't allow it to operate, or because simply the economics don't make it work with a 319 or a 320. We'll see increased frequencies in certain routes, where actually, on certain times of day this is better to run a smaller airplane. And I think in time, this will be a good replacement of the 319, as well.

So, we have 24 firm -- we have 50 options, and we're extremely pleased with these. We're working very hard to make an entry into service 14 months after buying an aircraft that probably will be a world record.

### **Guilherme Mendes, Analyst**

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Yes.

### **Roberto Alvo, Chief Executive Officer**

But both Embraer and LATAM are very focused. And we're expecting today delivery of our first E2 in October. We'll receive a dozen by the end of the year. It will not alter the capacity of the year significantly, because they come at the end of it, but it will have full effect in 2027.

And the organization is ecstatic about it. I mean imagine the Brazilian we have 22 people in -- 22,000 people in Brazil. This is going to be a great, a great end of the year for us and for the organization when they enter service.

### **Guilherme Mendes, Analyst**

Yes. And the rest of your freight plan, think about the narrowbodies and the widebodies. I mean how has this been evolving airlines and aircraft coming time and is -- in delays?

### **Roberto Alvo, Chief Executive Officer**

It's better. We're seeing better performance from both Airbus and Boeing. Still not there yet. If you ask me, in times of deliveries, I -- you can see still some struggle, supply chain issues. Eventually, engines still an issue. We have a number of AOGs, because of engines on the Pratt side, but relatively small to the size of our fleet.

We have 41 aircraft arriving this year. So, 12 dd the 12 E2s that we talked about, plus 26 320s and three 787s. I think that the -- that will be, that will be met. I think that we will get deliveries of those airplanes relatively in time. So, the situation clearly much better than in the past years.

### **Guilherme Mendes, Analyst**

Yes. On -- the Embraer is still -- I know it's relatively small, and think about the total side of your fleet, but think about your unit cost. Does it change much having the E2s on your fleet together with the, with the narrowbodies?

### **Roberto Alvo, Chief Executive Officer**

So, of course it's a smaller airplane and it has a higher unit cost than a 320neo, but it the difference is not as significant as people think and it has a much better unit cost than the 319.

So, in time, as probably that fleet will start replacing some of the old 319s. I think that at the end of the day we will see some efficiency. But for the gage and for the range, I really think that the E2 is very well fine tuned. It's going to be a very efficient machine.

### **Guilherme Mendes, Analyst**

So, when I think of LATAM maybe five years from now, do you think that the number of Embraers you'll be operating will be increasing over time? It's more like, let's try to be more regional, or you might just replace the 319s, and that's it?

### **Roberto Alvo, Chief Executive Officer**

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We'll see. I mean we have 50 options. That's why we created that scenario, so that we can increase the size of the fleet. I think that for the time being, we're focused on the first deliveries. 2027, we'll think about that growth when time comes.

## Guilherme Mendes, Analyst

Any questions from the audience. So, Roberto, let's talk about the product. In recent years, I guess the discussions about the premium services, the loyalty program, and how LATAM has been able to achieve, let's say higher profitability relative to peers by offering this more premium product in the end. I mean how has it been changing in recent years, especially post-Chapter 11, and if you could comment about the profitability levels, about the premium passenger and the average passenger?

## Roberto Alvo, Chief Executive Officer

Okay. So, first, most important thing in LATAM, let me, let me explain our priorities. It's very simple, but very compelling, because you talk about product. But what matters in product, in our opinion, is, of course the delivery of the hard product, if you want the seats, the plane, the IFE, all of that is important, but I think much more about the software part.

The priorities in that time are very simple. It's first, are people. Second, are customers. Third, and environment. Fourth, our numbers, in that order. So, what I try to do is I try to solve the root cause. The root cause is, if I, if, if I want to have customers happy, first of all, I need to have people happy, because those are the guys who actually face my customers.

So, my most important job is to make sure that the people -- that 41,000 souls that work in LATAM wake up every morning, and they say I want to work for this company, because what this company is doing is the right thing, professionally and personally for me. If you get that engagement, then the delivery of the product and the experience vis a vis the customer is much easier. You can't have -- you cannot have a successful airline, I believe, if you don't treat your customers well with a good delivery. But to do that, you need to have the right organization and the right mental set [ph].

And in LATAM, we're very, very committed to what we do in South America. We are dd basically, 30% of anything that moves within South America is flown by LATAM and domestic international. We owe ourselves to the communities and the places where we operate, the societies where we are. And that's why we care about our environment much more than simply CO2 emissions, is just the purpose of the Company, the group being there.

And if we do these three things right, people, customers, environment, the numbers will follow. So, we see the results as a consequence of doing these three things right. You see? That's the strategy of LATAM, it's very simple. And I think that you have seen this machine working in the last few years, and this is why our results have come.

At the end of the day we have created an ecosystem, if you want, where the people make the operation be better, very reliable. We're dependent -- dependable the way we operate. The customers want to fly us, not only because we have the best network, is because on how we treat them. That drives premium revenue, which allows us to grow faster and grow more. But it all starts with people, as simple as that. And I think that the flywheel is turning in the right direction, and it's hard to catch up to that, I think (multiple speakers) –

## Guilherme Mendes, Analyst

Yes. And then, let me just follow up on the, on the profitability levels, because something that we hear about the industry in Latin America is that, obviously the premium cabins, they tend to be more profitable than the average coast [ph] -- cold [ph] seat. But in average [ph] terms, every seat tends to be profitable, which is not something that we usually see across other regions. Is that the case? Can you comment on the overall profitability between cabins?

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## Roberto Alvo, Chief Executive Officer

Well, in general, I would say -- so, first, when you run a 16% operating margin, which is what we had last year, it's hard to be at that level, if one thing wasn't profitable. I think that, across the board, whether it's one business or another, whether it's one class or one segment, whether it's cargo or passengers -- we haven't talked about cargo. I think it's an interesting moment to talk about cargo. And given the circumstances, everything works well.

One of the good things that we have in LATAM is that we have provided ourselves with flexibility, in terms of the size of our cabins, not in the widebodies, but in the narrowbodies, we do like the European business model with a movable curtain. You see? So, why is premium revenue growing faster in the case of LATAM, is because our service is better, because of preference is better, but also because my capacity in the premium cabinet is growing.

## Guilherme Mendes, Analyst

Yes.

## Roberto Alvo, Chief Executive Officer

And it's growing much faster than my capacities. You see? So, you asked me about profitability on the cabin side, I would answer a little bit different, is because we have a flexible size on our premium cabins. At the end of the day we can model better the split of our profits between different cabins. So, it's not static, as probably you would sometimes think about in the US.

So, the margins are probably less variable, because we can size the premium cabin to, what we believe, is optimal for the business. And the beautiful thing about is that if you increase the size of your premium cabin, you decrease the size of your coach -- of your main cabin. And by decreasing the size of the main cabin, you increase the ration [ph] of the main cabin as well.

## Guilherme Mendes, Analyst

Yes. I see.

## Roberto Alvo, Chief Executive Officer

Of course your CASK increases because you have fewer seats. But if your revenue increases faster than your CASK increases, then the equation works really well.

## Guilherme Mendes, Analyst

Makes sense. You mentioned about cargo. I mean how is the cargo business doing? You -- and trying to connect with the fleet plan [ph]. So, are we getting new freighters as well, so using the value of the aircraft? So, how should we think about the cargo business going forward?

## Roberto Alvo, Chief Executive Officer

So, cargo is around 13% of revenues today. This is, again another level of diversification that I think is important for us, not only the countries where we are. Cargo has, on this current environment, first, the ability to pass on fuel prices faster and easier on the passenger side. I think that what we have seen in the Middle East as well, which creates a decrease of

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cargo capacity, because two of the largest cargo airlines in the world today have significant constraints in terms of how to operate.

Also, sea freight, even though there's little model change, it happens from time to time. And the current situation in the Middle East is also creating big strains in sea. That means that some of these flows will probably divert into air, as well. So, in particular, this moment, I think is going to be, on a relative basis, more beneficial for the cargo segment, just because of the dynamics.

We have a fleet of, as you know, 20 freighters. Our model is more freighter supporting belly. So, 60% of revenue is on the belly. So, we don't use the freighter necessarily, as a standalone freighter operation, is more to support our passenger network. And for attending [ph], we like the size we have. So, we don't intend to add more fighters for attending [ph].

### **Guilherme Mendes, Analyst**

Makes sense. Shifting gears to capital allocation, so, well, strong free cash flow generation, '24, '25, likely '26, we saw the dividend buyback for this year. So, when you think about capital allocations, first, in reinvest on the business, and paying dividends, then doing buybacks, how should investors think about your (technical difficulty)?

### **Roberto Alvo, Chief Executive Officer**

So, first, is keeping our -- within the financial policy we have. We're trying to target BB+, we're almost there, which is where positive outlook by Moody's a couple of weeks ago. To getting there, leverage and liquidity are the other two important metrics. So, that's the first thing. We will stick with our financial product policy, which, we believe, is prudent, which actually I think today shows how important is to have a strong balance sheet, as a competitive advantage. These are the moments when you really remember how important for our industry is to have a strong balance sheet.

Then, we'll invest in the business. And anything on excess of that, the idea is to do capital allocation. I don't think today we're looking at delevering further. Our non-fleet debt has remained stable, but the Company has grown around 20%, 25% in last two or three years. So, that means that actually, the non-fleet debt, as a percentage of total debt, has been decreasing.

### **Guilherme Mendes, Analyst**

Yes.

### **Roberto Alvo, Chief Executive Officer**

And the rest that goes beyond the investment in the business, the idea is to look at ways of allocating it back to shareholders. And there's -- you have different, different mechanisms. In Chile, normally, dividends are the most normal one, but you can do other things. You can do capital reductions --

### **Guilherme Mendes, Analyst**

Yes.

### **Roberto Alvo, Chief Executive Officer**

Company Name: Latam Airlines  
Company Ticker: LTM CI  
Date: 2026-03-17  
Event Description: JP Morgan Industrials Conference

Market Cap: 13011734.103227535  
Current PX: 22.65999984741211  
YTD Change(\$): -1.99  
YTD Change(%): -8.073

Bloomberg Estimates - EPS  
Current Quarter: 0  
Current Year: 0.002  
Bloomberg Estimates - Sales  
Current Quarter: 3784.8  
Current Year: 15956.6

And we'll see. But for the time being, last year, we -- one way or another, we distributed by \$1.2 billion. So, if things remain in a good place, going forward this year, despite of the challenges we're seeing today I think that you have already an interesting footprint of what happened '25 or '26.

### **Guilherme Mendes, Analyst**

That's great to hear. And remind me, I recall there's this 5% limit on buybacks in Chile, right?

### **Roberto Alvo, Chief Executive Officer**

Yes.

### **Guilherme Mendes, Analyst**

You did that. You cancelled the shares. Can you do it again this year? Or do you have some limitations of it? I guess it's a five-year (multiple speakers) --

### **Roberto Alvo, Chief Executive Officer**

We will --

### **Guilherme Mendes, Analyst**

Right?

### **Roberto Alvo, Chief Executive Officer**

We will see. It's one of the things we're looking at. At this time, I think we're focused on making sure that we have shareholders, we mentioned [ph] next year. Remember, in Chile, dividends are not defined by the Board they're defined by the shareholders. So, that's step one is that what do the shareholders want to do with the dividend policy? And we'll take it from here.

### **Guilherme Mendes, Analyst**

Amazing, talk about Delta. So, we saw Delta earlier today presenting here. This probably is one of the strongest partnerships that Delta has in the region. So, can you come up with how the JV has been, has been working?

### **Roberto Alvo, Chief Executive Officer**

It's been great. It's a little bit over three years since we started in October 22. We actually -- the combined capacity grew from 30% to almost 33%. So, today one out of three ASKs or ASMs between South America -- the countries that are under the JV and North America, are in the partnership with LATAM -- with Delta.

They're a great partner. I mean it's not always the day you find the largest company in the world coming and sitting down with you and say how do we make things better for both of us? How do we improve what we do on a day-to-day basis? I think the teams work amazingly well. It's been beneficial for both of us.

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And I think a testament of it is how we have improved our position in the market. And people don't talk about that too much. But if you look at the US, two-thirds of the demand from South America to the US go east of the Mississippi, and Atlanta is, by far, the best hub to manage traffic from South America into the US, just because of the location.

So, the complementarity of the network has been extremely good. It is actually been very successful in the sense that there's more than 350 cities today that are connected between both networks that serve our customers in South America and Delta's customers in the US.

### **Guilherme Mendes, Analyst**

Great. Now, let's talk -- think about maybe five years down the road, I know the cyclical industry, I know there's a war going on, but think about the supply-and-demand balance in the region. So, how sustainable do you think the current capacity growth in the region is going forward? So, let's say in the next five years, can the industry continue to grow at mid to high single-digits or not?

### **Roberto Alvo, Chief Executive Officer**

I mean South America is, as we said, immature. If you look at Airbus, Boeing, any of these publications, they still point out South America as being, or Latin America in general, the highest traffic market in the world. I think that's sustainable for a while, because we're still very poorly connected, as a region. And I think that LATAM is very well placed to be a part of that, and continuing, improving the footprint we have and the service we do for a cost -- for our customers and a -- and the people that live in the region.

So, this year, as you know, we've guided 8% capacity increase. Under normal circumstances, I think that's easy to think about continuing doing that. I think that LATAM still has a couple of years where it can grow faster than the industry, but 5%, 6% probably medium to long-term growth for Latin America, for South America, which is what you see. These are (inaudible) forecasting I think is perfectly feasible.

### **Guilherme Mendes, Analyst**

Makes sense. We are approaching the hour. Last one from my end is you, as the CEO of the Company, I mean what is your biggest concern, other than the highest situation?

### **Roberto Alvo, Chief Executive Officer**

I guess in the short term, is that -- no, we will see how this evolves. Still very early to say how this will end. We'll see. In the medium term, I think about transforming LATAM. I think that LATAM will have to be a very different company in five years than what it is today.

And not because we're going to do something very different, from a business perspective, we just simply think that technology will create a huge amount of opportunities for improving our operation, for monetizing our size. We have 53 million frequent flyer members in South America. It's the seventh largest program in the world out of I mean out of a region that is 6% of the world. Capacity is huge. And the information we have, with respect to the environment our customers, is huge. We're the only entity in South America that has that real estate default.

So, I think that, I think that we have a very interesting path forward of trying to use the billions of dollars of investment we've made in creating the infrastructure we have into doing something beyond simply aviation. By harnessing the information that we have today whether it's how we fly, the markets where we operate, and so, we have the largest database in all of Latin America of information.

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All of the flights over the last years is there. I mean imagine the potential you have to improve the things that you do today when information is there. So, very excited about that.

### **Guilherme Mendes, Analyst**

Perfect. Right on time. Thank you so much, Roberto. Thank you all for joining.

### **Roberto Alvo, Chief Executive Officer**

Thank you very much.

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