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Call Participants

EXECUTIVES

Ricardo Bottas Dourado

Chief Financial Officer

Roberto Alvo Milosawlewitsch

Chief Executive Officer

ANALYSTS

Andre Ferreira

*Banco Bradesco BBI S.A.,
Research Division*

Ewald Stark Bittencourt

*BICE Inversiones Corredores de
Bolsa S.A., Research Division*

Gabriel Rezende

*Itaú Corretora de Valores S.A.,
Research Division*

Guilherme G. Mendes

*JPMorgan Chase & Co, Research
Division*

Jens Spiess

Morgan Stanley, Research Division

Shannon Doherty

*Deutsche Bank AG, Research
Division*

Presentation

Operator

Hello, and welcome, everyone, to the 1Q 2026 LATAM Airlines Group Earnings Conference Call. My name is Becky, and I will be your operator today. Before I turn the call over to management, I'd like to remind you that certain statements in this presentation and during the Q&A may relate to future events and expectations and as such, constitute forward-looking statements. Any matters discussed today that are not historical facts, particularly comments regarding the company's future plans, objectives and expected performance or guidance are forward-looking statements. These statements are based on a range of assumptions that LATAM believes are reasonable, but are subject to uncertainties and risks that are discussed in detail in the published 20-F 2026 guidance, earnings release, financial statements and related CMF and SEC filings. The company's actual results may differ significantly from those projected or suggested in any forward-looking statements due to a variety of factors, which are discussed in detail in our SEC filings.

And if there are any members of the press on this call, please note that for the media this is a listen-only call. I will now hand over to your host, Ricardo Bottas, CFO, to begin.

Please go ahead.

Ricardo Bottas Dourado

Chief Financial Officer

Hello, everyone, and good morning. Welcome to our first quarter 2026 conference call, and thank you all for joining us today. My name is Ricardo, and I'm CFO of the LATAM Airlines Group. Here with me is Roberto Alvo, our CEO; Andres Del Valle, Corporate Finance Director; and Tori Creighton, Head of Investor Relations. And we will present the highlights and results for the first quarter of 2026.

I'll hand it over to Roberto to share his opening remarks.

Roberto Alvo Milosawlewitsch

Chief Executive Officer

Good morning, everyone, and thank you, Ricardo.

Let me begin. LATAM began delivering a very strong set of results, which reflect the consistency of the execution and the structural strengths of the model built over the past years. During the first quarter, LATAM Group grew capacity by 10.4% and transported close to 23 million passengers, while maintaining a solid load factor of 85.3%, demonstrating once again its ability to grow efficiently and capture demand across the network.

The strong operational performance translated into record financial results. Revenue reached \$4.1 billion, adjusted EBITDA was \$1.3 billion, and the adjusted operating margin was close to 20%. The highest quarterly figure in the company's history, resulting in a net income of \$576 million, reflecting both revenue strength and disciplined cost execution. These results were supported by continued progress in revenue quality, driven also by solid execution, well-tailored product differentiation, strong customer preference and a continuous increase in the contribution of premium revenues.

This reflects a trend that has been building consistency over the recent quarters as LATAM's business model is delivering on the expected results. Even though the conflict in the Middle East pushed up jet fuel prices sharply starting in March, given the timing of fuel consumption, price lagging mechanisms and partial hedges, this increase did not materially impact the first quarter financial results. LATAM expects, however, these higher fuel prices to be reflected in the second quarter of this year.

As fuel prices increased, LATAM Group began implementing fare adjustments in most of its network as well as executing targeted capacity reductions. To date, the demand environment remains strong and stable,

and these commercial actions are partially mitigating the higher fuel expenses. Looking forward, we face the upcoming months with a combination of optimism and caution.

Optimism because over the last years, LATAM has built a very resilient model. Its passengers and cargo business integration, together with the presence of LATAM's Group has in most market it operates, the strength of the loyalty program, the design and delivery of the passenger experience, both on board and throughout the journey, the focus on premium traffic and less elastic segments of demand, its competitive cost, the strength of its balance sheet and liquidity and most importantly, the quality and commitment of its people are all features that are unique to LATAM in the region and provide a true advantage and a potential source of future opportunity.

Caution on the other side, because the environment remains extremely uncertain and variables that significantly affect the business are outside of LATAM's control. However, LATAM's track record in navigating complex environments is well proven at this time, and the group really trusts its abilities. In this volatile context, LATAM has taken a prudent approach to its guidance as will be discussed in more detail later in the presentation. Extraordinarily, given the circumstances, the company has decided to replace its full year 2026 guidance with a more focused set of metrics. With that said, I'll hand it over to Ricardo, who will talk -- walk us through the performance of the first quarter together with a look into LATAM's group relative and absolute strengths.

Thank you.

Ricardo Bottas Dourado

Chief Financial Officer

Thank you, Roberto. So Roberto, with his opening remarks, just covered Slide 3, so we can jump to the Slide 4. LATAM started the year with a strong financial performance, successfully translating a healthy demand environment into tangible financial results. Total revenues reached \$4.1 billion, representing a 21.7% increase compared to the same period last year, mainly driven by the passenger business, which grew 24.4%, supported by strong customer preference for the LATAM Group product during the higher summer season in the Southern Hemisphere. At the same time, cargo revenues increased 3.4%, highlighting once again the importance of LATAM's group business diversification, which in the current context continued to be a key lever for the group.

As a result of this top line performance, LATAM achieved an adjusted operating margin of 19.8%, expanding 3 percentage points year-over-year, marking the highest quarterly operating margin in the company history. This reflects not only the strength of LATAM's brand, but also the disciplined execution of the strategy across the network.

On the cost side, total adjusted expenses increased 17.3% alongside operational activity and capacity growth. Importantly, fuel cost pressures during the quarter did not have an immediate or material impact on the results, given the delay of approximately 20 to 30 days in price adjustments supported by regional supply structures. In fact, given LATAM's hedging position in this dynamic, there was a reduction of 3.3% in fuel pricing during the quarter on a year-over-year basis. That said, there was an estimated impact close to \$40 million during the period, which is expected to become more visible in the following quarter as elevated fuel prices are progressively incorporated.

At the unit cost level, passenger CASK ex fuel came in at \$0.045. This is an increase versus the same period of 2025, mainly explained by the depreciation of the local currency, particularly the Brazilian real. Together with this, unit revenues increased at a stronger pace, rising 12.7%, reflecting a solid performance across all markets. All of this translated into a net income of almost \$600 million for the quarter, an increase over 62% year-over-year and a net margin of almost 14%, enabling the consistent delivery of exceptional results from the top line down to the bottom line. Please join me on the next slide to take a deeper dive into revenue performance across different affiliates and business units. Now on the Slide 5. The first quarter was characterized by a strong demand environment across the region.

In this context, LATAM Group was able to very effectively capture this demand and translate into revenue performance, supported by its value proposition and network. During the quarter, the group began

navigating a context of increasing fuel prices and as a result, implemented target revenue management actions, though these are partly reflected in the first quarter given the percentage of tickets already sold for March at that time. In the quarter, the group increased capacity by 10.4% and transported 22.9 million passengers, a 9.1% increase compared to the same period of 2025, mainly driven by the International segment and LATAM Airlines Brazil domestic market. This was accompanied by a consolidated load factor of 85.3%, a 2 percentage point increase.

At the market level, LATAM Airlines Brazil domestic market showed strong dynamics with demand growing above capacity, leading to higher load factors and a solid passenger RASK performance, increasing 17% in U.S. dollars and 8% in local currency, supported by a more favorable exchange rate than last year. In the domestic Spanish-speaking affiliate markets, capacity remained stable, while improved traffic translated into a meaningful increase in load factors and a very strong unit revenue performance with passenger RASK increasing close to 25% in dollars and nearly 19% in local currency.

In the International segment, capacity and traffic grew at a similar pace, maintaining very healthy load factors close to 87%, while Passenger RASK increased 6.3%, supported by a strong performance across both regional and long-haul operations. Overall, these results reflect LATAM Group disciplined execution and capacity deployment in revenue management, which supported by a favorable demand backdrop, allowed the group to deliver strong unit revenues, all underpinned by a differentiated value proposition, both in terms of product and its ability to connect the region like no other player.

Let's move to the Slide 6, talking about the LATAM Group value proposition, in particular continued development of its premium offering and the results this is delivering in the next slide, Slide 6. Product differentiation, customer preference and the growing relevance of premium revenues were key drivers of LATAM's performance during the quarter, underscoring the strength of the group's value proposition. These factors are all reflected in LATAM's recently awarded 4-star in the Skytrax World Airline Star Rating, making LATAM the only airline in Latin America history to reach this level. The premium segment continues to gain importance with LATAM's revenue mix and therefore, enhance the revenue quality.

During the quarter, premium revenues increased 28% year-over-year and actually premium revenues are increasing at a rate 14% higher than non-premium passenger revenues. With this premium passenger revenues share reached 27% of passenger revenues, a significant increase compared to the pre-pandemic levels, which becomes particularly relevant in the current context of heightened volatility and macroeconomic pressures as premium travelers tend to exhibit lower price elasticity and more stable demand patterns. Complementing this, LATAM Pass remains a key enabler of loyalty and customer engagement with 55 million members, including 2.6 million Elite members, making it the largest airline loyalty program in the region.

Beyond its scale, it also serves as a relevant revenue channel with close to 60% of LATAM's passenger revenues generated by LATAM Pass members, reinforcing the strength of the ecosystem and the group's ability to deepen customer relationships. And as LATAM continues to elevate the customer journey, the group has announced a series of initiatives aimed at further enhancing its premium offering going forward. These include the rollout of the Wi-Fi connectivity in the wide-body fleet, which has already begun with the first long-haul flight operated in last March and will continue expanding in the coming years. The expansion of lounge infrastructure in the strategic hubs such as Sao Paulo and Miami and the introduction of the new premium comfort cabin expected from 2027.

Building on these developments, one of the most recent highlights is the incorporation of the Airbus A321XLR expected from 2027 onwards, which will feature the premium business cabin with full flat seats, suite doors, direct aisle access and onboard connectivity, reinforcing the group premium value proposition and ensuring consistency across the LATAM Group product experience. The continued development of LATAM's premium offering, together with its loyalty program and network strength allowed the group to capture more resilient and higher value demand, further supporting the sustainability of the financial performance even in the face of a complex macroeconomic scenario.

Please join me on the next slide, Slide 7. LATAM's strong performance was effectively translating into solid cash generation during the quarter. At the start of the year, the company generated \$858 million in adjusted operating cash flow, reflecting the operational strength already discussed. After accounting for

CapEx net of financing of \$291 million as well as financial expenses and other items, LATAM generated close to \$480 million in cash. During this period, paid amount to \$90 million related with the interim dividends distributed in December '25, which given operational payments timing, were partially executed in January, the \$89 million you see in the column.

As a result, LATAM closed the quarter with a net cash generation of \$391 million. This cash performance remained consistent with what we've seen in the previous quarters, where strong operating results are effectively converted into liquidity, which is the current context becomes a key source of strength, allowing LATAM to maintain a position of confidence in its financial standing while navigating in an environment with higher uncertainty. Let's move to the next slide, Slide 8. In the current context of elevated fuel prices and ongoing macro volatility, having a strong and lean balance sheet drivers competitiveness, and this continues to be a key differentiator for LATAM. The group closed the quarter with liquidity of \$4.1 billion and an adjusted net leverage of 1.3x, supported by consistent cash flow generation, which remains at the core of the financial strategy.

Additionally, in a scenario of prolonged and heightened volatility, the group maintained significant financial optionality through its asset base with more than \$1.5 billion in unencumbered assets, providing further flexibility to navigate the cycle and act on opportunities. Match with this, LATAM has proactively managed its maturity profile, resulting in no relevant short- and midterm maturities and a well-structured debt schedule. Importantly, all debt is now under market conditions with no remaining legacy from Chapter 11 process, further streamlining the balance sheet. This provides both visibility and financial flexibility going forward, which is also reflected in the group's credit profile with all major ratings agencies now assigning ratings in the BB+ category -- sorry, BB category with a positive outlook following Moody's outlook upgrade in March and Fitch's reaffirmation of its rating and outlook in April.

Now on Slide 9. And given the recent increase in volatility, particularly in fuel prices and the more limited visibility in the current environment, the company has decided to replace its previous full year 2026 guidance with a more focused set of metrics. While the previous 2026 guidance assumed an average jet fuel of \$90 per barrel in a context that remains highly -- the dynamic LATAM's new guidance is based on a very specific set of assumptions. Regarding fuel prices, the expected price for each of the remaining quarters on the year is provided in a stable demand environment, consistent with what we observed so far is assuming and both are incorporated into new guidance. The assumptions for the next quarter is going to be \$170 for the Q2 and Q3 and \$150 for Q4.

Regarding passenger unit cost ex fuel, this has been updated to a higher range of \$0.045 and \$0.047 compared to the previous guidance, which is explained by the appreciation of local currency and in particular, the Brazilian real, now expected to be BRL 5.15 per U.S. dollar compared to the previous assumptions of BRL 5.5. On the adjusted EBITDA side, LATAM expected a range between \$3.8 billion and \$4.2 billion, which incorporates the estimated impact of higher fuel prices, supported by the levers already discussed, including the strength of the network, the ability to capture premium demand through LATAM's differentiated value proposition and its fuel price management strategy. LATAM's balance sheet strength is also reflected in the updated net leverage metric, which is expected to be somewhat higher than previously guided, but still at very healthy levels and well below the company's financial policy target limit, estimating the net leverage below or equal to 1.8x.

Regarding liquidity, the new guidance is lower than the previous presented, mainly explained by the impact of higher fuel prices. Nevertheless, liquidity is expected to remain at or above \$4.5 billion, once again demonstrating the company's strength in terms of financial flexibility and balance sheet resilience. In the near term and given the current level of visibility, LATAM expected additional fuel expenses of more than \$700 million for the second quarter of 2026, assuming the jet fuel price, as I have mentioned before, of \$170 per barrel. Despite the significant fuel impact, LATAM expected to deliver a mid- to low single-digit adjusted operating margin in the second quarter.

Overall, while the environment remains dynamic, LATAM is navigating this context with a disciplined and measured approach, leveraging the strength of its business model. Let me conclude with a few key takeaways and messages on the last slide, Slide 10. The first quarter results reflect a very strong performance for LATAM achieved in the context of a healthy and resilient demand environment,

particularly during the high season, which provides a solid starting point for the rest of the year. All of this finds LATAM in the strongest financial position in its history, allowing the group to face the current macroeconomic environment from a position of financial strength even as fuel price pressures begin to materialize in the coming quarters.

In this context, LATAM benefits from both relative and structural advantages. At the core of this is a differentiated increasing premium offering, combined with a strong network, which allows the group to access a demand base that is structurally less elastic and therefore, enabling the group to pass through costs more effectively. At the same time, LATAM operates today with a lean and strengthened balance sheet with high liquidity, low leverage, no short and midterm maturities with assets and significant flexibility and optionality to navigate in a more volatile environment.

LATAM approaches the coming months with discipline and confidence, supported by its experience in navigating volatility and the robustness of its business model while maintaining a prudent stance in light of a still challenging and dynamic macroeconomic environment. Thank you, and let's open the line for questions. Thank you.

Question and Answer

Operator

[Operator Instructions] Our first question comes from Guilherme Mendes from JPMorgan.

Guilherme G. Mendes

JPMorgan Chase & Co, Research Division

The first one is on the guidance. Whatever you can share in terms of top line assumptions, thinking of -- you mentioned capacity adjustments, yield increases. So if you can provide a reference of how much even if a ballpark you are anticipating for the year? And the second point is on -- think about the price increases, if you can share how each of the different segments, think about leisure, corporate or different regions are performing following this increase on prices.

Roberto Alvo Milosawlewitsch

Chief Executive Officer

This is Roberto. So first question, we're not providing top line and capacity guidance because we see those figures are slightly more volatile than EBITDA. At the end of the day, I think that the industry will adjust capacity to try to balance results going further. So that's why we are focusing on a set of metrics that we believe give a good picture of the resilience of the model without trying to forecast variables that are going to be difficult to forecast.

Having said that, I think it's fair to expect that if high level fuel prices continue, we will see bigger capacity adjustments throughout the industry and particularly in the region. And I think that you can fairly estimate a potential revenue profile with that assumption having the other measures that we provided. In terms of the segments, so first and foremost, solid demand and stable demand environment throughout the network. We haven't seen particular places where the macro environment has affected demand.

We see a strong and stable corporate segment in almost every country. International and domestic Brazil probably stand out as slightly stronger than the rest. But on average, everything looks very healthy. We have seen, of course, a little bit of a slowdown in the more elastic segments of demand. The good thing is that today, this is comprising less and less of the number of passengers of LATAM, and they're easily compensated with different point of sale -- points of sale origins that we have in the network. I think that large networks in this particular environment are, in general, much more -- what is the word in English, sustainable than smaller networks. But as the [long AP] in the beginning of the quarter, when fare increases, you could see an impact on [long AP.]

As the quarter has progressed, you see the filling up of the aircraft nicely, even though from those initial lower levels. And this is, in my mind, a function of the diversification of the points of origin and the O&Ds that the LATAM network can provide. So in general, the picture looks stable. The forward bookings for the remainder of the quarter have not been affected by anything that we've seen outside of the industry. So in that context, we remain positive.

Operator

Our next question comes from Michael Linenberg from Deutsche Bank.

Shannon Doherty

Deutsche Bank AG, Research Division

This is Shannon Doherty on for Mike. Congrats on the record results. So maybe just a follow-up on your last response. You just mentioned potential slowdown in the more demand elastic segments. Can you dig in deeper there? And with premium revenue now at 27% of total, what is your long-term target?

Roberto Alvo Milosawlewitsch

Chief Executive Officer

So yes, I mean, I think it's absolutely normal to see a slowdown in more elastic segments. On the other hand, I think that airlines that tailor to more elastic segments in general are decreasing capacity faster than airlines that don't have that exposure. So that balances out in a way, this slowdown in demand. And at the end of the day, I think benefits companies that LATAM that can fill their planes with higher quality passengers in the other moments of the curve and in the other segments. So it's a total manageable situation given what we have. And I think that what we're seeing here is very clear. Airlines that are more exposed to more elastic segments, airlines that have weaker balance sheet are going to probably be more exposed to the current situation. LATAM's absolute and relative advantages clearly stand out in this particular scenario.

Second question was the long-term premium revenues target. So we don't provide a public target of long-term premium revenues. I think that the expectation we have is to continue to grow premium revenues faster than total revenues. Ricardo pointed out to that stat for the first quarter. We haven't seen at this point in time, any slowdown in this trend, and it's been already over several quarters that we have seen that outpacing of premium travelers vis-a-vis the rest. And I think that the delivery of our product, the way we're managing the network, the quality of the experience today, the FFP, all these features point out that we can continue seeing that different balance vis-a-vis the past going forward.

Shannon Doherty

Deutsche Bank AG, Research Division

Great. And how much on the higher fuel costs are you capturing during the June quarter? Do you expect to fully capture higher fuel by the end of this year, like we've heard from some of the U.S. airlines?

Roberto Alvo Milosawlewitsch

Chief Executive Officer

Again, we don't provide that specific information, but I think that with the mid- to low single-digit operating margin figure together with the fuel spend that we are telling you guys that we're going to have in the second quarter, you can estimate relatively well the impact of fuel and pass-through that we are seeing for the quarter.

Operator

Our next question comes from Andre Ferreira from Bradesco.

Andre Ferreira

Banco Bradesco BBI S.A., Research Division

So one quick question here. So if you could comment on the forward booking curve. I guess in a previous question, you commented on specifically for the second quarter. But in general, how are you seeing it? Is it shorter? And if so, do you believe it's more due to like a permanent price sensitivity? Or is it more due to passengers kind of wishing or waiting for fares to go down closer to the trip?

Roberto Alvo Milosawlewitsch

Chief Executive Officer

Yes. Andre, again, I mean, significant amount of the passengers we fly are domestic passengers, which have relatively low APEs. So the visibility we have on the booking curve doesn't go too much further away than a couple of months, maybe international a little bit more. So in the visibility we have, which is the rest of the second quarter and probably the first peak on the high season in the July winter holidays for us in this part of the world, it looks healthy in general.

July is an important month just as January are because it's holiday time in the Southern Hemisphere. And the first indications we have on bookings for July look healthy as well. But beyond that, it's still very early to get a sense on how the planes will feel. We'll see that in the upcoming weeks.

Andre Ferreira

Banco Bradesco BBI S.A., Research Division

Perfect. And if I can just squeeze in another one. If you could comment on -- can you hear me?

Roberto Alvo Milosawlewitsch

Chief Executive Officer

Yes. Yes, we can.

Andre Ferreira

Banco Bradesco BBI S.A., Research Division

So if you -- if you could just comment on the competitive landscape across the region. So I guess in Brazil, we have Azul leaving Chapter 11, but with lower growth as per the plan GOL out for a while now. So just how are the rest of the competition in Brazil behaving and on the other markets as well?

Roberto Alvo Milosawlewitsch

Chief Executive Officer

Thanks, Andre. So we normally don't comment on competition. I guess the two things that I can tell you, one is airlines publish their capacity, and therefore, you can see capacity changes week after week as this crisis has progressed. I think that what we are seeing in general is a trend in downward capacity on most of the airlines in the region, including LATAM, by the way, in the second quarter vis-a-vis what was published before February 27. I think that airlines or more than I think what we see because this is actually public information, what we see is ULCCs decreasing capacity faster than players that have a better revenue quality average, if I can call it like that.

I personally think that with an environment like the one we are using for the guidance, capacity may -- decreases may accelerate to balance out the longer-term impact of demand. LATAM takes -- the way we have looked at this particular guidance, we call it guidance, but this is -- nobody knows where this is going to go. We'd rather put ourselves in a scenario that looks a little bit more conservative than the forward curves and prepare for that. Then we will see how we execute as the information goes through and the changes in the environment. But we're taking this crisis seriously in the sense that it can -- there's a chance that it can last longer. And in that case, the whole organization needs to be prepared. If it gets better and we have, I guess, positive news flows during the night yesterday, then we will adjust accordingly. But for the time being, I guess that's the assessment I can -- I can give you on how we see the dynamics of the market here.

Operator

[Operator Instructions] Our next question comes from Gabriel Rezende from Itau BBA.

Gabriel Rezende

Itaú Corretora de Valores S.A., Research Division

So just following up on the impact into the second quarter talking about fuel prices. We're trying to understand here what is LATAM actually seeing in terms of fuel price increases just because we have seen some of the regions, particularly Brazil on which Petrobras is very relevant, kind of is smoothing out the international price trend for fuel prices into jet fuel.

So just trying to understand whether the \$700 million plus that you're estimating for impact into the second quarter is already incorporating the fact that Petrobras and policies for price pass-through here for jet fuel in Brazil were kind of smooth out as the crisis took place in late February. And also, if you could comment how is the company at this point? I understand there's a lot of uncertainty and their visibility is limited. But just trying to assess how you're weighting market share versus profitability when assessing the price increases that you need to implement to offset the higher cost that you're facing with fuel.

Ricardo Bottas Dourado

Chief Financial Officer

Okay. Gabriel, it's Ricardo, and thank you for your question. Actually, regarding the Petrobras issue, I'm not talking about a specific provider in Brazil. It's relevant in Brazil, for sure. But it's not a question of

price policy. It's just a mechanism in terms of the way that they capture the international price in terms of lagging. So we mentioned a range on the average of all providers to have between 20 and 30 days lagging in terms of the way that the average price from our suppliers are getting the impact from international prices, I mean, in terms of price commodities, right?

So it's just the way that when we see these assumptions for the second quarter of \$170, for instance, we are capturing everything on it. And like we have mentioned also, the most relevant impact from March, for instance, it's captured in the Q2 assumptions for price.

Roberto Alvo Milosawlewitsch
Chief Executive Officer

But to be clear, we're not assuming nor forecasting any changes to the price that are not market changes to the price. So no subsidies or anything like that in any of the markets where we operate. Regarding the second question, thanks for the question on market share. Let me be extremely clear here. In LatAm, market share is not a goal. Market share is the result of what we do. So for us, we don't manage the business in terms of the market share we can achieve. We manage the business looking at the flows, understanding where we can win, executing upon where we see strength. And then the outcome of that equation is market share.

And LatAm has improved almost in every market where it operates its market shares over the last 2 or 3 years. But this is not a function of seeking them. It's a function of the results of our strategy. So -- so I don't focus -- we don't focus in profitability vis-a-vis market share. We focus in long-term development of the network, delivering on the strength that we have built in the model. And then we will see what the market share outcome of that equation is. Having said that, we are a rational player in terms of how we want to develop the business going forward.

We find ourselves in a place where we can grow profitably. You see this very clearly throughout 2025 and in the first quarter of 2026. And I think that the way we conduct ourselves and the business is pretty clear at this point in time. So no market share goals for LATAM.

Operator

Our next question comes from Jens Spiess from Morgan Stanley.

Jens Spiess
Morgan Stanley, Research Division

Yes. Just two questions from me. One, to clarify your jet fuel price assumption, just to make sure that that's market prices not considering any hedges, right? And if those market prices materialize, what would be like the effective hedged price that you would be realizing considering that you now have also incorporated additional hedging instruments for your hedging -- within your hedging policy? And my second question is on the XLRs that you will be adding to your fleet in 2027. Where do you plan to deploy those mainly? Will it be intra-South America or also like to the U.S. and other markets, just to get a bit more clarity on that.

Ricardo Bottas Dourado
Chief Financial Officer

Thank you, Jens. And regarding the hedging policy and the assumptions we use for the guidance, yes, the reference in terms of the price of the commodity, it's not including any reference in terms of the impact that could come from the hedge. But yes, the guidance that we are providing or the guidance is capturing the contracts that we have disclosed that we have in our -- under the hedge policy that we are seeing. And we also made some reference in terms of the way that we see the collars and also the recent call options that are partially in the money right now. So as a reference and not giving any additional information regarding the conditions from these instruments, the guidance is capturing the contracts that we have until the end of April, okay?

Roberto Alvo Milosawlewitsch
Chief Executive Officer

And on the XLR, so we are receiving in total 13 XLRs starting in 2027. There are several applications of the XLR in our network. Lima, Brasilia, Fortaleza are three good examples. We were initially going to deploy the XLRs in Lima, given the fact that there's a connection fee now imposed in Peru, which we believe it's a terrible and pretty bad public policy.

We are evaluating where those XLRs will go. But as a general probably guide here, we bought these planes to fly long segments, particularly to the U.S. if it were from Lima or Brasilia, it would be probably Europe and the rest of South America if they were to be placed in Fortaleza. But we'll keep you posted on the deployment of them. We still are over a year away from the first delivery, so no decision made in terms of where they're going to finally go.

Operator

[Operator Instructions] Our next question comes from Ewald Stark from BICE Inversiones.

Ewald Stark Bittencourt

BICE Inversiones Corredores de Bolsa S.A., Research Division

I have a question on jet fuel. Your jet fuel guidance for the coming quarters looks somewhat high relative to the evolution of the jet fuel futures curve. So I was wondering if you can provide any details on how the strategy was used to reach those expectations.

Roberto Alvo Milosawlewitsch

Chief Executive Officer

Thanks for the question. I mean, forecasting future prices of fuel today, not even the pros, I mean we have seen just the second half of the forward curve moving something like \$15 on average in the last 15 or 20 days. So the way I think that you need to read the assumption here is in two ways. One is we are wanting to be slightly more conservative in terms of this because we'd rather prepare for a worse scenario. In the case it gets better, fine by us, it will be great. It will be an upside to what we're seeing.

But on the other side, I think that rather than just simply thinking that we're assuming something special with the market, we have absolutely no clue just as anybody does. I think that you need to read a set of metrics that we gave you as the proof of the resilience of the LATAM model. So you have the EBITDA, you have the liquidity, you have the leverage and you have the price assumption on fuel, make up your idea on how LATAM today is being built to withstand a moment like the one we're living.

Operator

We currently have no further questions. So I'll hand back over to Ricardo for closing remarks.

Ricardo Bottas Dourado

Chief Financial Officer

Thank you all for joining us today. And if you have any further questions, please let us know and reach out the Investor Relations team. Thank you, and have a good day.

Operator

This concludes today's call. Thank you all for joining. You may now disconnect your lines.

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