LATAM reports US$125 million in net income for the second quarter amid a significant increase in fuel prices

- The group achieved an operating margin of 5.4% and revenues of US$4.2 billion, up 28% compared with the same period of the previous year. Meanwhile, fuel-related costs increased by 93.1% versus the second quarter of 2025.

- As part of the results announcement, the first phase of operations for the Embraer E195-E2 fleet was also unveiled. Between November 2026 and March 2027, this phase will include up to 14 aircraft operating 42 routes and four new destinations: Cabo Frio (RJ), Ji-Paraná (RO), Macaé (RJ), and Rondonópolis (MT).

Santiago, August 4, 2026 – LATAM Airlines Group announced its financial and operational results for the second quarter of the year, reporting net income of US$125 million and an operating margin of 5.4%. LATAM also generated revenues of US$4.2 billion, 28% higher than in the same period of 2025. These results were supported by the strength of LATAM's business model and disciplined execution amid an exceptional environment of high fuel costs. The diversification of its ecosystem, commercial flexibility, and growth in Premium customers and the LATAM Pass program helped drive revenues and strengthen the group's long-term competitiveness.

During the second quarter, LATAM group carried 21.1 million passengers and increased its consolidated capacity by 8.9%. International capacity grew by 11.8%, while domestic capacity of LATAM Airlines Brazil increased by 5.7%, and the domestic operations of its affiliates in Chile, Colombia, Ecuador and Peru grew by 5.3%. The consolidated load factor remained at healthy levels, reaching 81.8%.

These results were achieved during a particularly challenging quarter in terms of fuel prices. Fuel-related costs reached US$1.7 billion, 93.1% higher than in the same period of 2025, while the price paid, including hedges, increased by 81.3%. Against this backdrop, LATAM achieved an adjusted operating margin of 5.4% and adjusted EBITDA US$713 million.

"The second-quarter results demonstrate the group's structural strength, the value proposition offered to customers and its ability to operate in a volatile and uncertain environment," said Ricardo Bottas, Chief Financial Officer of LATAM Airlines Group.

He added: "The group remains firmly committed to the disciplined execution of a profitable growth strategy. LATAM's diversified business model—which includes revenue from the Premium segment, integrated cargo and loyalty businesses, and a strong financial position—provided the foundation for maintaining profitability even during a seasonally weaker quarter and amid unprecedented fuel-price pressures that had a significant impact on the group's costs."

LATAM Pass reached 56 million members and continued to deepen its relationship with customers. LATAM Pass members generated 67% of passenger revenues, while the number of Elite members increased by 26% year over year.

Strong Financial Position

LATAM generated US$473 million in adjusted operating cash flow during the quarter and ended June with US$2.7 billion in cash. Including its committed and fully available credit facilities, total liquidity reached US$4.2 billion, equivalent to 26.2% of revenues over the last 12 months. Adjusted net leverage stood at 1.5x, below the 2.0x limit established under LATAM's financial policy.

Shareholders also approved a new share-repurchase program for up to 5% of outstanding shares over a period of up to five years. The Board of Directors will have the authority to determine the commencement date, mechanism and execution terms of the program, subject to applicable Chilean regulations.

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Fleet Growth, Greater Connectivity and New Embraer Aircraft

During the second quarter, LATAM group received nine aircraft, including two wide-body aircraft, and ended the period with a fleet of 383 aircraft.

LATAM Airlines Brazil also announced the first phase of operations involving its Embraer E195-E2 fleet, a milestone that reflects the group's long-term strategy of continuing to invest in the country.

Between November 2026 and March 2027, up to 14 aircraft will be incorporated into the fleet. They will operate 42 routes and include four new bases: Cabo Frio, in the state of Rio de Janeiro; Ji-Paraná, in Rondônia; Macaé, in Rio de Janeiro; and Rondonópolis, in Mato Grosso.

As a result, LATAM Airlines Brazil will serve 67 domestic destinations, compared with the 44 destinations it operated in 2019, representing the most extensive network in its history. This investment strengthens connectivity, enhances the customer experience and makes the operation more efficient and sustainable.

LATAM is also assessing up to 18 additional destinations for a second phase of expansion planned for 2027, as Embraer delivers new aircraft. This is another demonstration of LATAM's confidence in Brazil's potential and its commitment to connecting an increasing number of Brazilians with their country and the rest of the world.

2026 guidance

LATAM updated its guidance for 2026. Considering the information gathered during the past quarter and improved visibility into the expected performance, LATAM is reinstating its full set of guidance parameters, including capacity and revenues.

The group expects to grow capacity by 9%-10% year over year. It projects adjusted EBITDA of between US$4.1 billion and US$4.4 billion, year-end liquidity of at least US$4.7 billion, and adjusted net leverage equal to or less than 1.6 times.

The updated guidance reflects expectations of a more favorable fuel-price environment toward the end of the year relative to the previous guidance and is supported by LATAM's consistent execution and the resilience of its business model.

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