



2Q19

Investor Presentation

Azul 



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This presentation includes estimates and forward-looking statements within the meaning of the U.S. federal securities laws. These estimates and forward-looking statements are based mainly on our current expectations and estimates of future events and trends that affect or may affect our business, financial condition, results of operations, cash flow, liquidity, prospects and the trading price of our preferred shares, including in the form of ADSs. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to many significant risks, uncertainties and assumptions and are made in light of information currently available to us.

These statements appear throughout this presentation and include statements regarding our intent, belief or current expectations in connection with: changes in market prices, customer demand and preferences and competitive conditions; general economic, political and business conditions in Brazil, particularly in the geographic markets we serve as well as any other countries we currently serve and may serve in the future; our ability to keep costs low; existing and future governmental regulations; increases in maintenance costs, fuel costs and insurance premiums; our ability to maintain landing rights in the airports that we operate; air travel substitutes; labor disputes, employee strikes and other labor-related disruptions, including in connection with negotiations with unions; our ability to attract and retain qualified personnel; our aircraft utilization rate; defects or mechanical problems with our aircraft; our ability to successfully implement our growth strategy, including our expected fleet growth, passenger growth, our capital expenditure plans, our future joint venture and partnership plans, our ability to enter new airports (including certain international airports), that match our operating criteria; management's expectations and estimates concerning our future financial performance and financing plans and programs; our level of debt and other fixed obligations; our reliance on third parties, including changes in the availability or increased cost of air transport infrastructure and airport facilities; inflation, appreciation, depreciation and devaluation of the real; our aircraft and engine suppliers; and other factors or trends affecting our financial condition or results of operations, including those factors identified or discussed as set forth under "Risk Factors" in the prospectus included in our registration statement on Form F-1 (No. 333-215908) filed with the Securities and Exchange Commission (the "Registration Statement").

In addition, in this presentation, the words "believe," "understand," "may," "will," "aim," "estimate," "continue," "anticipate," "seek," "intend," "expect," "should," "could," "forecast" and similar words are intended to identify forward-looking statements. You should not place undue reliance on such statements, which speak only as of the date they were made. We do not undertake any obligation to update publicly or to revise any forward-looking statements after we distribute this presentation because of new information, future events or other factors. Our independent public auditors have neither examined nor compiled the forward-looking statements and, accordingly, do not provide any assurance with respect to such statements. In light of the risks and uncertainties described above, the future events and circumstances discussed in this presentation might not occur and are not guarantees of future performance. Because of these uncertainties, you should not make any investment decision based upon these estimates and forward looking statements.

In this presentation, we present EBITDAR for limited purposes solely as a valuation metric. EBITDAR is defined as EBITDA further adjusted to exclude expenses related to aircraft and other rent. EBITDA, which is defined as EBITDA adjusted to exclude foreign currency exchange, net, derivative financial instruments, net, other financial expenses, other financial income, and result from related parties, net (as applicable). EBITDA, which is defined as net income (loss) minus interest income (comprised of interest on short-term investments), plus interest expense (comprised of interest on loans and interest on factoring credit card and travel agencies receivables), current and deferred income tax and social contributions, and depreciation and amortization.

EBITDAR is included as supplemental disclosure because (i) we believe EBITDAR is traditionally used by aviation analysts and investors to determine the equity value of airlines and (ii) EBITDAR is one of the metrics used in our debt financing instruments for financial reporting purposes. We believe EBITDAR is useful for equity valuation purposes because (i) its calculation isolates the effects of financing in general, as well as the accounting effects of capital spending and acquisitions (primarily aircraft) which may be acquired directly subject to acquisition debt (loans and finance leases) or by operating leases, each of which is presented differently for accounting purposes and (ii) using a multiple of EBITDAR to calculate enterprise value allows for an adjustment to the balance sheet to recognize estimated liabilities arising from off-balance sheet operating leases. However, EBITDAR is not a financial measure in accordance with International Financial Reporting Standards ("IFRS"), and should not be viewed as a measure of overall performance or considered in isolation or as an alternative to net income, an alternative to operating cash flows, a measure of liquidity, or the basis for dividend distribution because it excludes the cost of aircraft and other rent and is provided for the limited purposes contained herein. As for the use of EBITDAR in our debt financing instruments, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Loans and Financings" in the prospectus included in the Registration Statement.

The valuation measure EBITDAR has limitations as an analytical tool. Some of these limitations are: (i) EBITDAR does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments; (ii) EBITDAR does not reflect changes in, or cash requirements for, our working capital needs; (iii) EBITDAR does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debts; (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and EBITDAR does not reflect any cash requirements for such replacements; and (v) EBITDAR is susceptible to varying calculations and therefore may differ materially from similarly titled measures presented by other companies in our industry, limiting its usefulness as a comparative measure. Because of these limitations EBITDAR should not be considered in isolation or as a substitute for financial measures calculated in accordance with IFRS. Other companies may calculate EBITDAR differently than us. For a calculation of EBITDAR and a reconciliation to net income (loss), see "Summary Financial and Operating Data" and "Selected Consolidated Financial Information" in the prospectus included in the Registration Statement. The concept of EBITDAR presented herein is the same as the concept of Adjusted EBITDAR presented in the Registration Statement.

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Azul at a Glance

The fastest-growing, most profitable and best positioned airline in Brazil

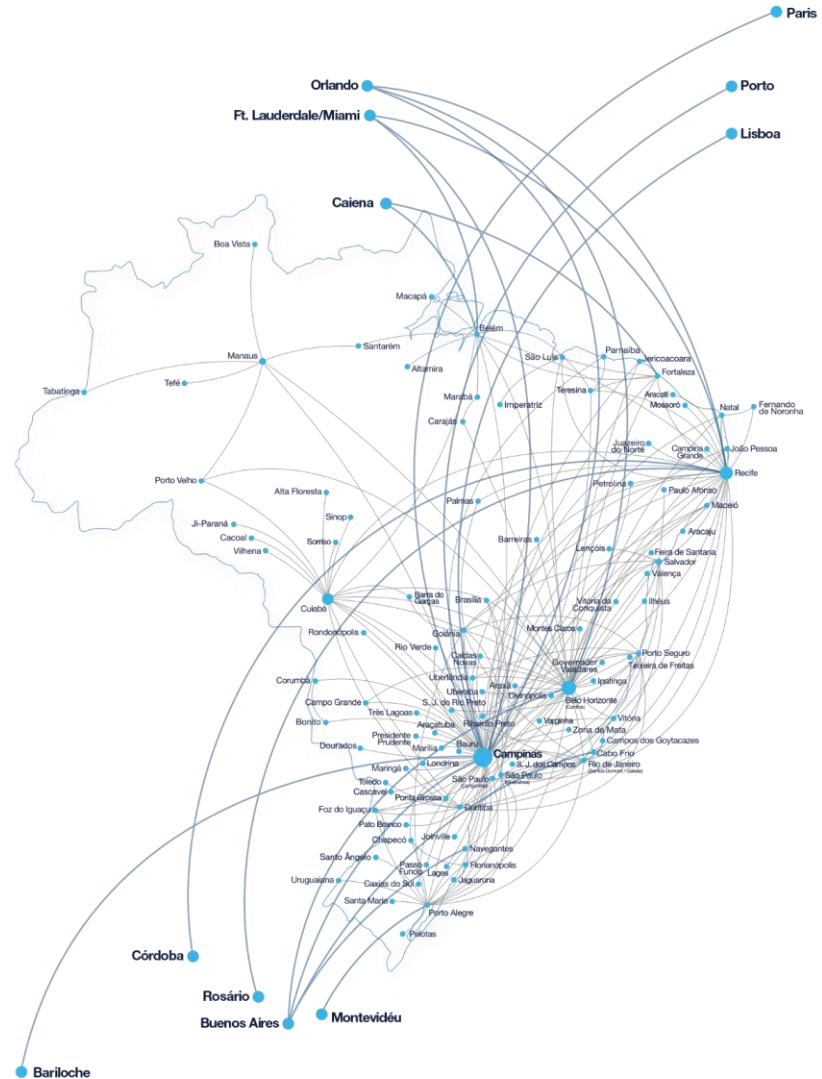
#1 in destinations served
(100+)

#1 in **84%** of
markets served

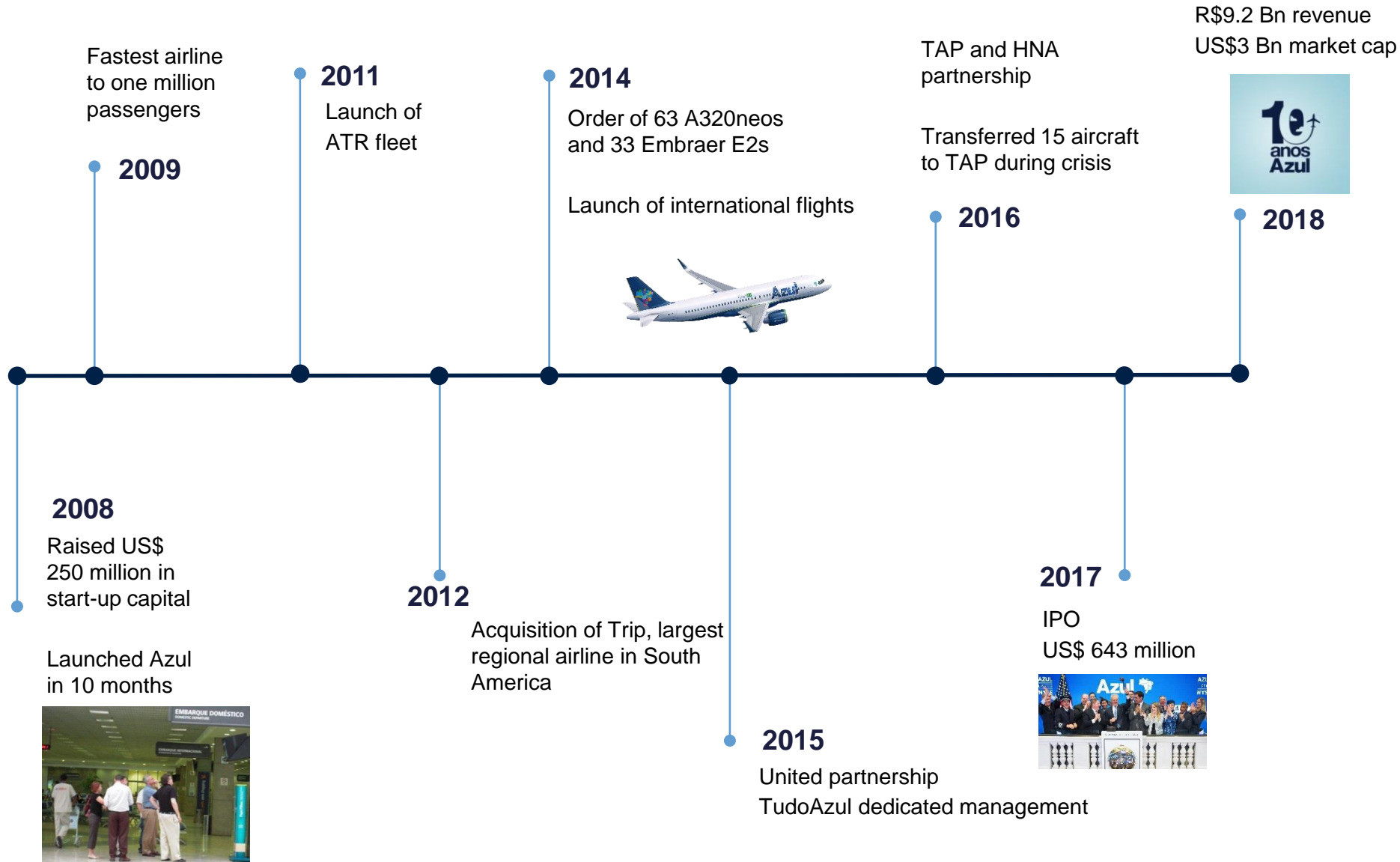
#1 in domestic departures

#1 in on-time performance and
customer satisfaction

#1 Profitability and balance sheet



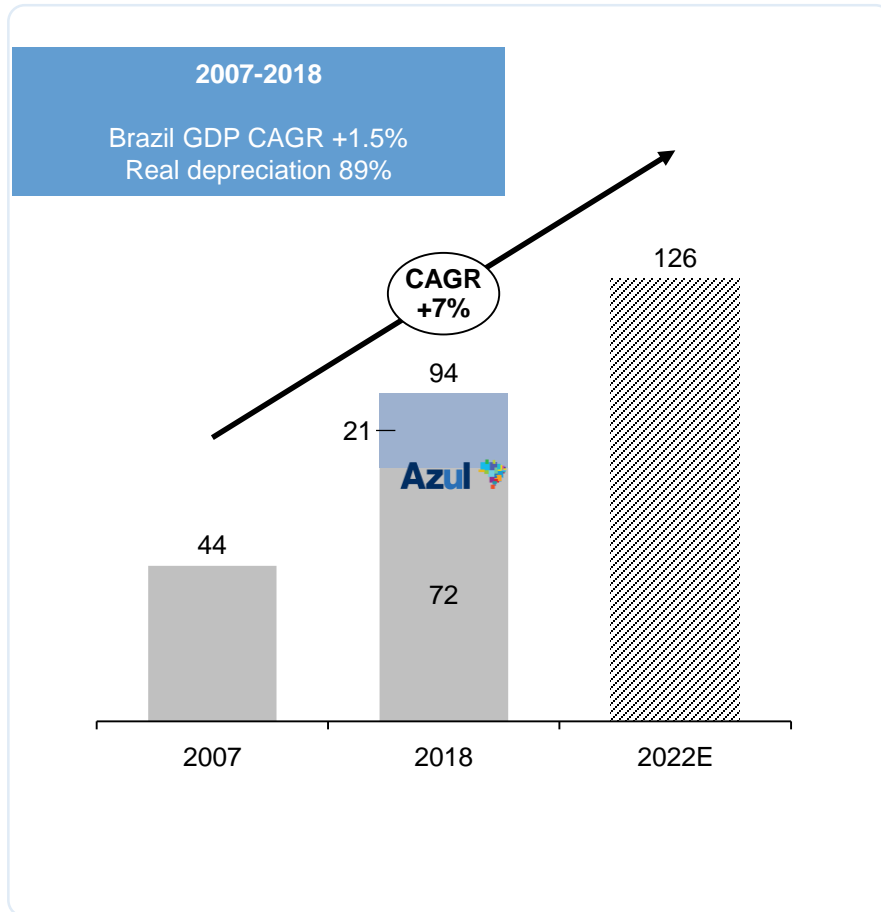
Azul Milestones



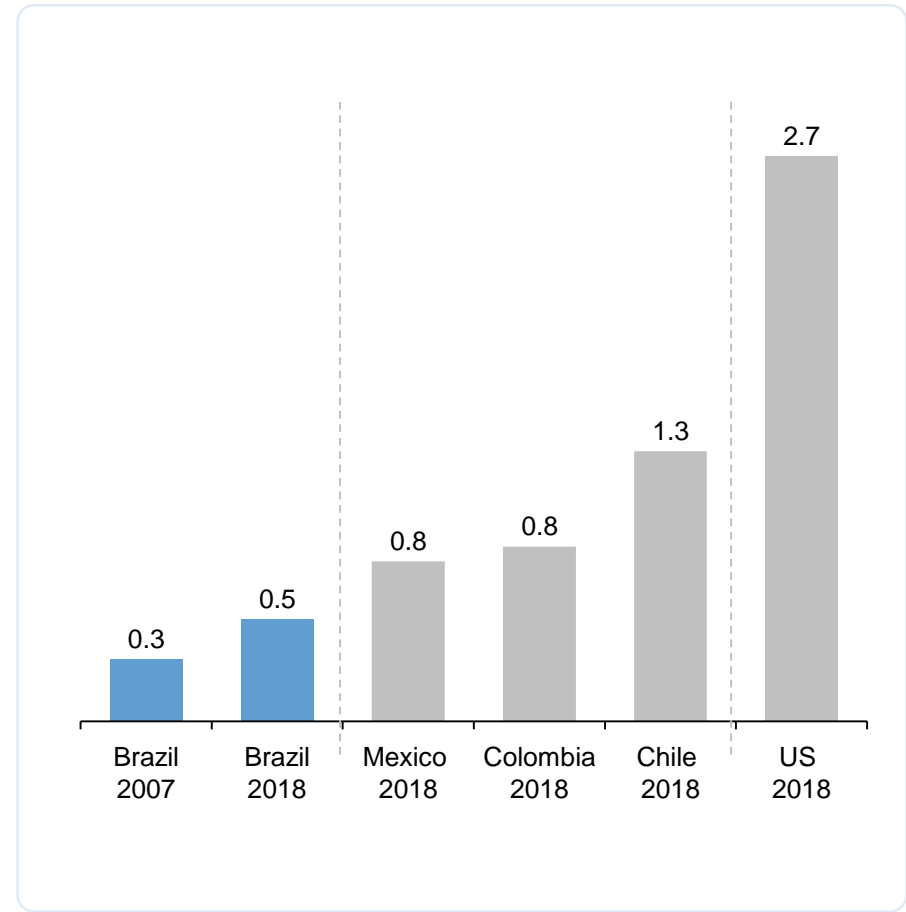
Positive Fundamentals Driving the Brazilian Aviation Market

Growth in the Brazilian middle class supported by rising per capita income, leading to more passengers and flights per capita in Brazil

Brazil Domestic Passengers by Year
(in millions)



Domestic Flights Per Capita



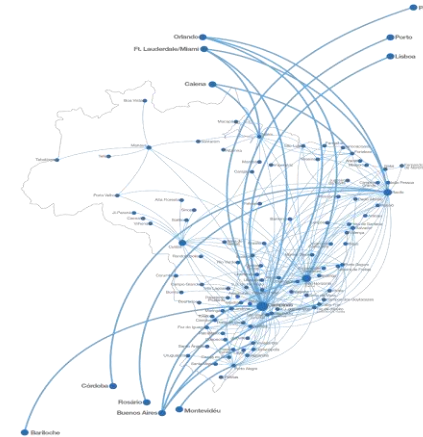
Sustainable, Defensible Business Model

1 Largest network with multiple hubs

Cia	Vo	Per	Posto	Operações
Azul	4204	15:20	Bonito	C 014 On Time
Azul	4018	15:25	Rio de Janeiro - SDU	C 009 Gate Closed
Azul	5284	15:25	Belo Horizonte	C 005 Gate Closed
Azul	2686	15:40	Porto Alegre	C 012 Boarding
Azul	5288	15:40	Aracaju	C 002 Boarding
Azul	2684	16:00	Dourados	B B24 Boarding
Azul	4414	16:05	Mariá	B B22 Gate Open
Azul	4061	16:10	Porto Alegre	C 006 Gate Open
Azul	2578	16:15	Salvador	C 006 Gate Open
Azul	2582	16:25	Manaus	B B21 Gate Open
Azul	4280	16:25	Rio de Janeiro - GIG	C 007 On Time
Azul	5114	16:25	Rio de Janeiro - SDU	C 004 Gate Open
Azul	2487	16:30	Belo Horizonte	C 005 On Time
Azul	2612	16:40	Brasília	C 010 On Time
Azul	2219	16:45	Curitiba	C 014 Gate Open
Azul	4306	16:55	Uberlândia	B B26 Gate Open
Azul	4482	17:00	Campo Grande	C 012 On Time
Azul	6750	17:00	Ubatuba	A A08 Gate Open
Azul	4344	17:10	Aracaju	B B24 Gate Open
Azul	4490	17:10	Colábi	C 002 On Time
Azul	4340	17:15	Joinville	B B23 Gate Open
Azul	5188	17:25	Passo Fundo	C 008 On Time
Azul	2632	17:30	Belo Horizonte	C 004 Gate Open
Azul	4233	17:30	Rio de Janeiro - SDU	C 007 Gate Open
Azul	4350	17:30	Juiz de Fora	B B24 On Time
Azul	5046	17:30	Porto Alegre	C 013 Gate Open
Azul	4209	17:40	Curitiba	C 009 Gate Open
Azul	4314	17:40	São José do Rio Preto	B B22 On Time
Azul	4122	17:45	Goiania	B B26 On Time
Azul	6120	17:45	Presidente Prudente	B B25 Gate Open
Azul	4309	18:15	Ribeirão Preto	B B28 On Time

Cia	Vo	Per	Posto	Operações
Azul	4018	18:20	Rio de Janeiro - SDU	C 005 On Time
Azul	5100	18:25	Recife	C 008 Gate Open
Azul	4138	18:55	Brasília	C 010 On Time
Azul	4128	19:00	Goiania	C 006 On Time
Azul	4048	19:20	Belo Horizonte	C 013 On Time
Azul	3656	19:35	Brasília	C 008 On Time
Azul	2930	19:45	Rio de Janeiro - SDU	C 005 On Time
Azul	4084	19:45	Vitoria	C 012 On Time
Azul	4280	19:45	Porto Alegre	C 002 On Time
Azul	5897	19:50	Itaperiopolis	C 014 On Time
Azul	4026	19:55	Curitiba	C 004 On Time
Azul	4248	19:55	Navegantes	C 008 On Time
Azul	5028	20:05	Belo Horizonte	B B21 On Time
Azul	1993	20:15	Rio de Janeiro - GIG	C 007 On Time
Azul	4316	20:15	São José do Rio Preto	B B25 On Time
Azul	9050	20:30	Rio de Janeiro - SDU	C 008 On Time
Azul	5222	20:45	Uberlândia	B B28 On Time
Azul	4362	20:50	Mariá	B B23 On Time
Azul	5130	20:55	Bauri	B B28 On Time
Azul	4336	21:10	Aracaju	B B26 On Time
Azul	6978	21:10	Uberlândia	B B24 On Time
Azul	9284	21:15	Belo Horizonte	C 010 On Time
Azul	4201	21:20	Rio de Janeiro - SDU	C 008 On Time
Azul	4406	21:20	Foz de Iguaçu	C 009 On Time
Azul	4408	21:30	Joinville	C 013 On Time
Azul	5730	21:30	Jaguariúna	C 004 On Time
Azul	2621	21:45	Chapicó	C 006 On Time
Azul	4268	21:45	Goiania	C 014 On Time
Azul	4030	21:50	Campo Grande	C 007 On Time
Azul	5050	21:55	Curitiba	C 006 On Time
Azul	4682	22:00	Curitiba	C 002 On Time

2 Unparalleled network connectivity



3 Diversified fleet



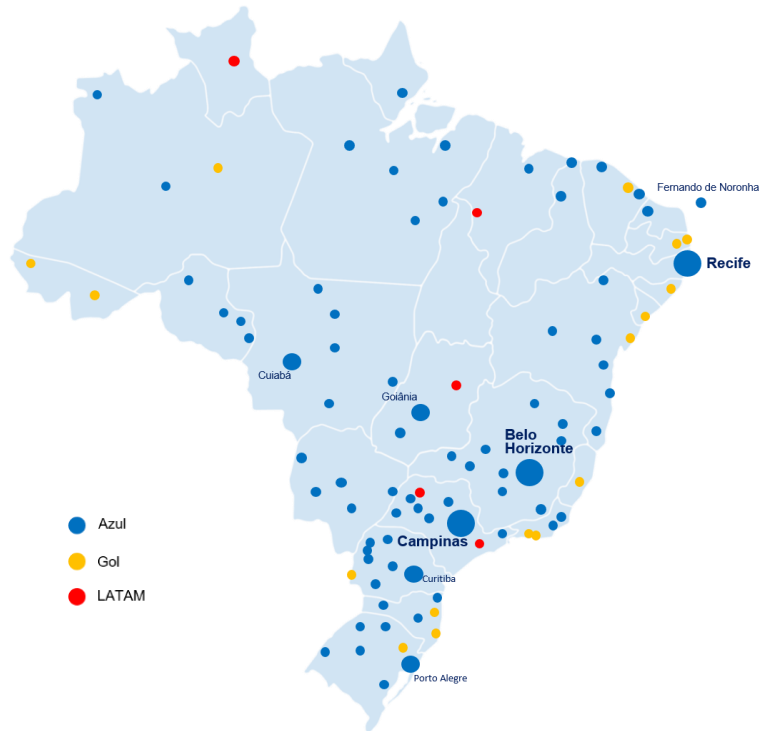
4 Renowned Customer Service



Market and Route Leadership

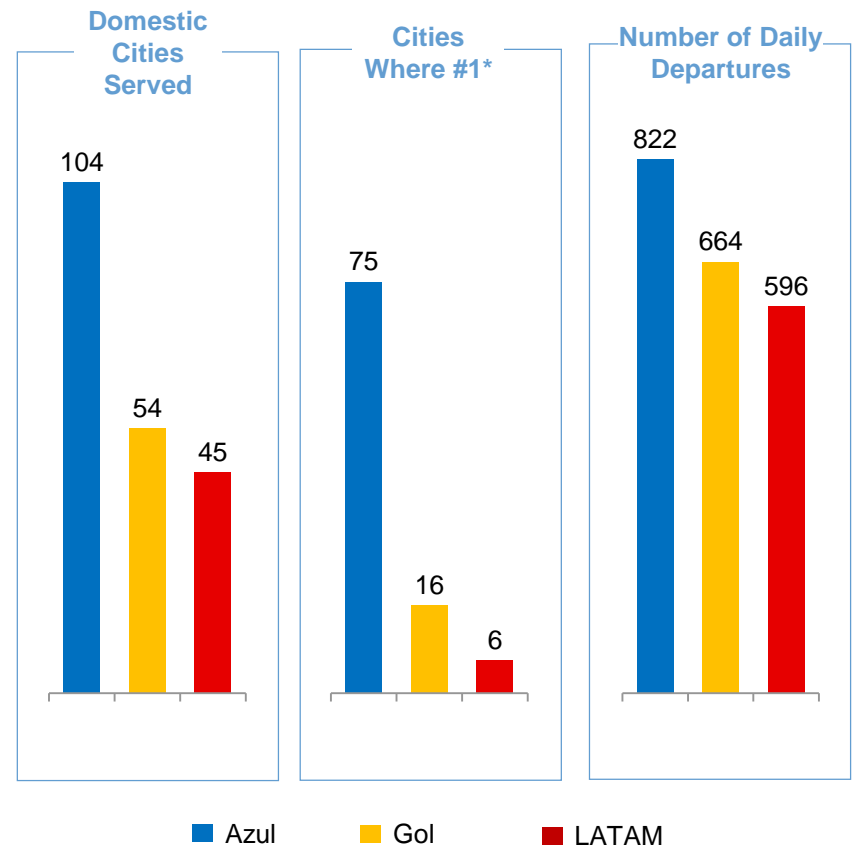
Azul is strongly positioned in Brazil, with strong presence in underserved markets...

Most Relevant Airline by City
(December 2018)



- Strong penetration in underserved markets
- Hubs located in Campinas (VCP), Belo Horizonte (CNF) and Recife (REC), three of the largest airports and metropolitan areas in the country

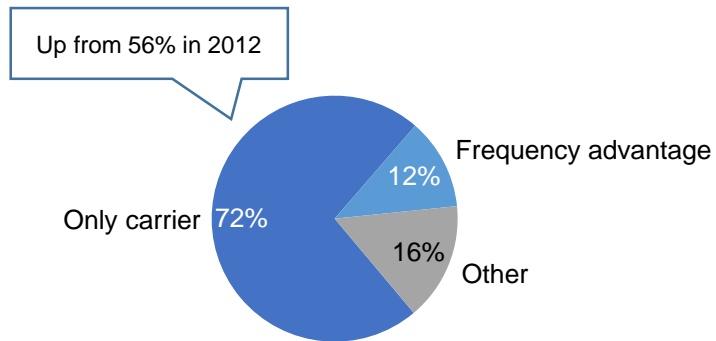
Azul Route Position
(Domestic, June 2019)



Limited Route Overlap with Competitors

Azul's limited overlap with other Brazilian carriers gives it significant pricing advantage

Azul Routes Leadership
(2Q19)



Leadership Share

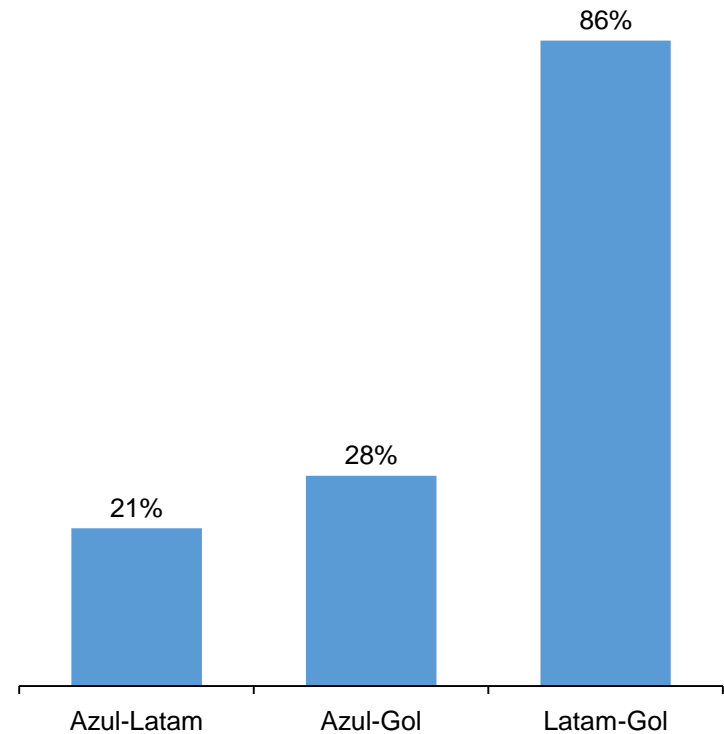
% of routes

84%

% Revenues

83%

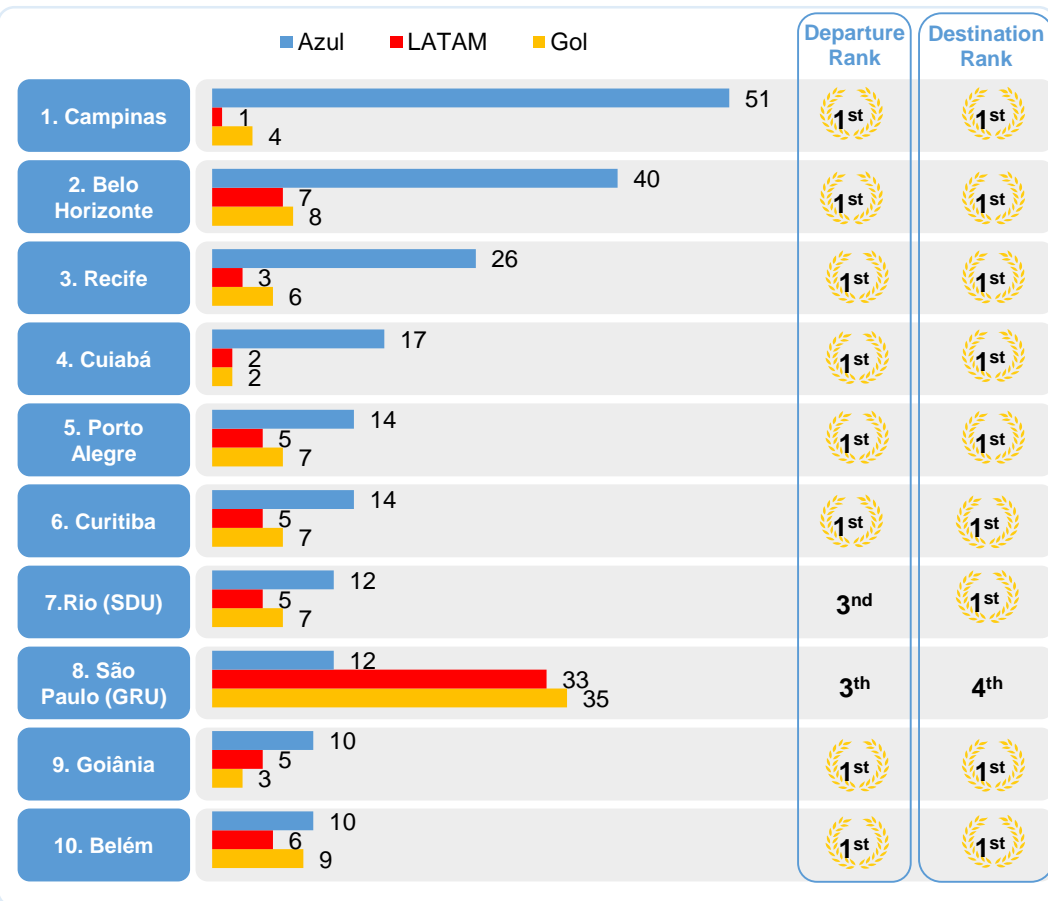
Route Overlap



Leader in 8 Out of Company's Top 10 Airports

...making the Company the leader on most of the routes it serves

Nonstop Domestic Destinations by Airport (June 2019)



Flights per day on Selected Routes

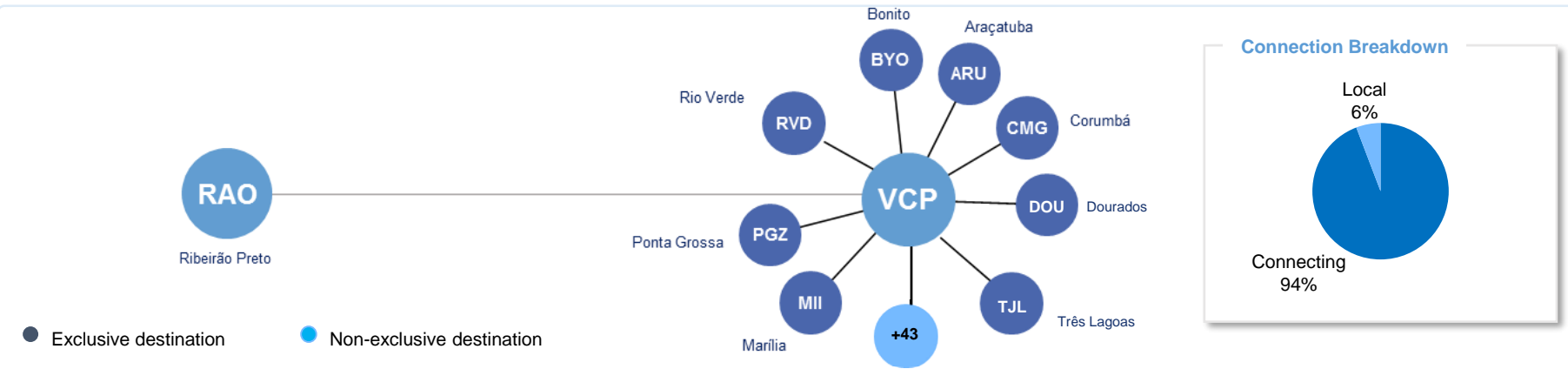
Top Routes by # of Flights	Azul	Gol	TAM
Campinas–Rio de Janeiro	14x	2x	-
Campinas-Belo Horizonte	11x	-	-
Campinas–Curitiba	9x	-	-
Campinas–Porto Alegre	9x	-	-
Belo Horizonte–Vitória	7x	-	-
Campinas–Cuiabá	5x	-	-
Campinas–Ribeirao Preto	5x	-	-
Belo Horizonte-Montes Claros	4x	-	-

Higher frequency attracts business travelers, who value convenience

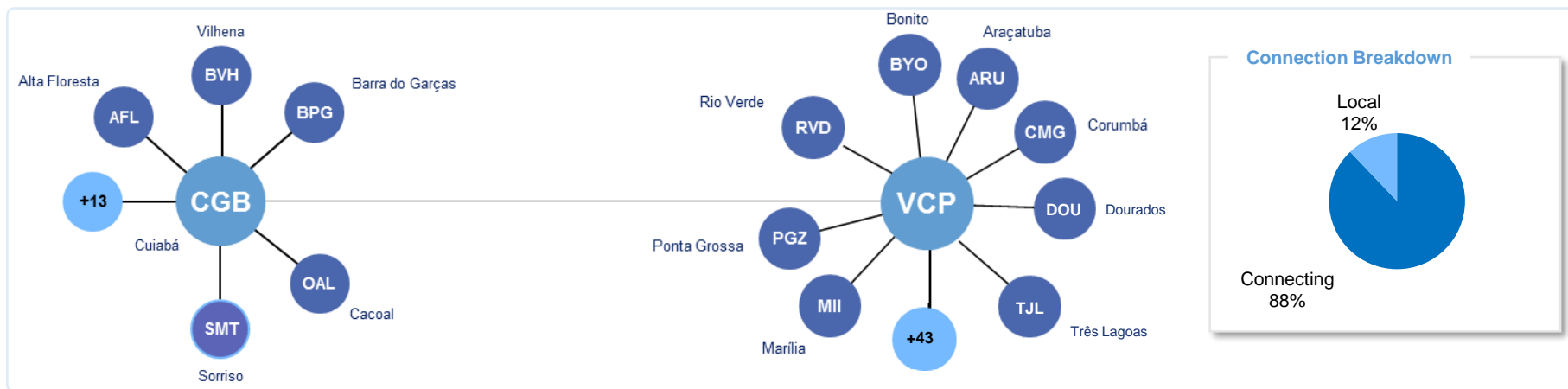
Exclusive Provider on Key Routes

Limited number of local passengers means individual routes cannot sustain new entrants

Spoke Example: Ribeirão Preto–Campinas



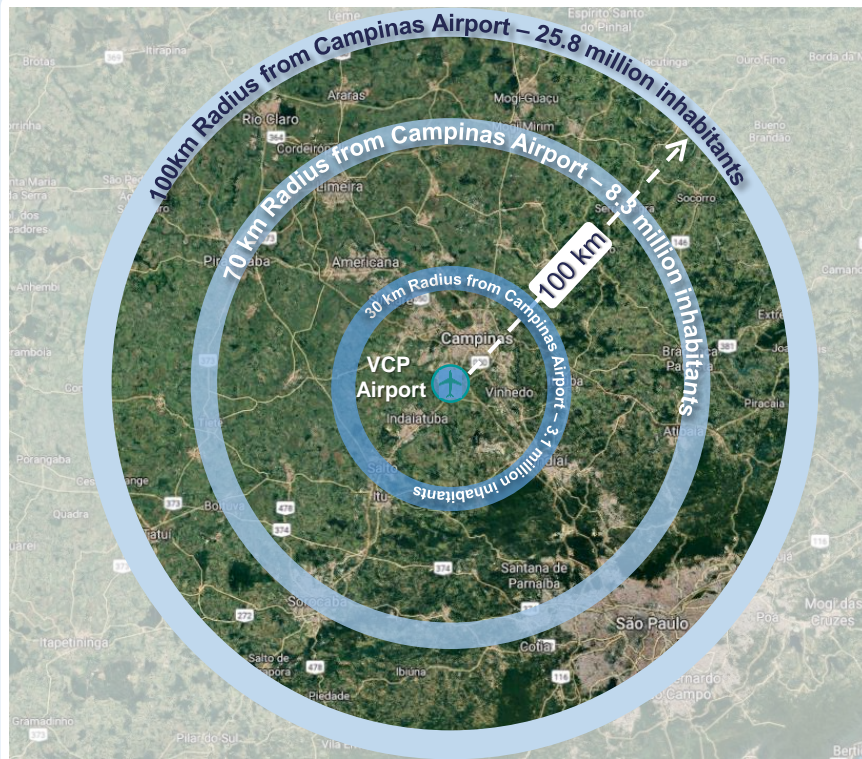
Hub-to-Hub Example: Cuiabá–Campinas



Fortress Hub at Campinas Airport

Campinas Airport (VCP) is located about one hour from São Paulo in Campinas, one of the wealthiest and most populated regions in Brazil

Campinas Airport Influence Area



- Total population in region: 26 million
- Total economic output from region: R\$ 988B

Campinas Airport Catchment Area

Campinas Metropolitan Region

- VCP is the primary airport serving Campinas metropolitan region
- Population: 3.1 million; economic output: R\$ 139B

Campinas Catchment Area

- Convenient and fast highway access to VCP
- Population: 5.2 million; economic output: R\$ 187B



São Paulo Metropolitan Region

- São Paulo: largest city and economic hub in Brazil
- Population 17.6 million; economic output: R\$ 662B

VCP vs. GRU Competition

- Only 4% of VCP passengers reside in São Paulo city
- Easy access through high-capacity freeways:
 - VCP: 60-75 min drive from São Paulo during peak hours
 - GRU: up to 180 minutes to GRU

Fortress Hub at Campinas Airport

<div>  Partidas </div>								<div>  Partidas </div>							
Cia	Voo	Hora	Previsto	Destino	Pier	Portão	Observações	Cia	Voo	Hora	Previsto	Destino	Pier	Portão	Observações
Azul	4204	15:20		Bonito	C	C14	On Time	Azul	4018	18:20		Rio de Janeiro - SDU	C	C05	On Time
Azul	4016	15:25		Rio de Janeiro - SDU	C	C09	Gate Closed	Azul	5100	18:25		Recife	C	C08	Gate Open
Azul	5284	15:25		Belo Horizonte	C	C05	Gate Closed	Azul	4138	18:55		Brasília	C	C10	On Time
Azul	2666	15:40		Porto Alegre	C	C12	Boarding	Azul	4128	19:00		Goiânia	C	C06	On Time
Azul	5286	15:40		Aracaju	C	C02	Boarding	Azul	4046	19:20		Belo Horizonte	C	C13	On Time
Azul	2664	16:00		Dourados	B	B24	Boarding	LATAM	3656	19:35		Brasília	C	C09	On Time
Azul	4414	16:05		Marília	B	B22	Gate Open	Azul	2639	19:45		Rio de Janeiro - SDU	C	C05	On Time
Azul	4061	16:10		Porto Alegre	C	C08	Gate Open	Azul	4084	19:45		Vitória	C	C12	On Time
Azul	2576	16:15		Salvador	C	C06	Gate Open	Azul	4286	19:45		Porto Alegre	C	C02	On Time
Azul	2582	16:25		Maringá	B	B21	Gate Open	Azul	6967	19:50		Florianópolis	C	C14	On Time
Azul	4260	16:25		Rio de Janeiro - GIG	C	C07	On Time	Azul	4026	19:55		Curitiba	C	C04	On Time
Azul	5114	16:25		Rio de Janeiro - SDU	C	C04	Gate Open	Azul	4248	19:55		Navegantes	C	C08	On Time
Azul	2487	16:30		Belo Horizonte	C	C05	On Time	Azul	5028	20:05		Belo Horizonte	B	B21	On Time
Azul	2612	16:40		Brasília	C	C10	On Time	GOL	1993	20:15		Rio de Janeiro - GIG	C	C07	On Time
Azul	9219	16:45		Curitiba	C	C14	Gate Open	Azul	4316	20:15		São José do Rio Preto	B	B25	On Time
Azul	4966	16:55		Uberlândia	B	B26	Gate Open	Azul	9050	20:30		Rio de Janeiro - SDU	C	C06	On Time
Azul	4482	17:00		Campo Grande	C	C12	On Time	Azul	5222	20:45		Uberaba	B	B28	On Time
Azul	8750	17:00		Lisboa	A	A08	Gate Open	Azul	4362	20:50		Marília	B	B23	On Time
Azul	4344	17:10		Araçatuba	B	B24	Gate Open	Azul	5130	20:55		Bauru	B	B28	On Time
Azul	4490	17:10		Cuiabá	C	C02	On Time	Azul	4336	21:10		Araçatuba	B	B26	On Time
Azul	4346	17:15		Joinville	B	B23	Gate Open	Azul	6978	21:10		Uberlândia	B	B24	On Time
Azul	5168	17:25		Passo Fundo	C	C06	On Time	Azul	9264	21:15		Belo Horizonte	C	C10	On Time
Azul	2632	17:30		Belo Horizonte	C	C04	Gate Open	Azul	4201	21:20		Rio de Janeiro - SDU	C	C08	On Time
Azul	4233	17:30		Rio de Janeiro - SDU	C	C07	Gate Open	Azul	4406	21:20		Foz do Iguaçu	C	C09	On Time
Azul	4350	17:30		Juiz de Fora	B	B24	On Time	Azul	4408	21:30		Joinville	C	C13	On Time
Azul	5046	17:30		Porto Alegre	C	C13	Gate Open	Azul	5730	21:30		Jaguaruna	C	C04	On Time
Azul	4269	17:40		Curitiba	C	C09	Gate Open	Azul	2621	21:45		Chapecó	C	C06	On Time
Azul	4314	17:40		São José do Rio Preto	B	B22	On Time	Azul	4288	21:45		Goiânia	C	C14	On Time
Azul	4122	17:45		Goiânia	B	B26	On Time	Azul	4030	21:50		Campo Grande	C	C07	On Time
Azul	9120	17:45		Presidente Prudente	B	B25	Gate Open	Azul	5059	21:55		Cuiabá	C	C05	On Time
Azul	4306	18:15		Ribeirão Preto	B	B28	On Time	Azul	4092	22:00		Curitiba	C	C02	On Time

Strong Connectivity at Multiple Hubs



Campinas

Strong local demand, runway and terminal capacity, focus on North-South and secondary São Paulo cities traffic

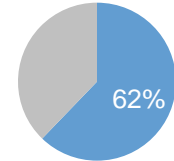
Daily
Flights

148

Cities Served
(non-stop)

58

Connecting
Passengers

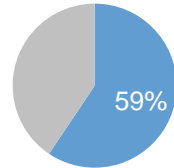


Belo Horizonte

Mid-continent hub, strong local demand from the secondary cities in Minas Gerais, shorter flight times to the Northeast

92

42

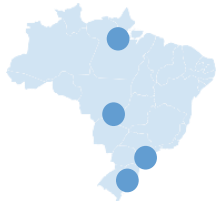
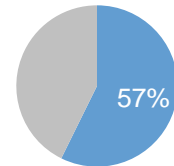


Recife

Newest hub connecting all capitals in the Northeast, strongest local and corporate demand in the region, convenient launch point to U.S. and Europe

63

30



Focus cities:

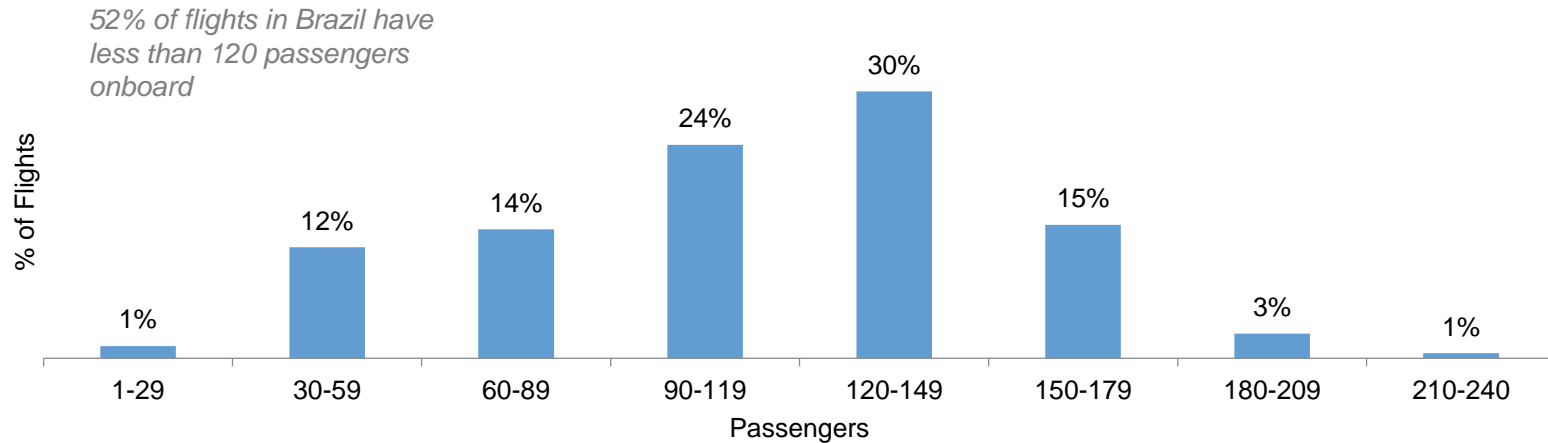
Belem, Cuiabá, Porto Alegre, Curitiba

- Belem is the newest North focus city
- Cuiaba serves the Midwest agro-business region where Azul is no.1
- Curitiba and Porto Alegre connect smaller secondary cities in the South

Appropriately-Sized Aircraft for the Brazilian Market

With a diversified fleet configured with 70 to 174 seats, Azul is best positioned to match capacity to demand

Passengers per Domestic Flight in Brazil
(2018)



33 ATRs
70 seats

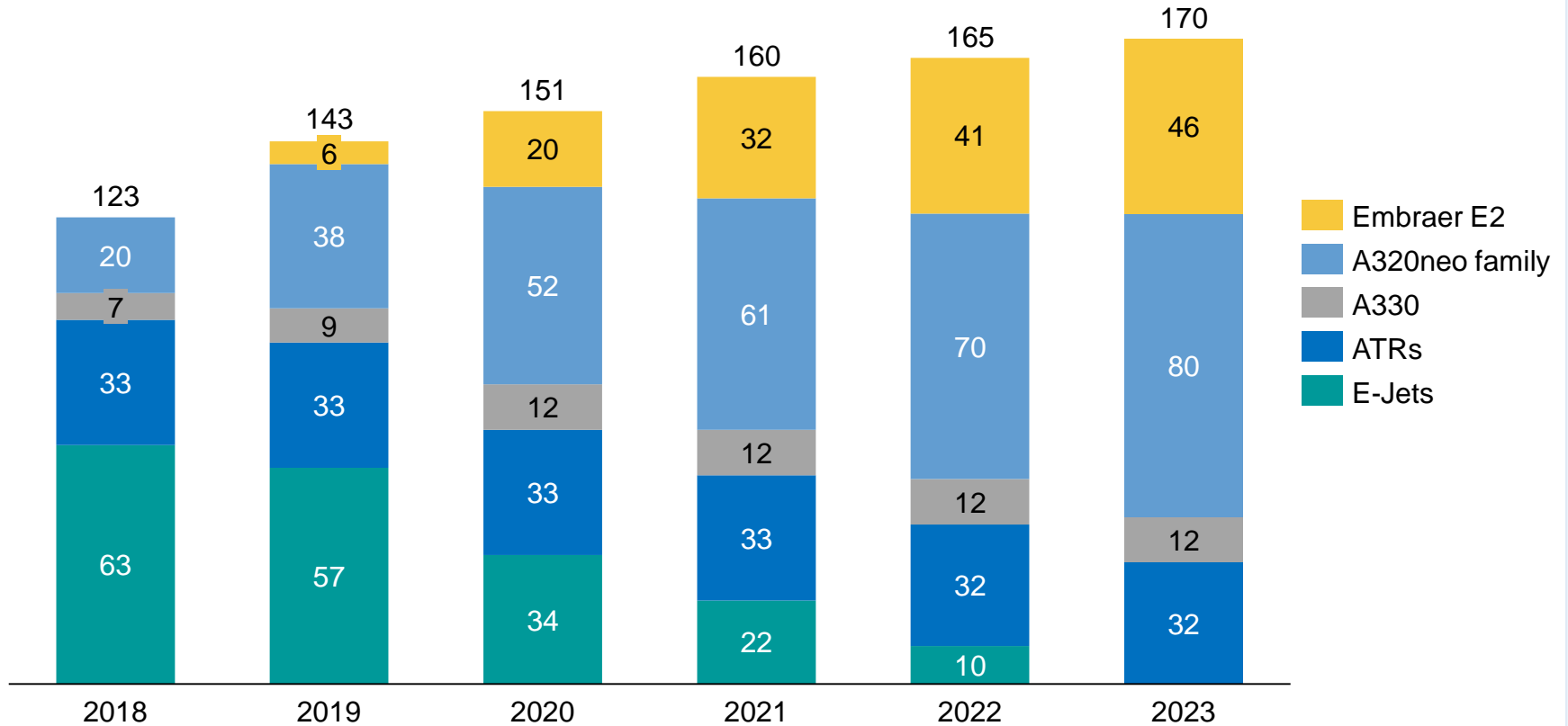


58 E-Jets
96-136 seats



28 A320neo family
174 seats

Azul Operating Fleet Projection

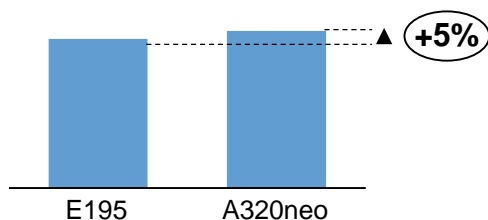


A320neo: Key Driver of Future Profitability

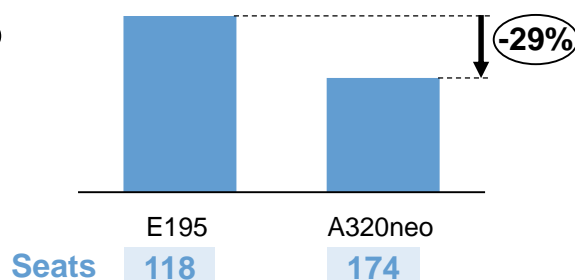
The addition of A320neos to Azul's fleet is further enhancing profitability in long-haul markets

Cost Comparison: A320neo vs. E195 (Campinas–Salvador)*

Trip cost (R\$)



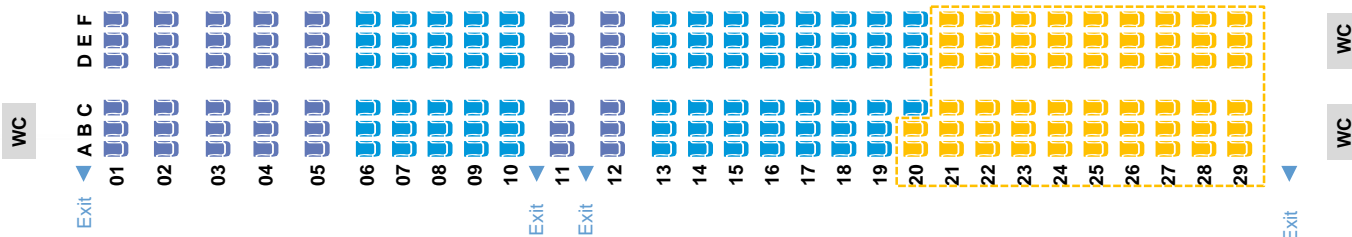
Seat cost (R\$)



A320neo Highlights

- Burns ~15% less fuel than previous A320 model
- Also supports further growth of TudoAzul, Azul Viagens and Azul Cargo

A320neo Seat Map

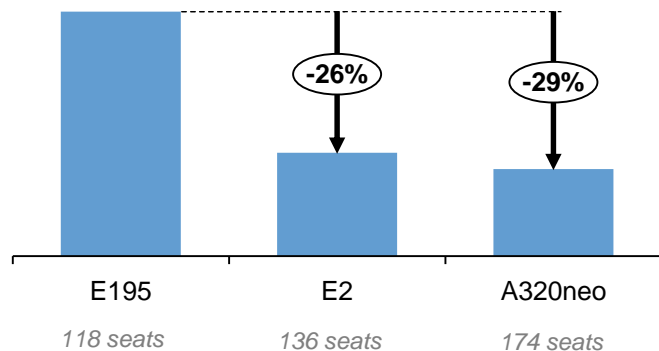


- A320neo provides 56 additional seats at virtually no additional cost per flight compared to previous aircraft used in long-haul missions, significantly reducing cost per seat

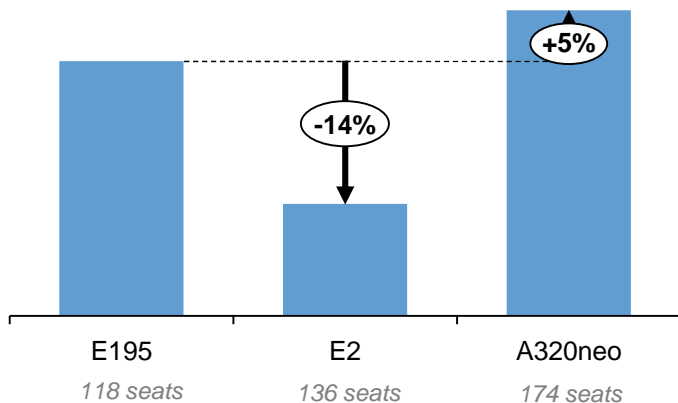
Azul's Fleet Transformation

The addition of next-generation aircraft is the cornerstone of Azul's margin expansion strategy going forward

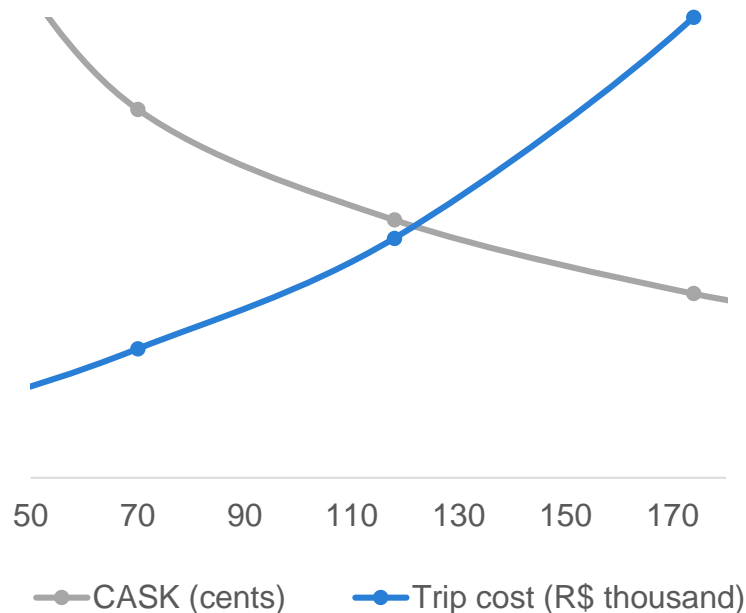
CASK Advantage



Trip Cost Advantage



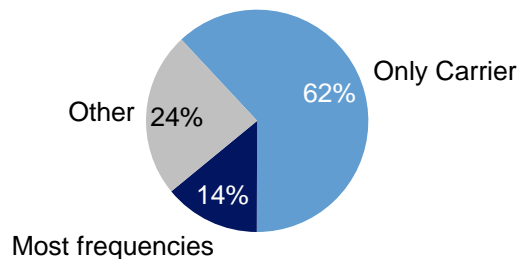
Trip Cost vs CASK



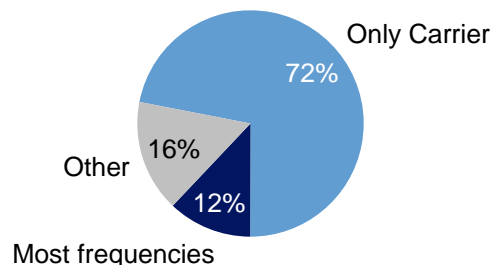
Strategically Consistent Growth

Azul Route Leadership Position

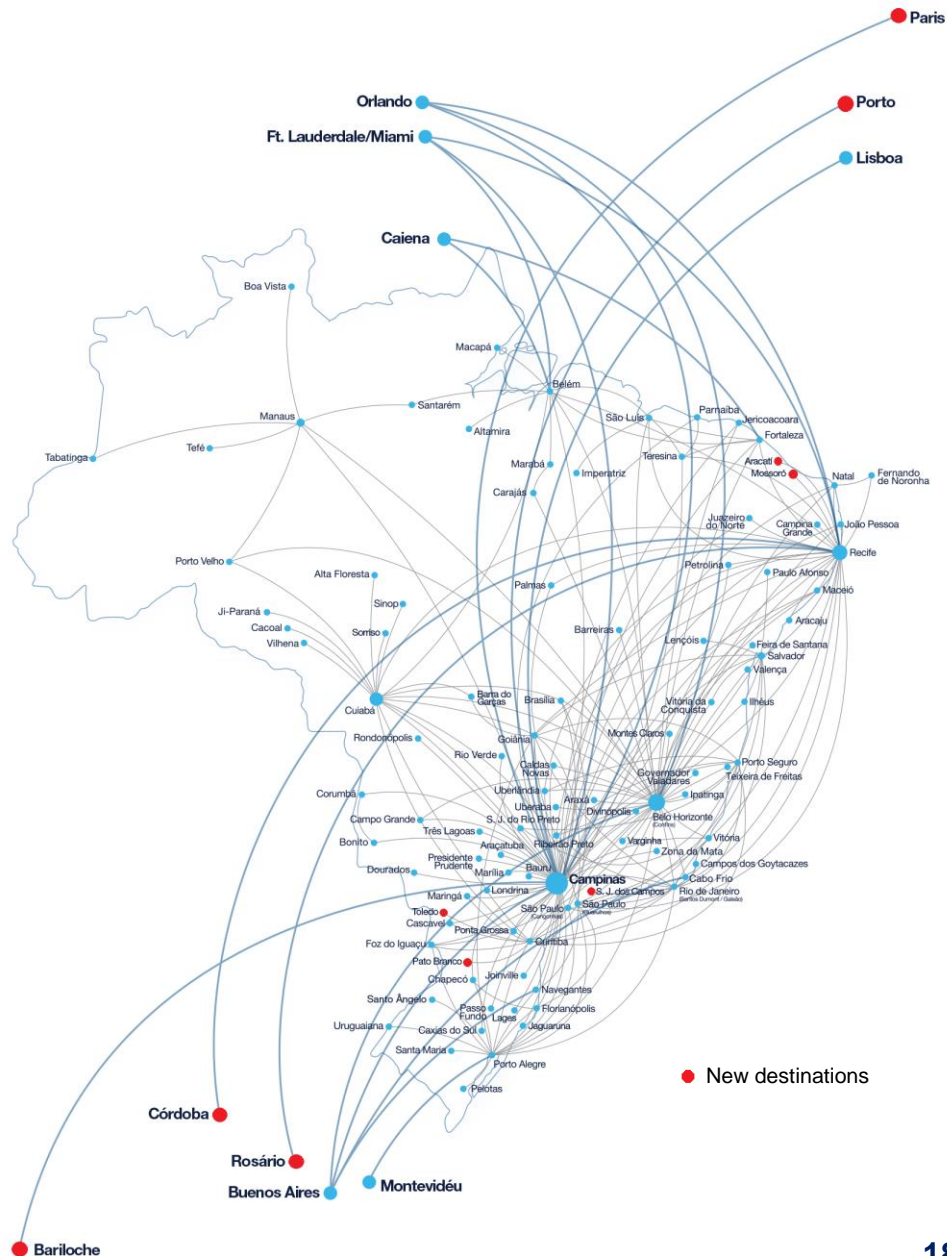
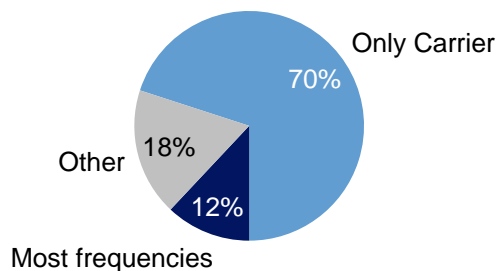
Before
A320neos



Today



2019E



Appropriately-Sized Aircraft for the Brazilian Market

...allowing Azul to fly to markets which its competitors cannot serve sustainably

Targeted Routes by Fleet Type

ATR

70 seats

Avg. Stage Length: 422 km
Cost Per Trip (R\$ 000): 13.9

Campinas–Ribeirão Preto
Belo Horizonte–Ipatinga
Recife–João Pessoa

E-Jets

106-118 seats

Avg. Stage Length: 793 km
Cost Per Trip (R\$ 000): 25.8

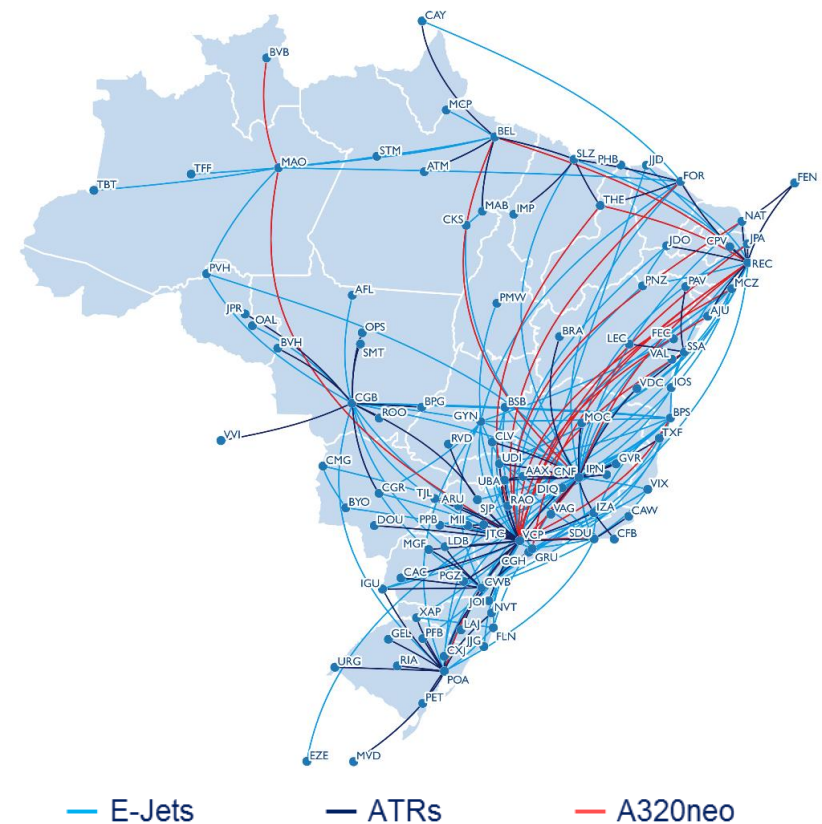
Campinas–Curitiba
Campinas–Porto Alegre
Rio de Janeiro–Campinas

A320neo

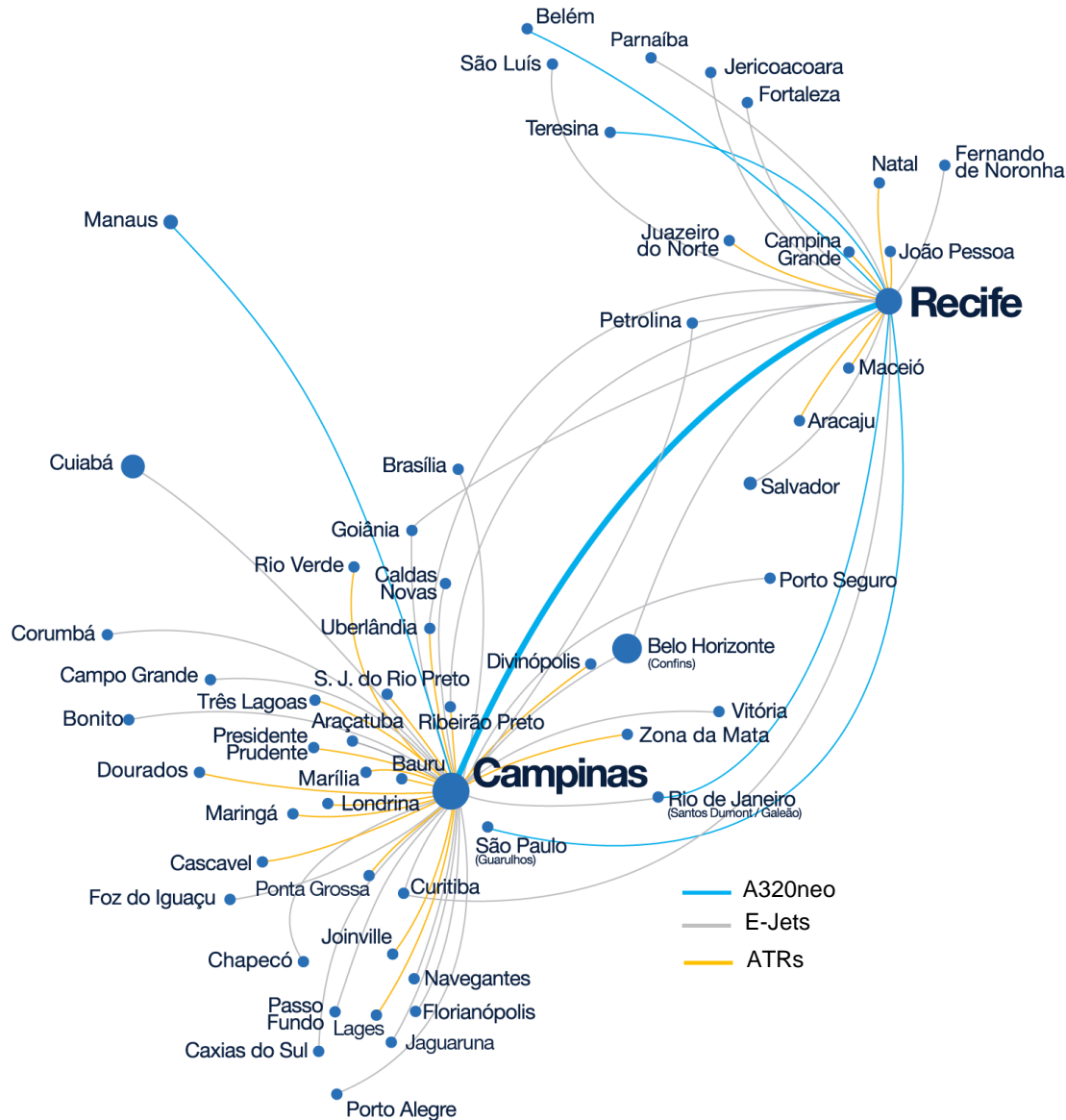
174 seats

Avg. Stage Length: 1,487 km
Cost Per Trip (R\$ 000): 43.2

Campinas–Manaus
Campinas–Recife
Belo Horizonte–Campinas



The A320neo Effect: Strengthening the Network

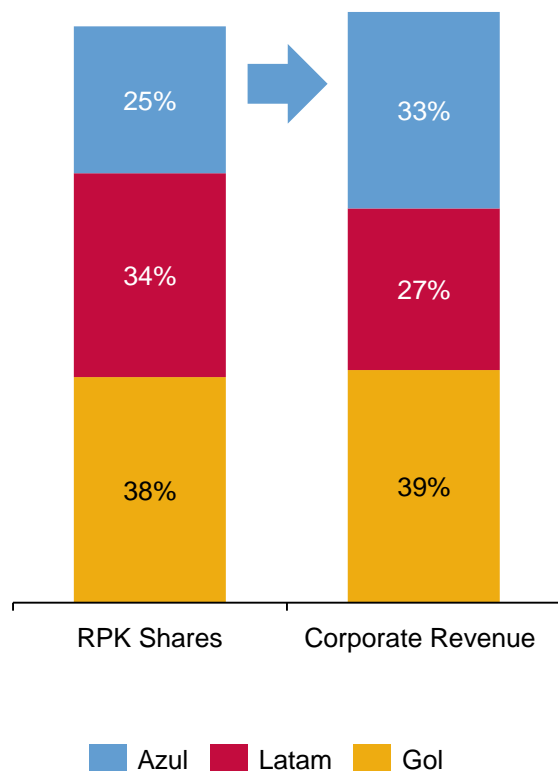


Campinas–Recife Growth (Replaced E-Jet with A320neo starting Dec. 2016)

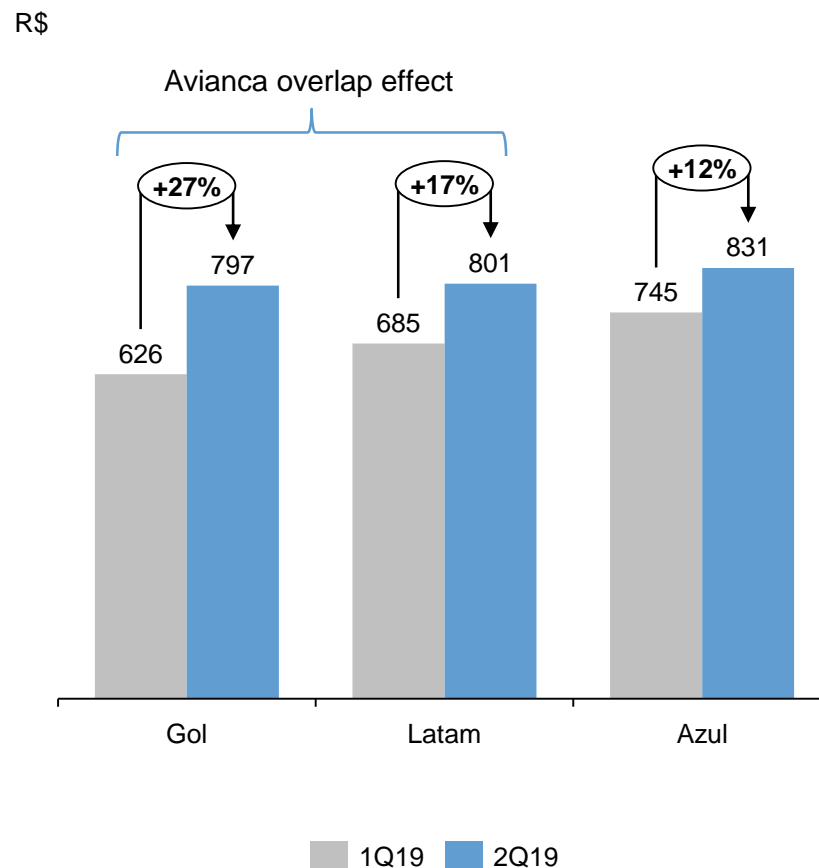
	4Q16 vs. 4Q17
Number of seats/week	+56%
Daily flights	+33%
Load factor	+2.0 p.p.
Local passengers	+26%
Downline revenue	+68%
Connecting passengers	+77%
Non-A320neo flights load factor	+3.0 p.p.

Market Share in Corporate Market

RPK and Corporate Revenue Share
(2Q19)

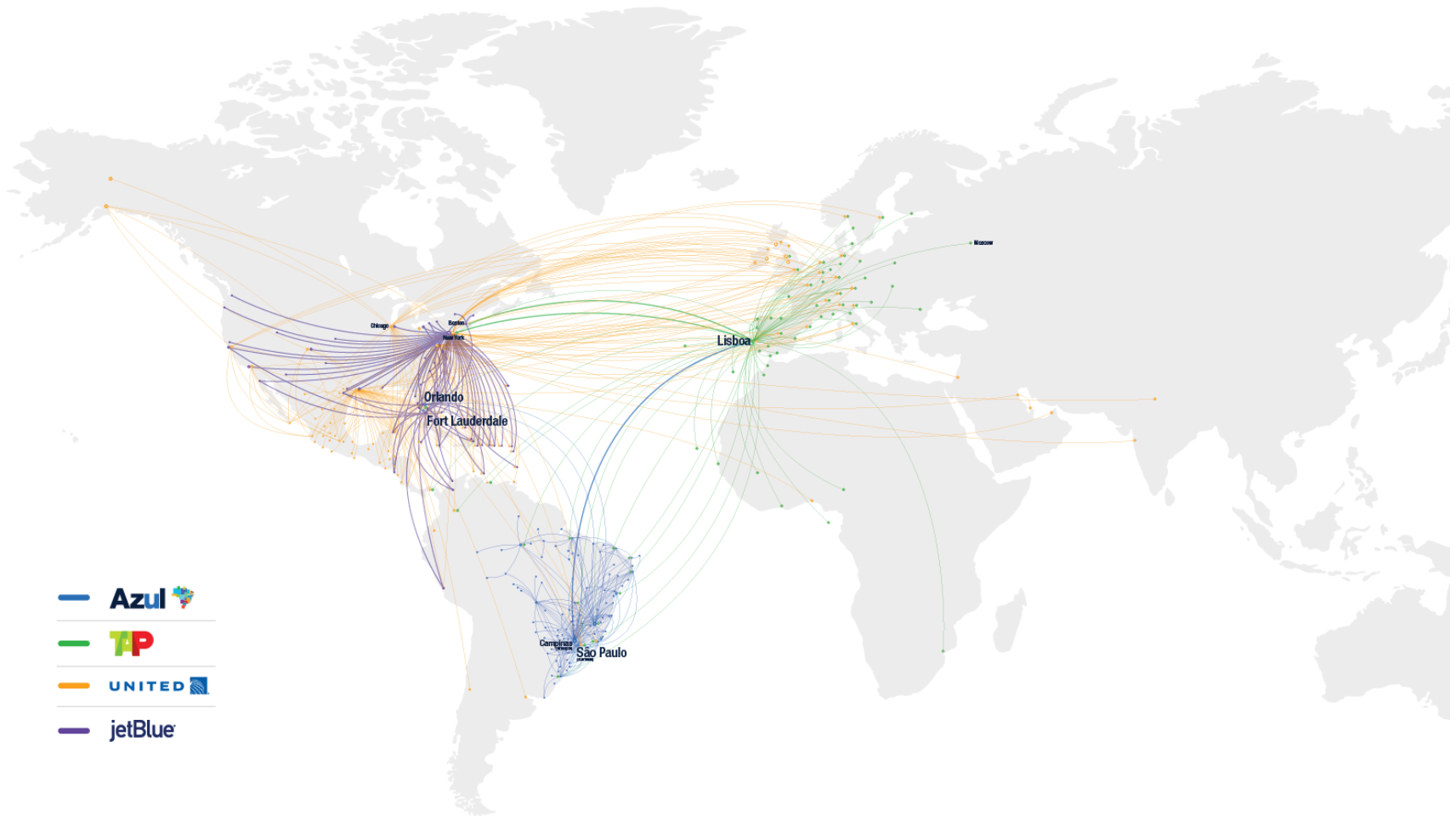


Average Corporate Ticket Price
(Roundtrip)



Focused International Expansion

Connecting where we are strong to where our partners are strong to maximize passenger traffic



High Quality Customer Experience

Customer-oriented culture and innovative service providing an enjoyable customer experience

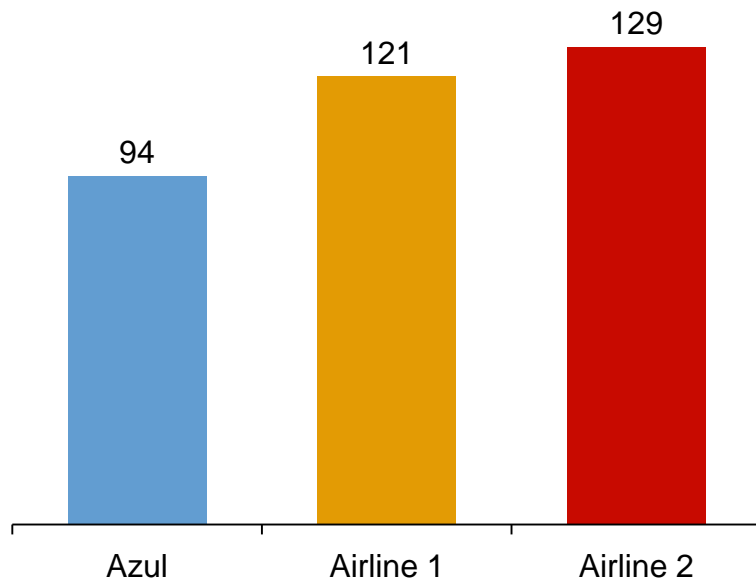
New Cabin Interior
(A330s)



Service-Oriented Company Culture

Highly productive workforce of passionate and friendly people who provide our customers with the best flying experience

Full-time employees per aircraft¹



Awards



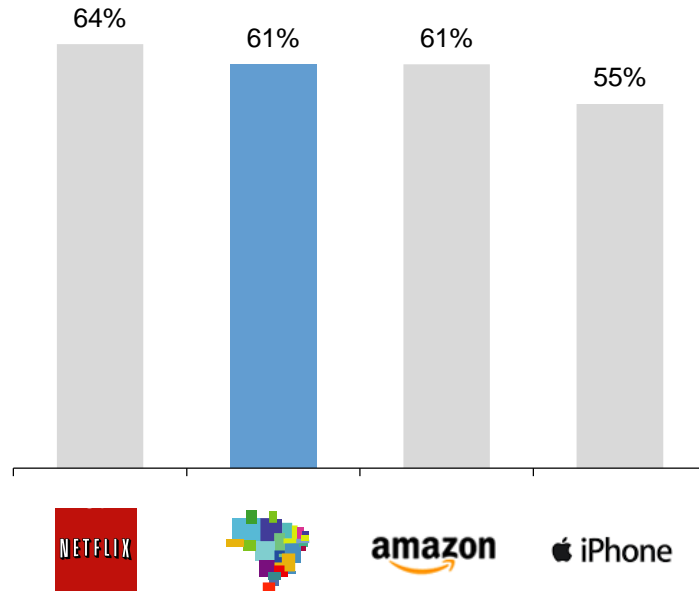
Most on-time LCC in the Americas



Strong Brand Recognition

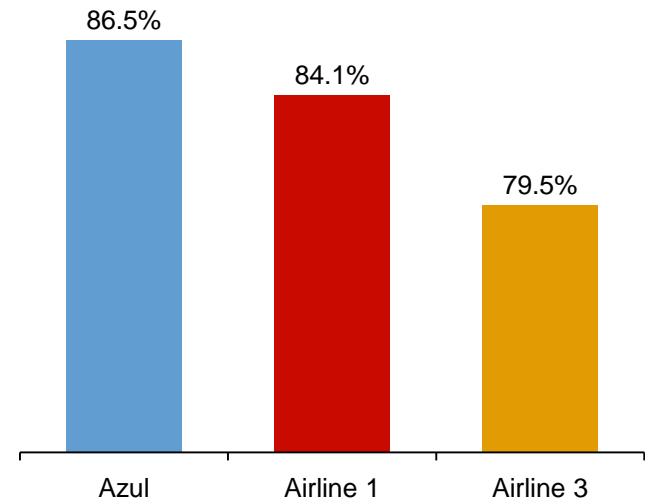
High quality product and exceptional service significantly enhance customer loyalty and brand recognition

Net Promoter Score



89% of customers would strongly recommend or recommend Azul to a friend or relative

On-Time Performance (A15*)

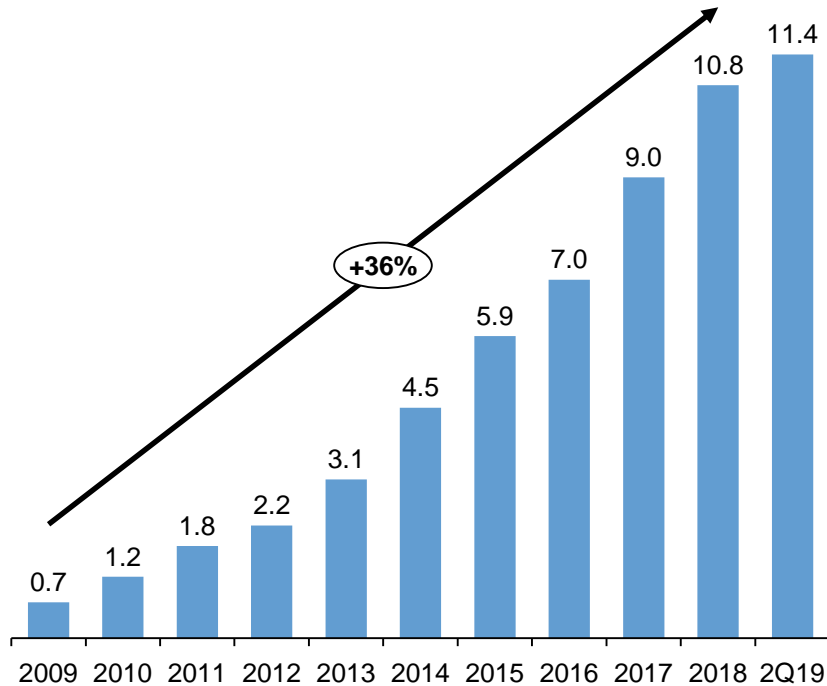


* Considers arrival within 15 minutes of scheduled time (Flightstats) - 2018

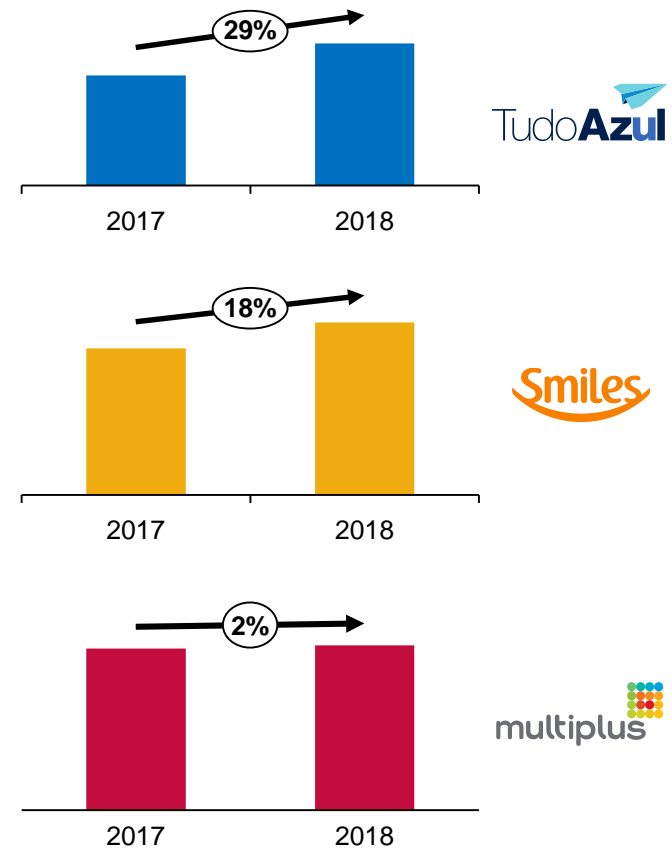
TudoAzul: Fastest Growing Loyalty Program

Rapidly gaining share in a growing industry

TudoAzul Members
(millions)



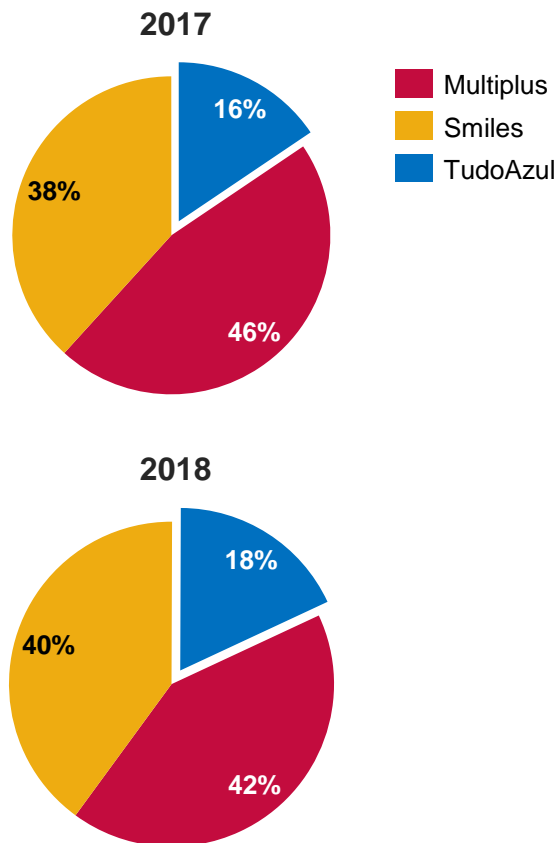
Gross Billings



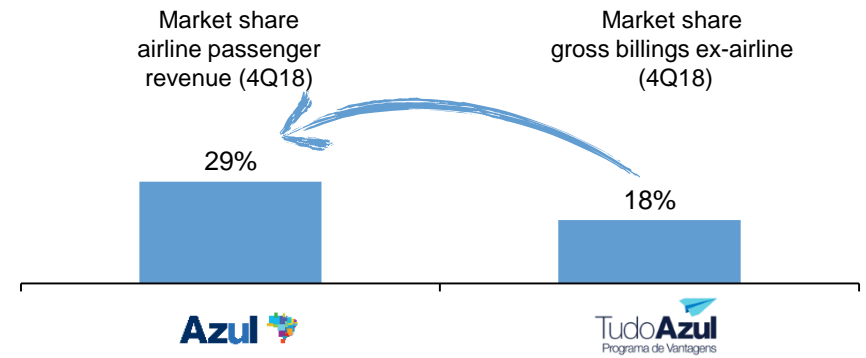
High Growth But Still Below Fair Share

TudoAzul has gained significant share but still has ample room to grow

Market Share
(Gross billings ex-airline)



TudoAzul Growth Potential



Voted Best Loyalty Program in Brazil

TudoAzul

MelhoresDestinos
— VIAJE MAIS GASTANDO MENOS —



**Voted Best
Loyalty Program in Brazil
by Melhores Destinos
in 2016, 2017 and 2018**

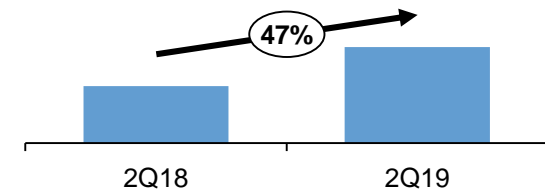
Azul Cargo Update

Only logistics provider in Brazil with air service to more than 100 destinations

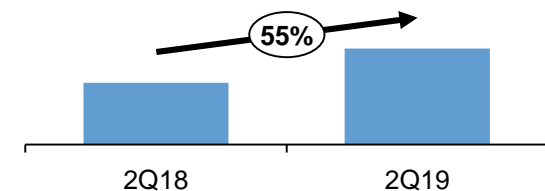


- Air-service to 115+ destinations and 240+ stores nationwide serving 3,700 cities:
 - Franchise model based on commissions
 - Door to door deliveries
 - Smaller items with high aggregate value
- Domestic share increase from 12% to 20%
- E-commerce segment represented 17% of 2Q19 cargo revenue, up 10 p.p. YoY
- Two dedicated freighter aircraft to support increasing demand for palletized service

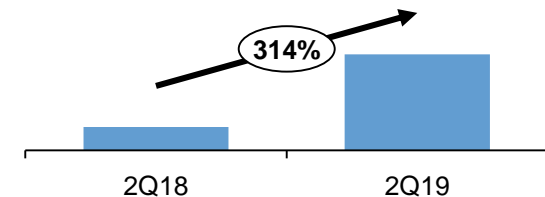
Cargo Revenue
Net (R\$ million)



Volume
(tons, 000)

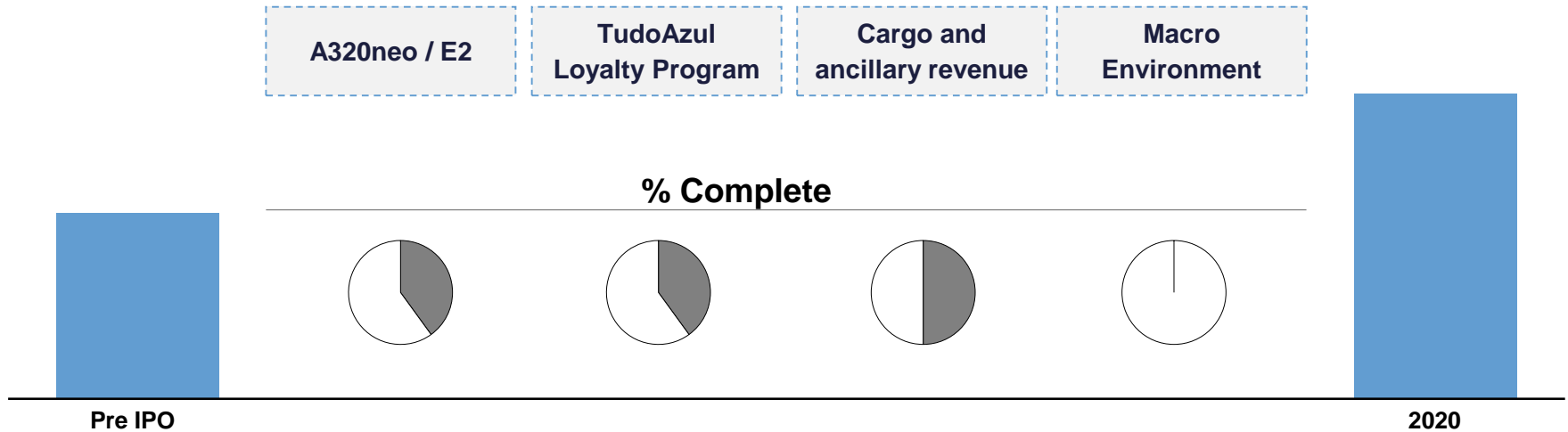


E-Commerce Revenue Growth
(R\$ million)



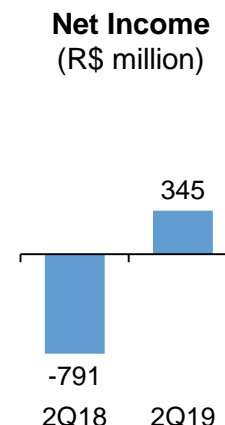
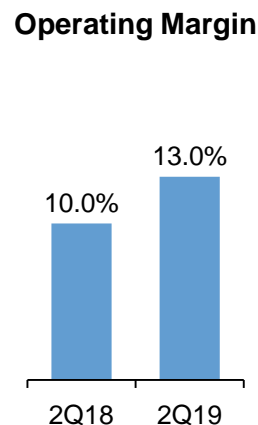
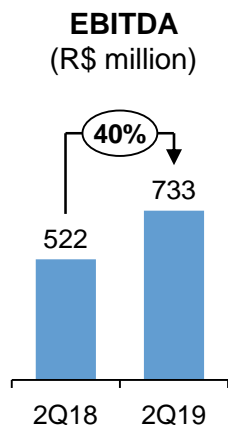
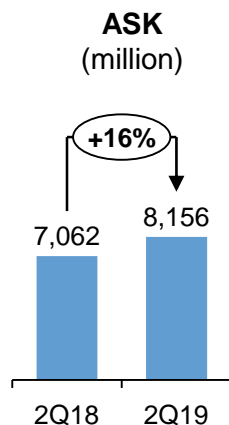
Multi-Year Margin Expansion Story

Operating Margin Growth Breakdown



- On track to deliver IPO promise of 5-point margin expansion over three years
- Continued upside for equity story
 - Less than 50% done on margin expansion drivers
 - New strategic alternatives from e-commerce
 - TAP investment upside
 - Remaining potential from Brazil macro

2Q19 Highlights



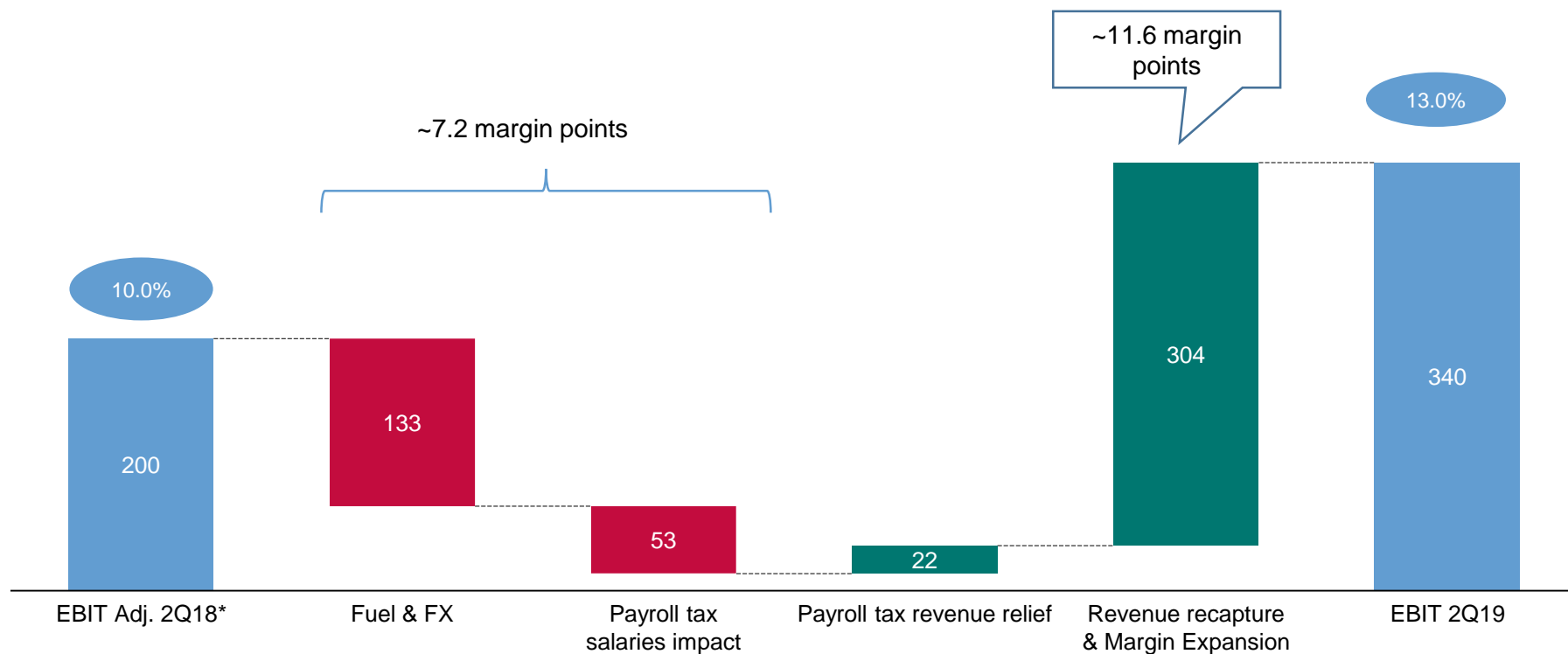
- Revenue of R\$2.6 billion, up 31.3% YoY
- 13.6% RASK increase YoY; up 15.1% stage-length adjusted
- Operating income of R\$340 million, up 70% YoY
 - Fuel price per liter increase of 18.6%
 - Brazilian real devaluation of 8.7%
 - R\$31 million net impact from payroll tax
- Net income of R\$345 million

2Q19 vs. 2Q18 Operating Margin

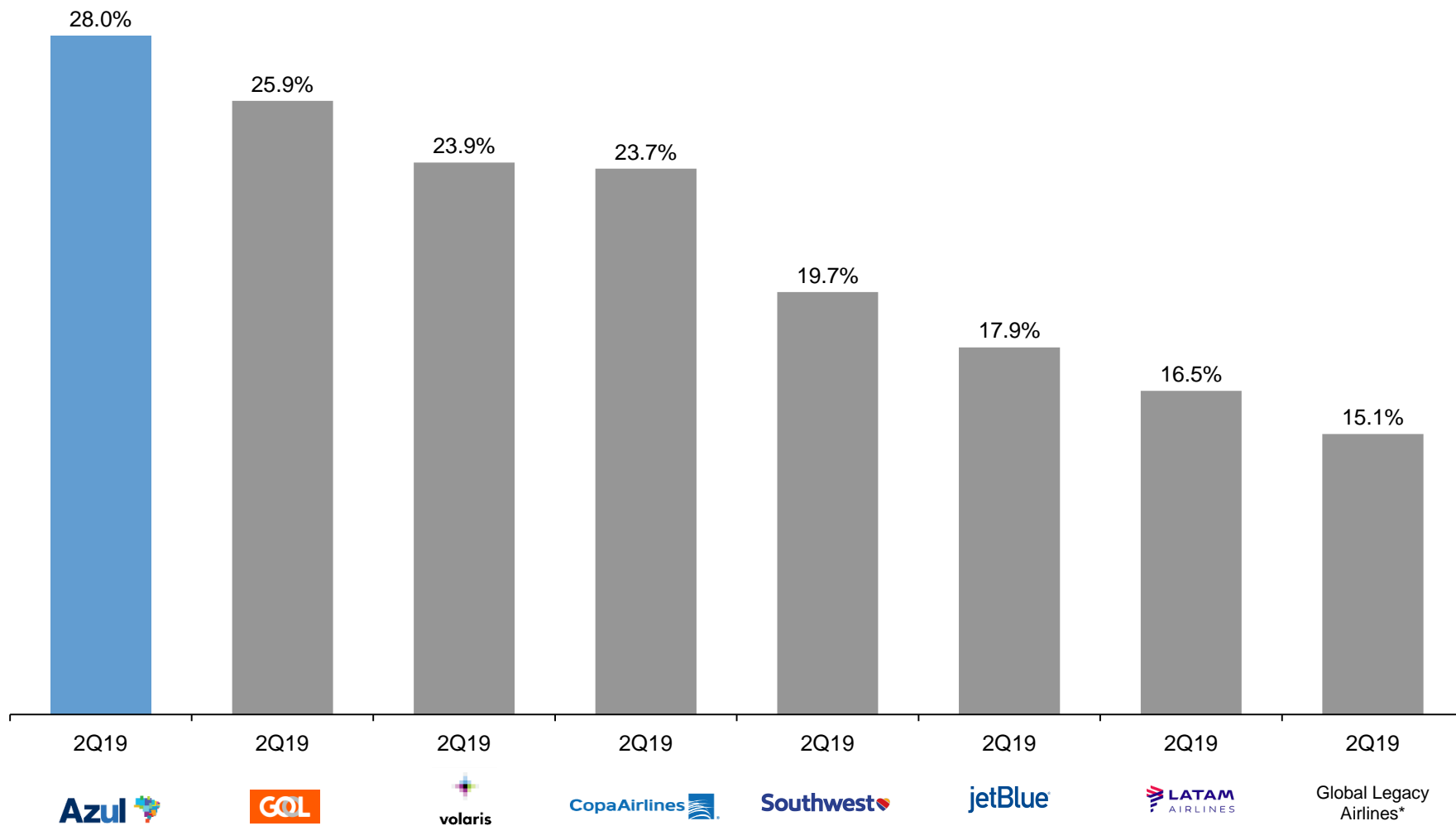
■ Margin expansion year over year:

- Fuel, currency and net payroll tax impact accounted for 7.2 point reduction in margin
- Recovery of 11.6 points from higher revenue, margin expansion and favorable competitive dynamics

R\$ million



2Q19 EBITDA Margin (IFRS 16) – Azul vs. Peers



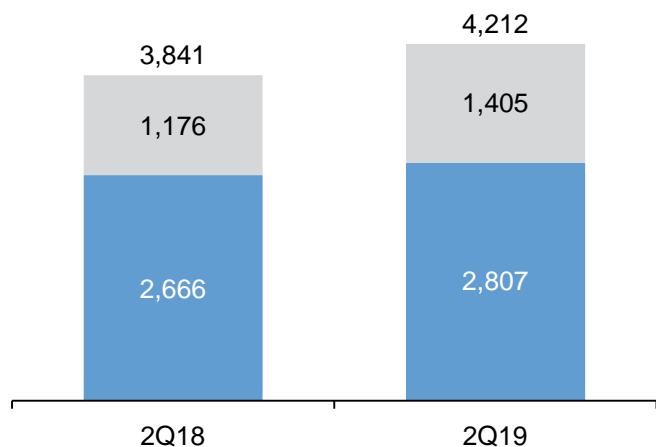
Strong Liquidity Position

Azul maintained a strong cash position while protecting all of its non-aircraft debt foreign currency exposure

Cash Balance
(R\$ million)

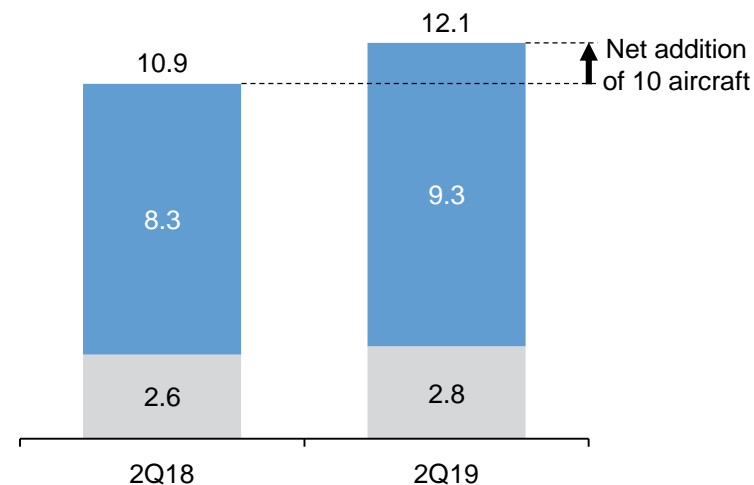
Accounts receivables
Cash¹

42% of TTM revenue



Total Debt ²
(R\$ billion)

Capitalized Leases
Loans and Financing

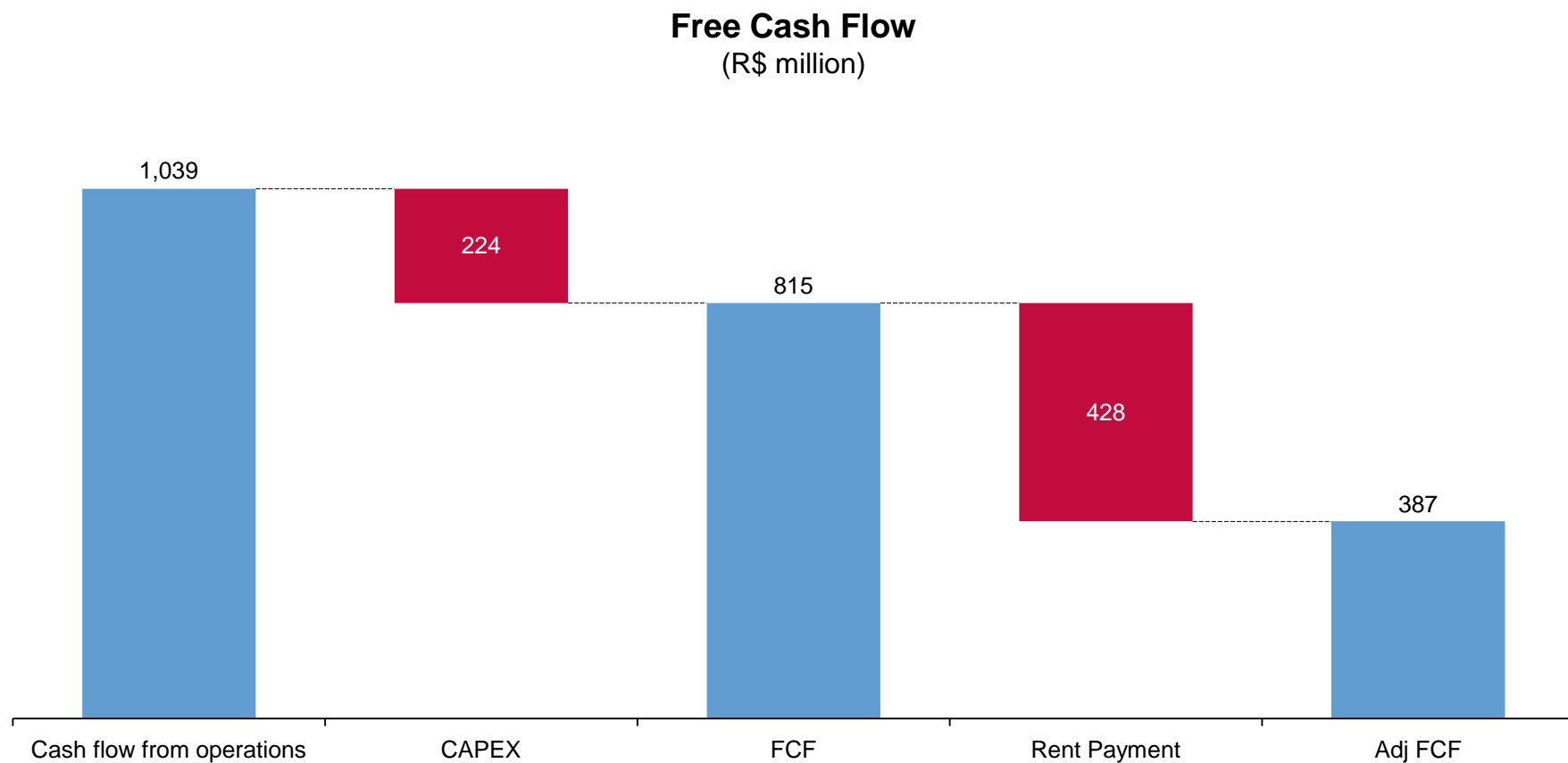


3.3x

3.1x

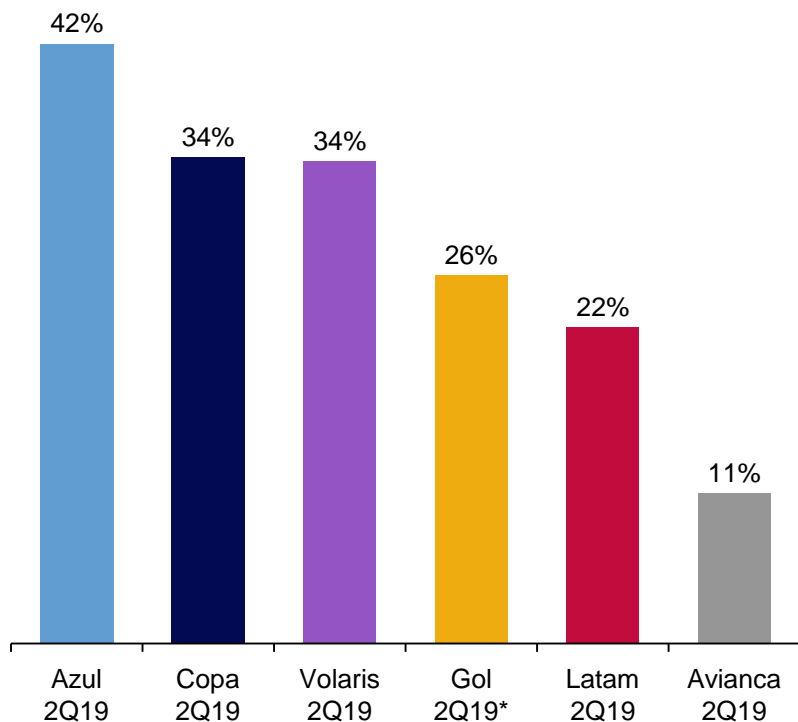
Leverage (Net Debt / EBITDA)

Free Cash Flow Generation

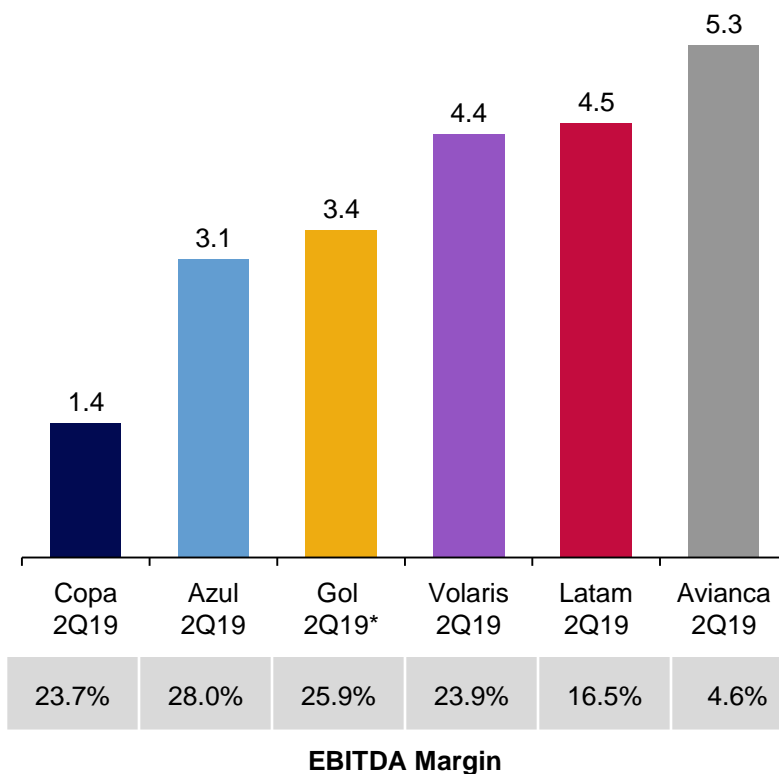


2Q19 Liquidity – Azul vs. Peers

Cash + Receivables (% of LTM revenue)



Leverage (Adjusted Net Debt / EBITDA)



23.7% 28.0% 25.9% 23.9% 16.5% 4.6%

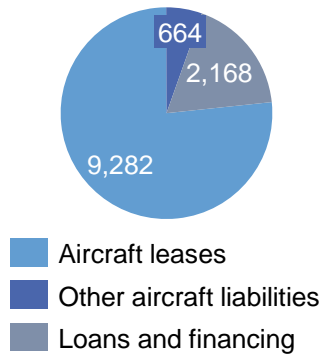
EBITDA Margin

Strong Liquidity and Debt Profile

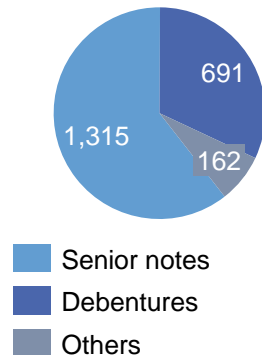
Debt Profile

R\$ Million

Total Debt



Working Capital Debt



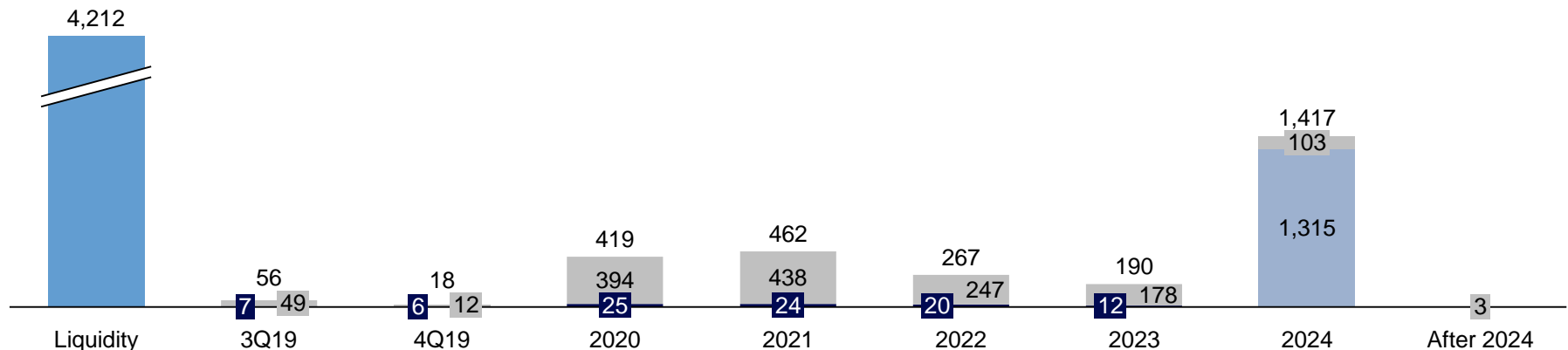
Average Cost of Debt

	U.S. Dollar	Real
Lease Liabilities	8.2%	-
Other Loans	5.8%	6.8%

Debt Maturity Profile

R\$ Million

Liquidity BRL USD Senior Notes



Note: Considers the effect of currency hedges on debt

Limited Foreign Exchange Exposure

Successful Issuance of Unsecured Bond

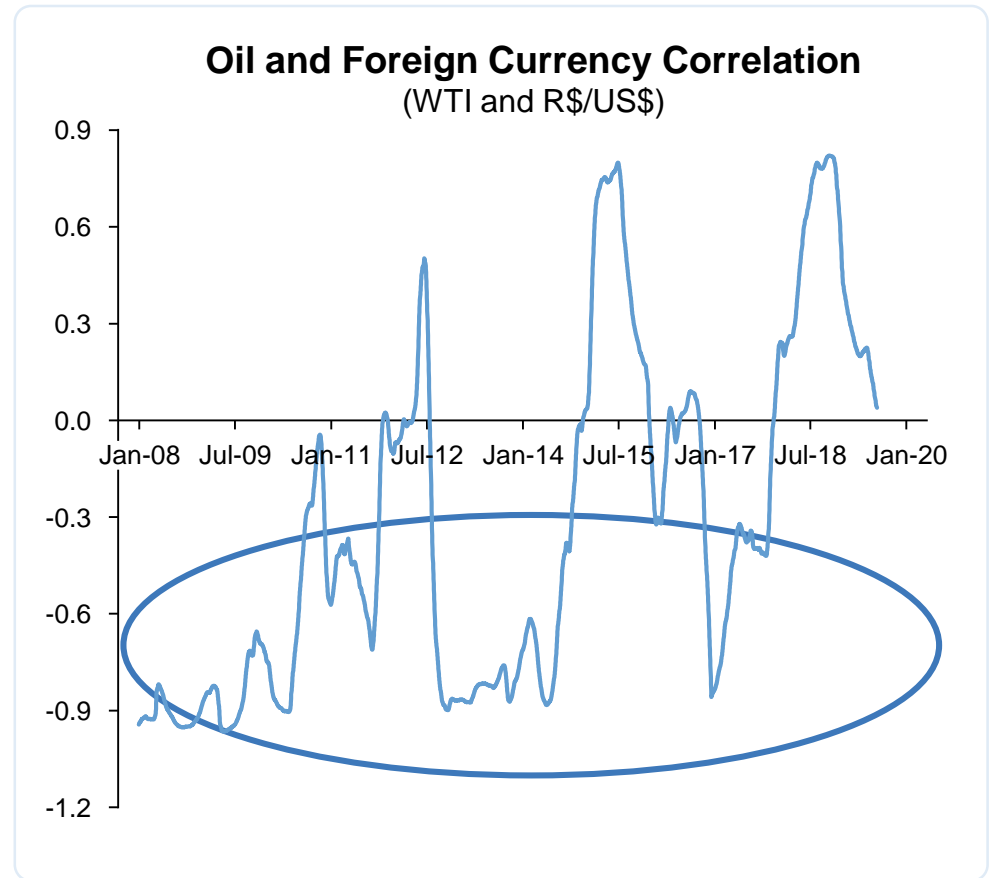
- US\$ 400 million unsecured bond
- Swapped to 99% of risk-free rate with cap at 4.75 BRL/USD

Corp. Ratings	Ba3 by Moody's (BB-) / B+ by S&P / BB- by Fitch
Issue Ratings	B1 by Moody's (B+) / B+ by S&P
Size	US\$400 million
Maturity	October 2024
Issuance	October 2017
Yield	6.000%
Coupon	5.875%

Foreign Currency and Fuel Hedge Policy

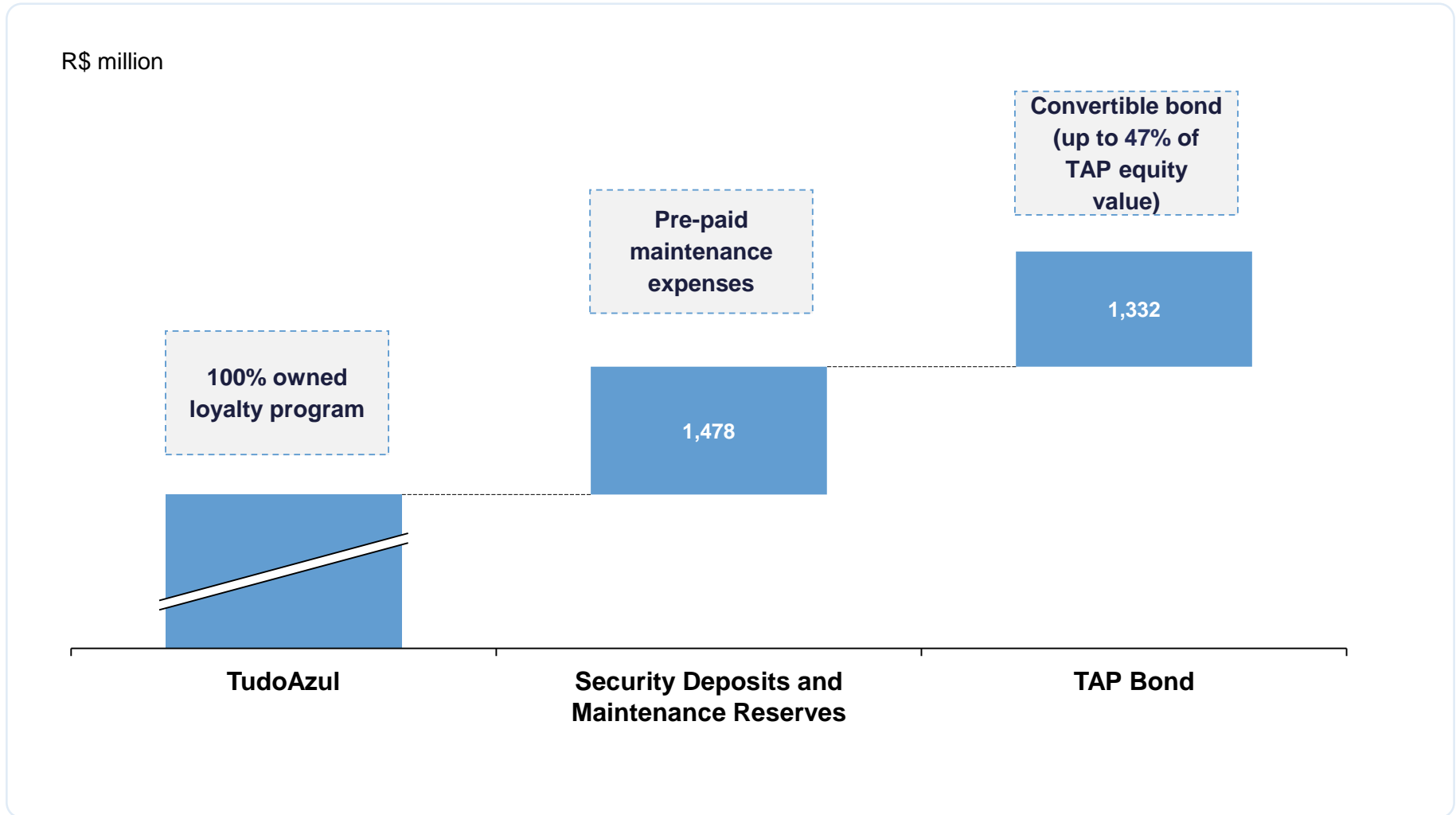
Three lines of defense:

- Strong negative correlation between oil and Brazilian real
- Fuel and FX hedge policy
 - Up to 50% of next quarter's consumption, then 35%, 25% and 15% for next quarters
 - Protect up to 100% of next twelve months' financial cash flow in foreign currency
- High revenue recapture
 - Alone in 72% of markets
 - Active revenue management strategy



Azul Unique Assets

Besides higher margins and a stronger balance sheet, Azul also has valuable assets not found in other airlines

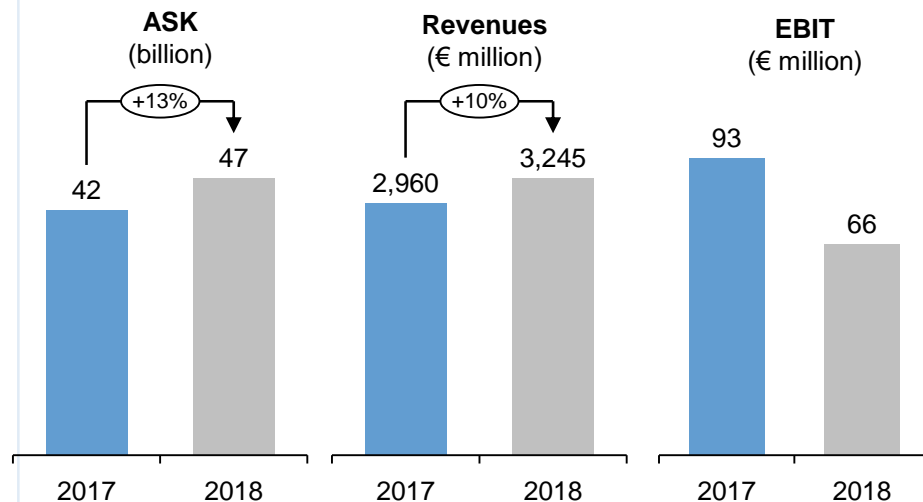


TAP Investment

TAP's convertible bond and network connectivity to further boost Azul's results



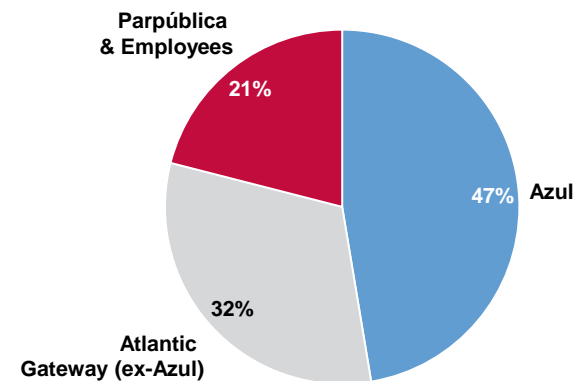
- Leader in traffic between Brazil and Europe (26%)
- Fleet of 93 aircraft
- Service to 10 cities in Brazil
- C-level suite formed by former Azul executives



TAP Investment

- € 90M strategic investment in TAP bonds convertible into up to 41.25% of economic interest
- 2025 maturity with 7.5% annual interest
- Secured by TAP's frequent flyer program Victoria
- Acquired 6.1% economic stake in TAP for US\$ 25M

TAP Economic Interest After Bond Conversion



Successful Conclusion of Azul's IPO and Follow On

Azul to further strengthen its balance sheet with its IPO proceeds

Azul IPO Summary

- IPO total offer of R\$2,021 million (US\$644 million):
 - R\$1,288 million (US\$406 million) of net proceeds to Azul
 - R\$21 per preferred share, US\$20.06 per ADS*
- Follow On total offer of R\$ 1,250M (US\$400 million)
 - Significant increase in daily liquidity
- HNA Follow On total offer of US\$313 million
 - US\$ 16.15 per ADS*

AZUL
LISTED
NYSE






As of June 30th, 2019	Common	Preferred	Preferred Equivalent**	Economic Interest
David Neeleman	622,406,638	11,432,352	19,731,107	5.8%
Trip former shareholders	306,558,420	18,231,040	22,318,486	6.5%
United Airlines, Inc. (Calfinco)		26,995,316	26,995,316	7.9%
Others		272,023,694	272,023,694	79.7%
Treasury		432,981	432,981	0.1%
Total	928,965,058	329,115,383	341,501,584	100.0%

*Each ADS corresponds to three preferred shares

**Assuming the conversion of common shares to preferred shares at a 75:1 ration

Environmental, Social and Governance (“ESG”) Responsibility

Aviation is a key driver of sustainable development, bringing together people, businesses and communities

	Environmental		1H19 ← 1H18	% Δ	
		GHG (Kg of CO2, million)	1,779.8	1,592.4	11.8%
		Total fuel consumed per ASK (kg / ASK, million)	34.3	35.5	-3.4%
		Average age of operating fleet	5.9	5.8	2.0%
	Governance				
		Independent directors (%)	81.8	83.3	-1.8%
		Percent of board members that are women	9.1	8.3	9.1%
		Director average age	49.6	43.2	14.8%
		Director meeting attendance (%)	85	95	-10.5%
		Board size	11.0	12.0	-8.3%
	Participation of woman in leadership positions (%)	39.4	39.8	-1.1%	
	Social				
		Employee gender: (%) male	57	57	0.0%
		(%) female	43	43	0.0%
		Employee monthly turnover (%)	1.06	0.80	32.5%
		Employees unionized (%)	100.0	100.0	0.0%
	Volunteers	2,034	1,553	31.0%	

2019 Outlook

	Announced	New
ASK growth	18% to 20%	20% to 22%
Domestic	16% to 18%	23% to 25%
International	20% to 25%	10% to 15%
CASK	-1% to -3%	0% to 2%
Operating Margin	18% to 20%	18% to 20%



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