



3Q19

Earnings Results  
November 7th, 2019

Azul



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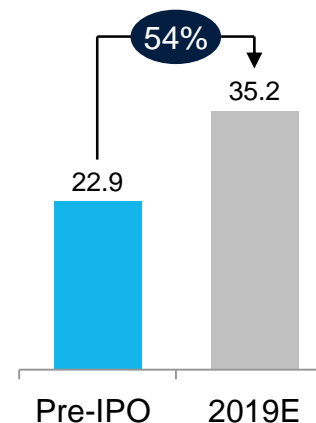
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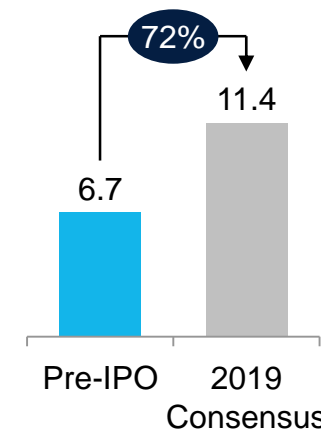
# KEY ACCOMPLISHMENTS



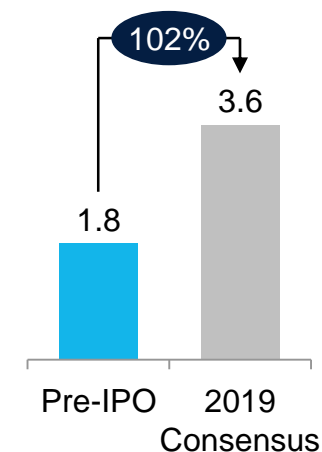
**ASK**  
(R\$ M)



**Net Revenue**  
(R\$ M)



**EBITDA**  
(R\$ M)



## 3Q19 Highlights

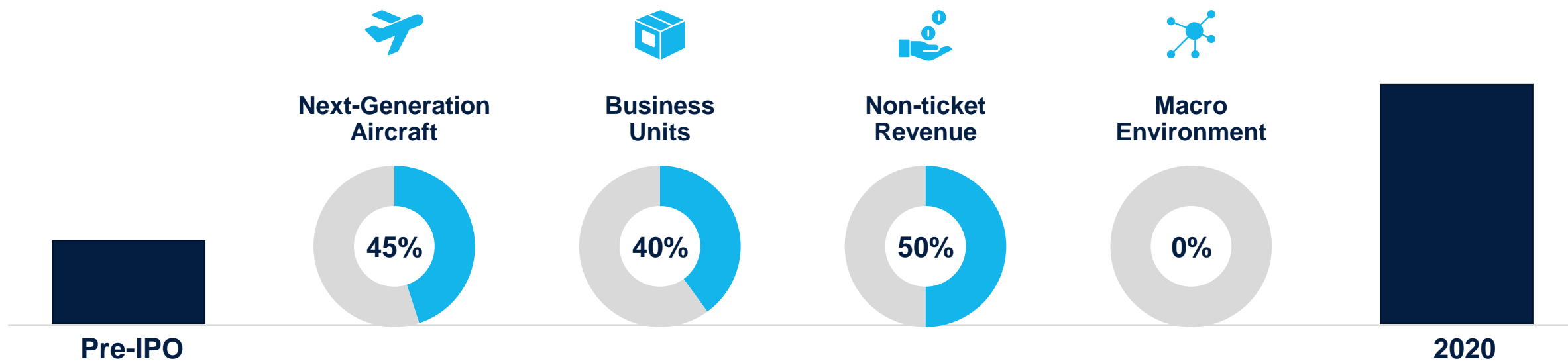


- Record revenue and EBITDA
- Solid balance sheet and strong liquidity position

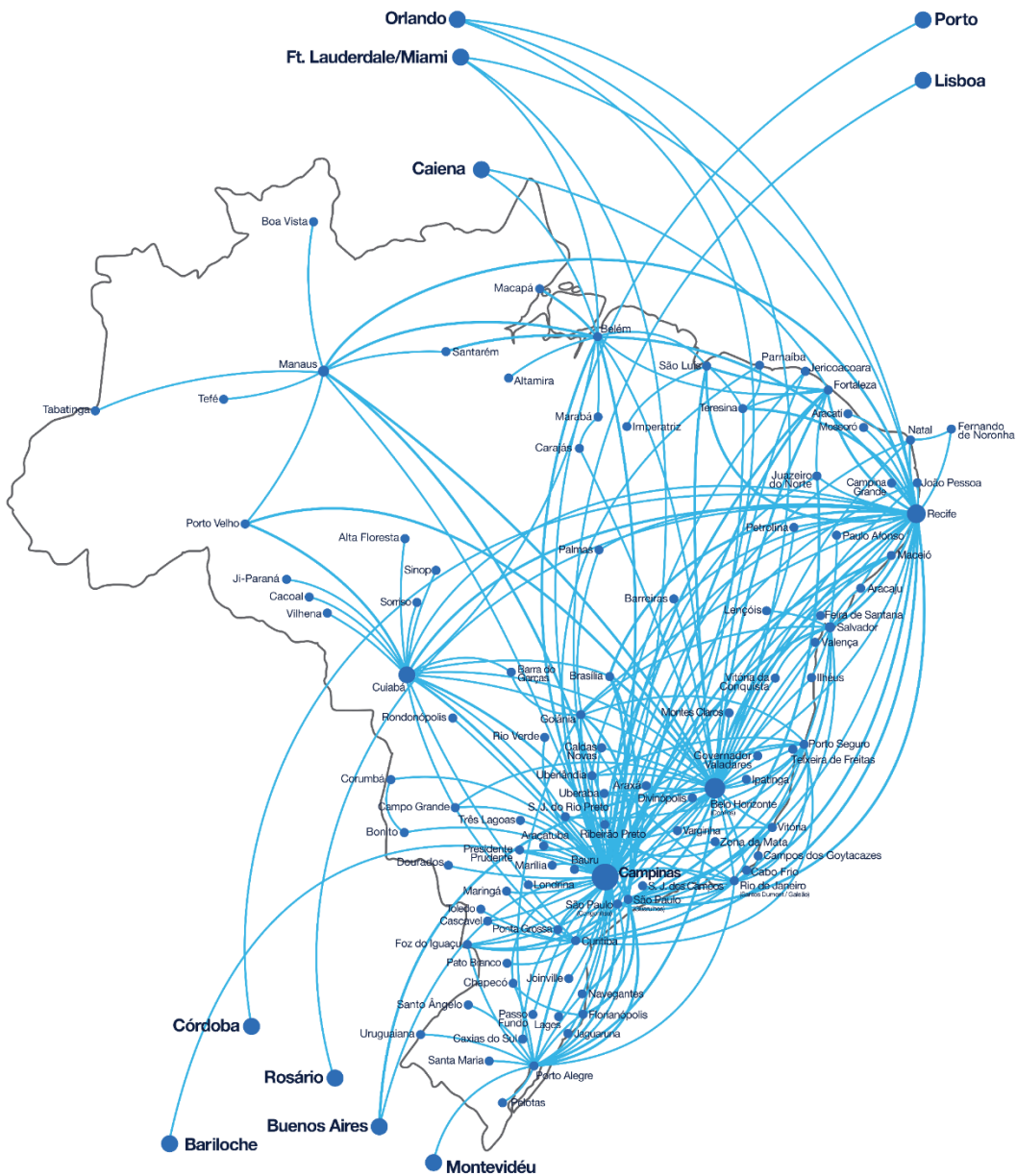
- Delivery of first E-195 E2
- Awarded best airline, best loyalty program, and best travel package business in Brazil

# GROWING THE BUSINESS AND EXPANDING MARGINS

## Operating Margin Growth Breakdown



Additional upside for equity story coming from e-commerce and TAP investment



# UNPARALLELED NETWORK CONNECTIVITY



**114**  
destinations served  
(104 domestic + 10 international)



**910**  
daily flights



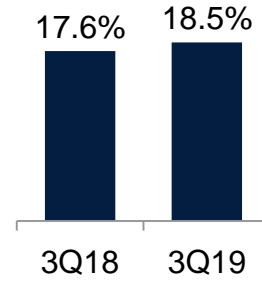
**237**  
routes



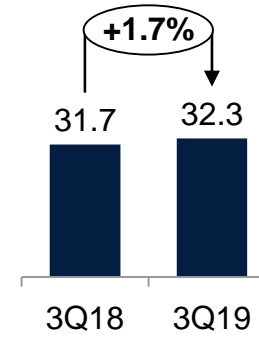
**84%**  
routes leadership  
position

## 3Q19 FINANCIAL HIGHLIGHTS

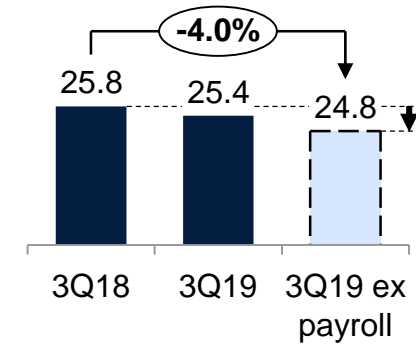
Operating Margin



RASK SLA\*  
(R\$ cents)



CASK  
(R\$ cents)



- Net revenue growth of 25% YoY with a 0.8 p.p. increase in operating margin
- EBITDA of R\$935.8 million, up 24.4% YoY
- Operating income of R\$ 559.3 million, up 31% YoY
- 1.7% RASK increase YoY adjusted for stage length, with 26.1% growth in capacity
- CASK down 1.5%; adjusting for payroll tax, down 4.0%
- Net income, adjusted for foreign currency, increase of 57% to R\$441 million

# AZUL CARGO AND TUDOAZUL GROWTH

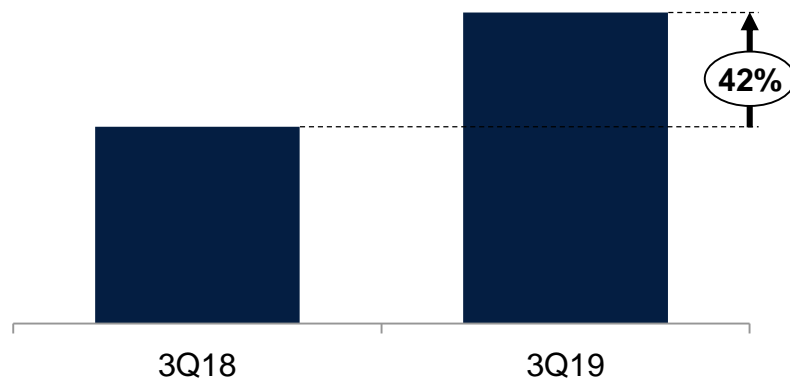


- Cargo revenue up 42% YoY
- Increase in volume share from 12% to 22% YoY
- Partnership with Mercado Libre
- E-Commerce represented 19% of cargo revenue

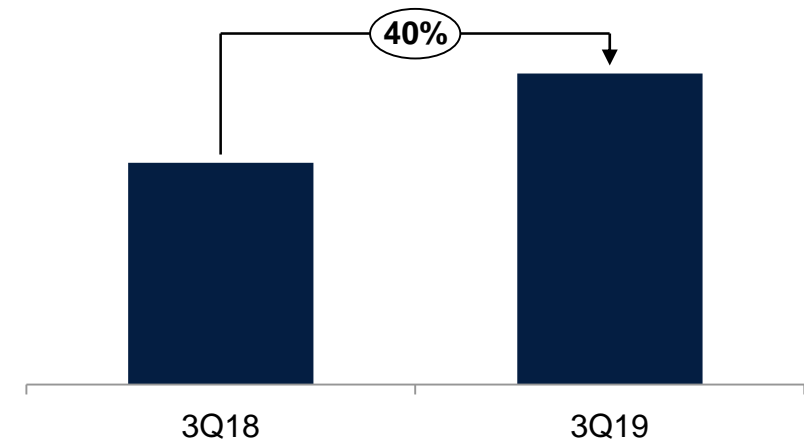


- Gross billings up 40% YoY
- Wholly-owned loyalty program TudoAzul with ~12 million members
- Fourth consecutive year of growth above 30%

**Cargo Revenue**  
Net (R\$ million)



**Gross Billings Growth\***



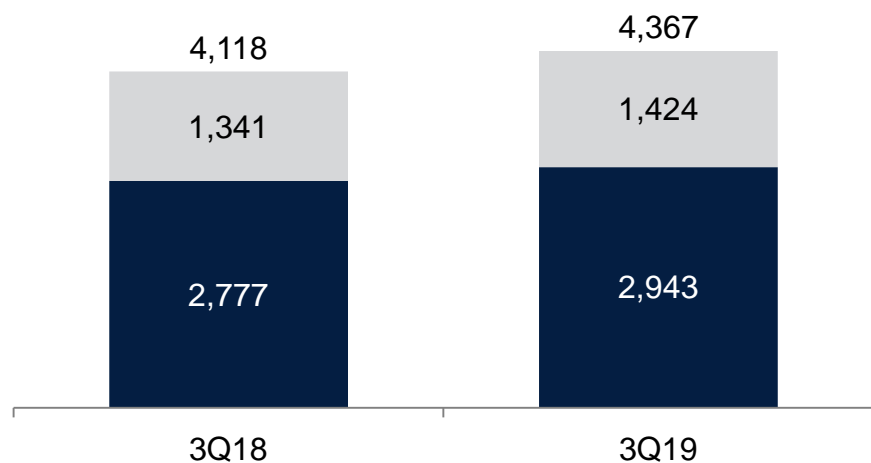
# Strong Liquidity Position



**Cash Balance**  
(R\$ million)

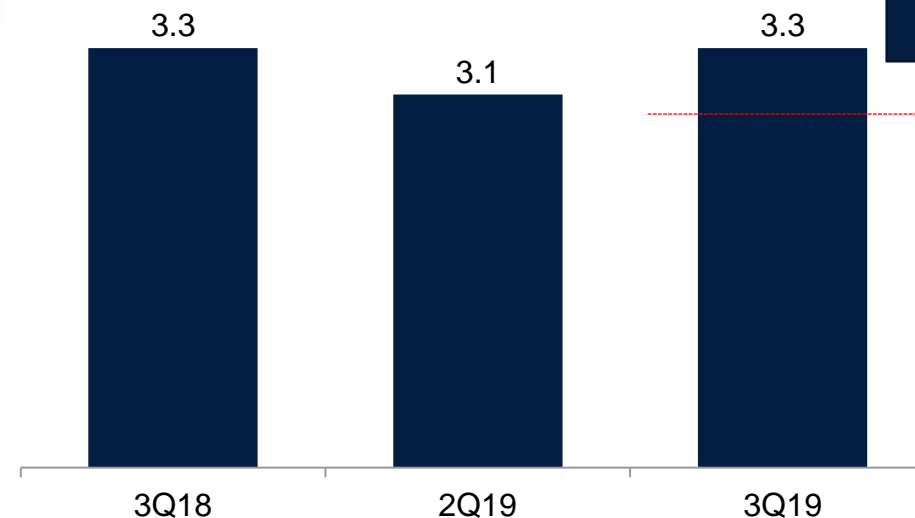
Accounts receivables  
Cash<sup>1</sup>

41% of TTM  
revenue

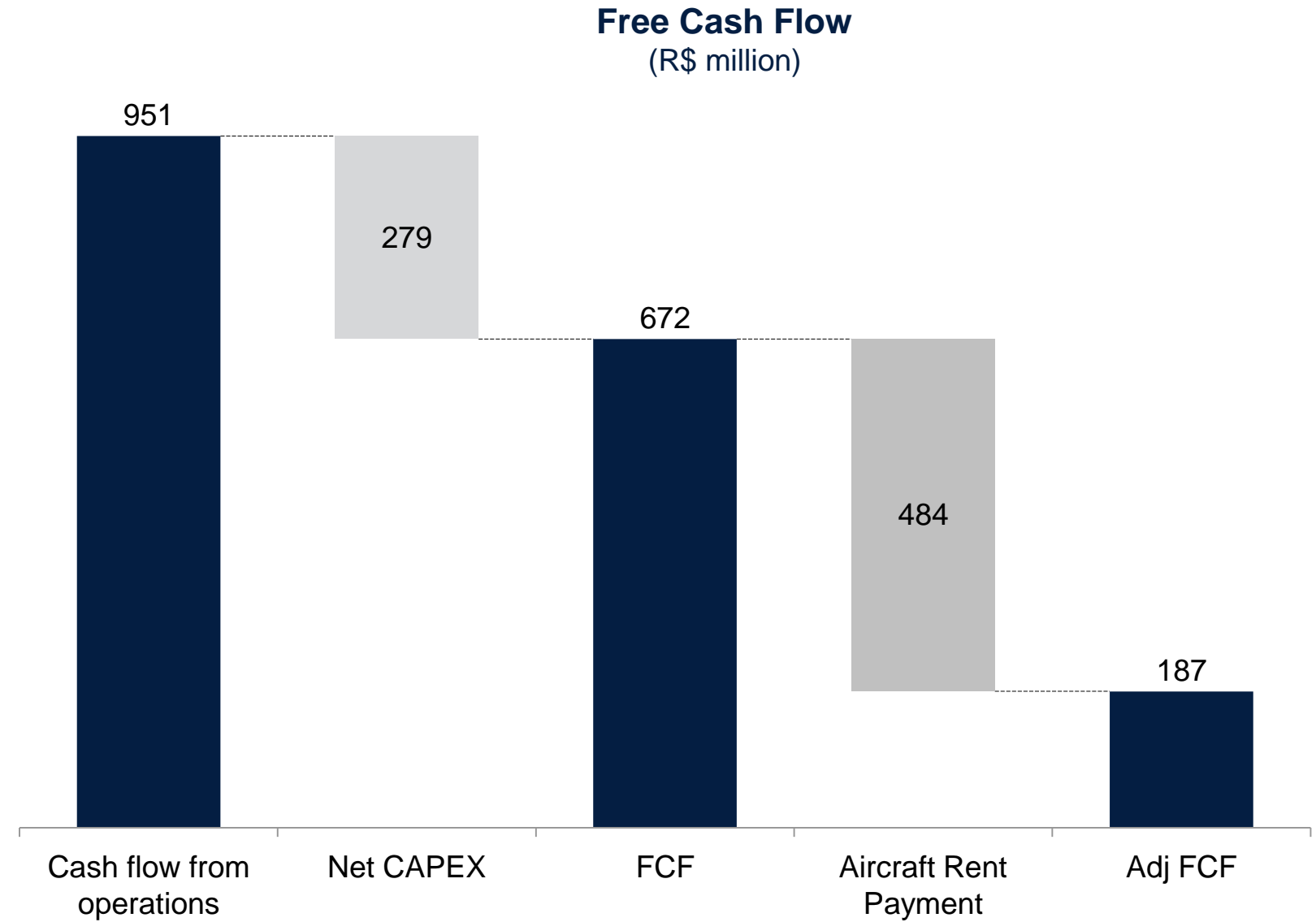


**Net Debt<sup>3</sup>/EBITDA**

3.0 adjusting  
for new  
leases<sup>2</sup>



# FREE CASH FLOW GENERATION



# INVESTING IN THE FUTURE

- Fleet transformation on track:
  - Added five new aircraft in 3Q9
  - Additional 12 expected in 4Q19
  - First A321neo to be delivered in 4Q19
  - Signed MOU to sublease up to 32 E1s
- Construction of new hangar to be completed by December
- Commercial JV with TAP submitted for shareholders approval; extraordinary GSM on Dec. 9<sup>th</sup>



# FY 2019 OUTLOOK

	Previous	Current
ASK growth	20% to 22%	~20%
Domestic	23% to 25%	~23%
International	10% to 15%	~12%
CASK	0% to 2%	~ -0.5%
Cask excluding non-recurrent items		~1.5%
Operating Margin excluding non-recurrent items	18% to 20%	~18%



INVESTOR RELATIONS

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