

o céu é **Azul** 

2Q23 Earnings Results

August 10, 2023



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This presentation includes estimates and forward-looking statements within the meaning of the US 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 these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to many significant risks, uncertainties and assumptions and are made reflecting 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, competitive conditions, general economic, political and business conditions in Brazil, particularly in the geographic markets we 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," 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. Considering 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 solely based upon these estimates and forward-looking statements.

In this presentation, we present EBITDA, which is a non-IFRS performance measure and is not a financial performance measure determined in accordance with IFRS and should not be considered in isolation or as alternatives to operating income or net income or loss, or as indications of operating performance, or as alternatives to operating cash flows, or as indicators of liquidity, or as the basis for the distribution of dividends. Accordingly, you are cautioned not to place undue reliance on this information.

The Most Passionate Crewmembers In The World



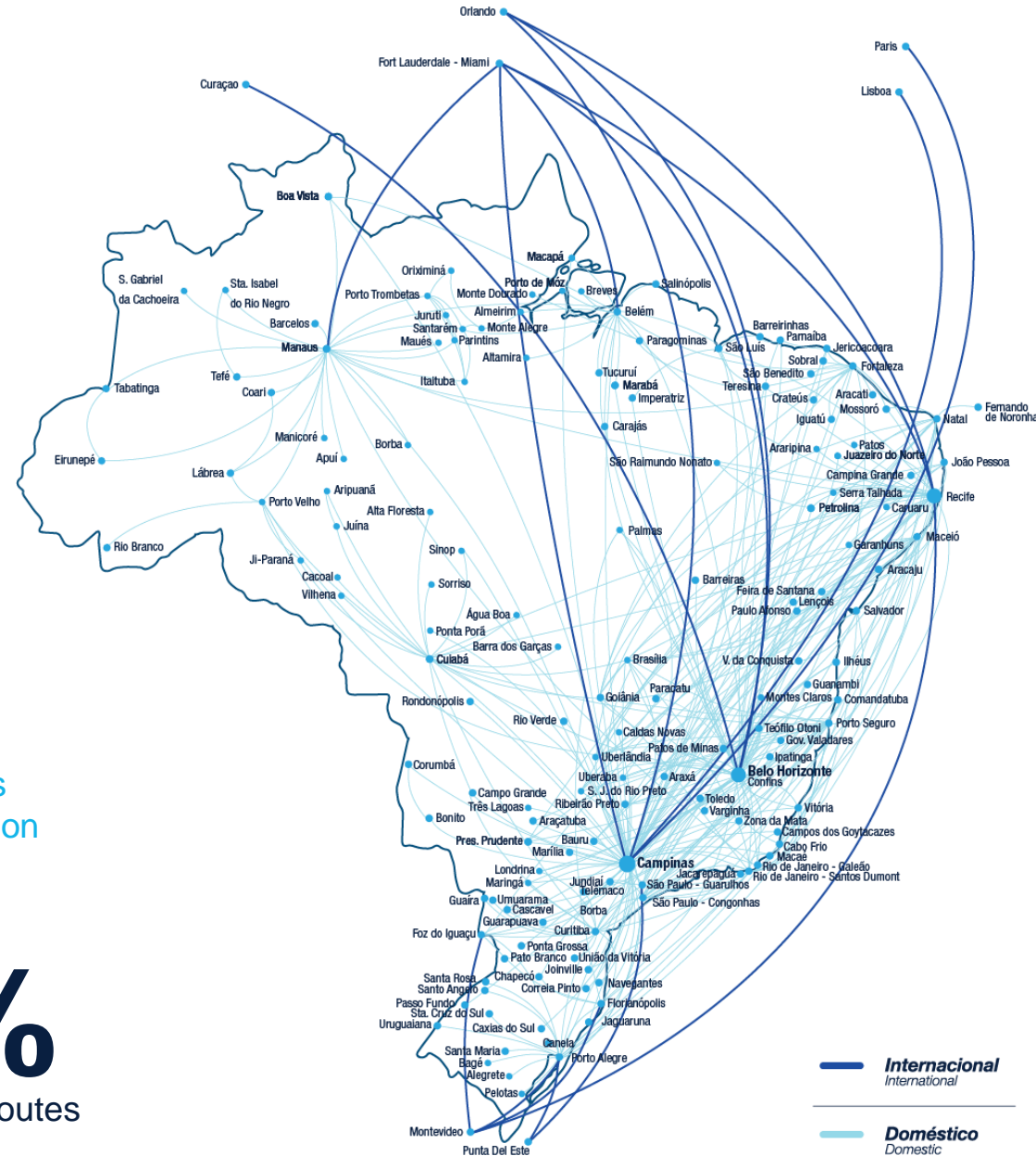
Azul at a Glance

- Superior business model and structural competitive advantages
- Unparalleled network
- Among world's best in customer satisfaction and on-time
- Industry-leading profitability
- Diversified growth opportunities
- Upside from fleet transformation

161 Destinations
3x competition

Only carrier in
81%
of our routes

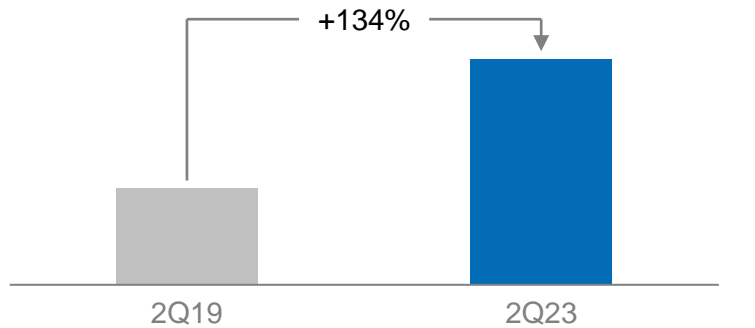
Leader in
91%
of our routes



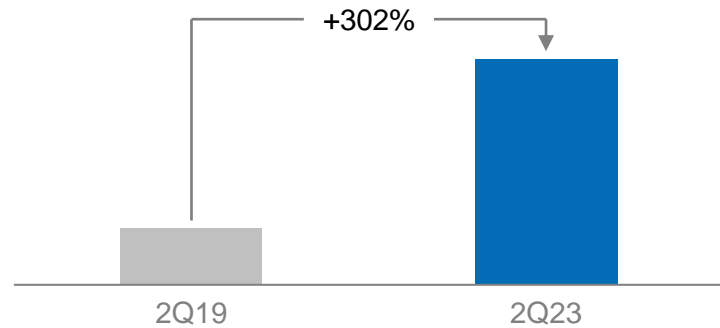
Unique Portfolio of Business Units



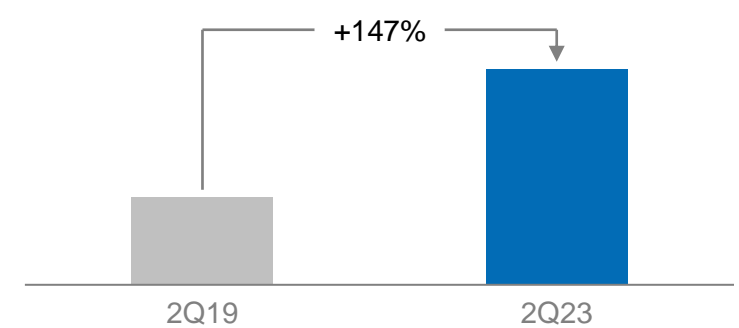
Gross Billings ex-Airline



Net Revenue



Net Revenue



Fast-growth, high-margin businesses



Annual revenues above R\$5 billion

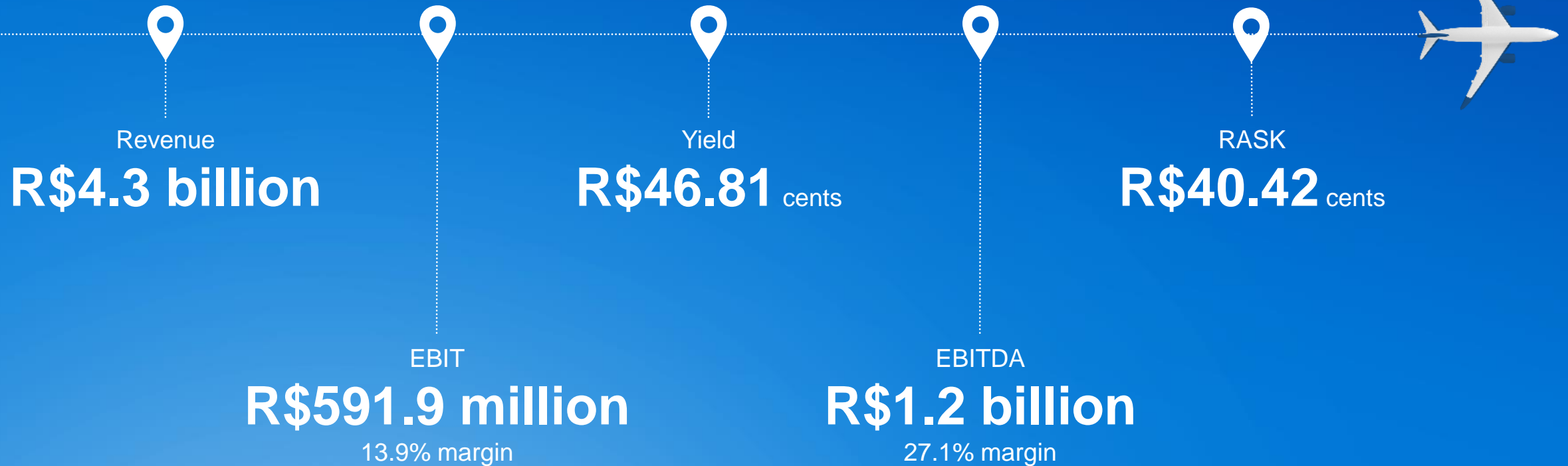


Leveraging Azul's unique network and flexible fleet



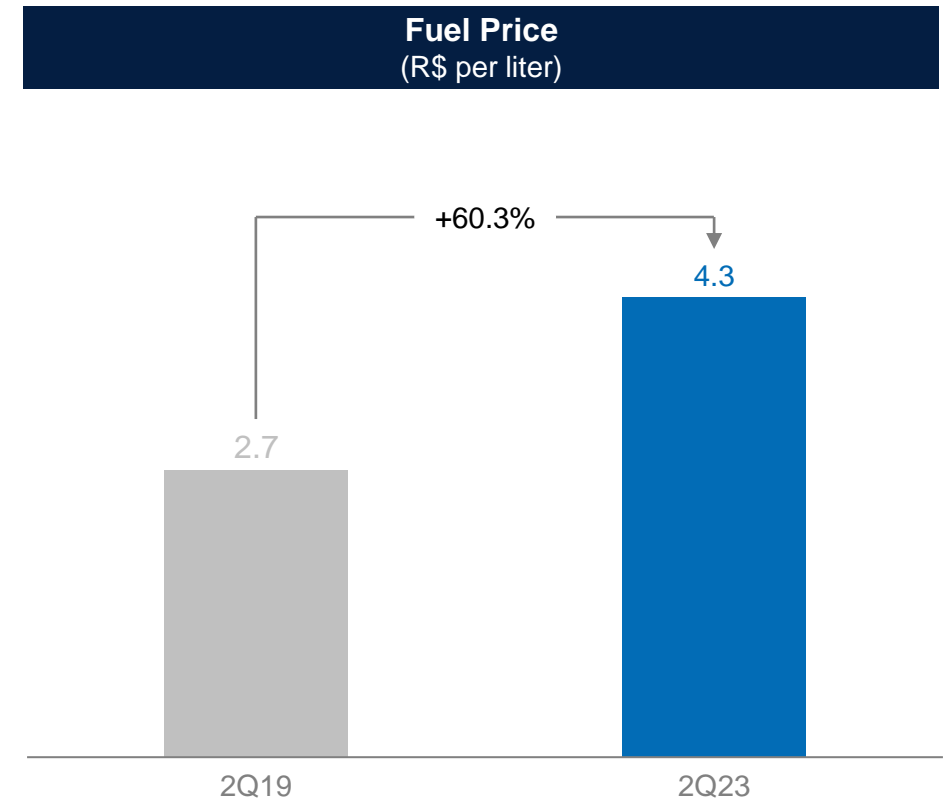
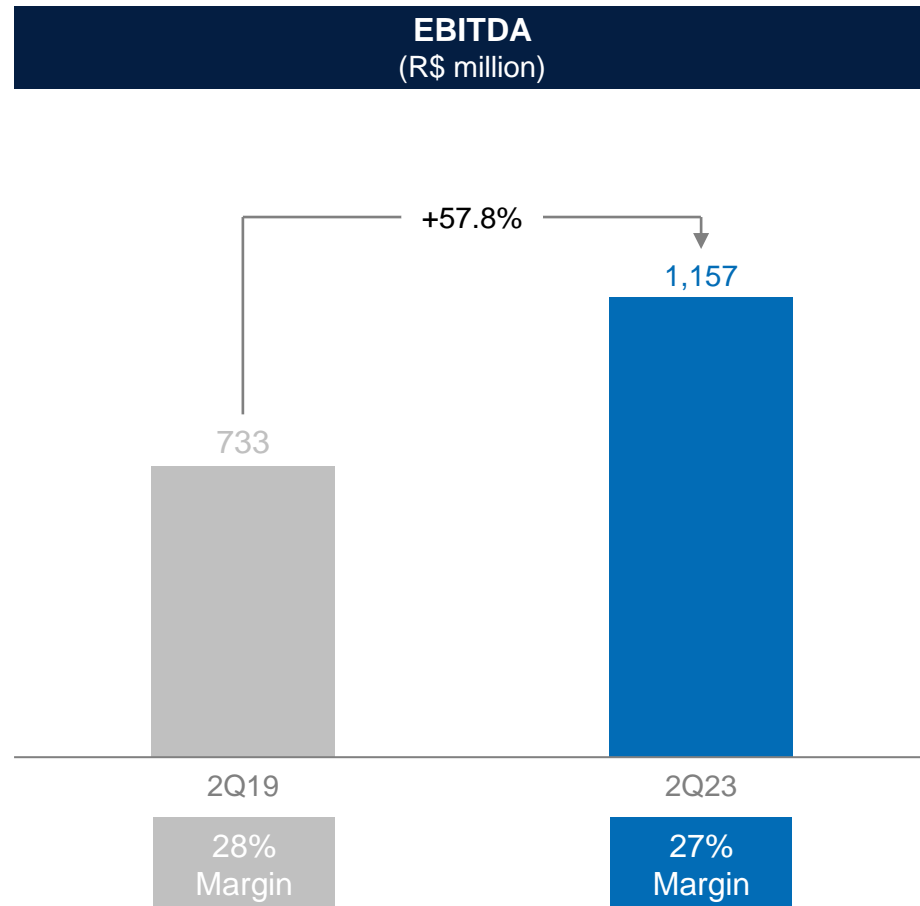
High growth opportunities going forward

Record 2Q Revenues, RASK and EBITDA



Superior operating and financial results, with potential for further growth and margin expansion

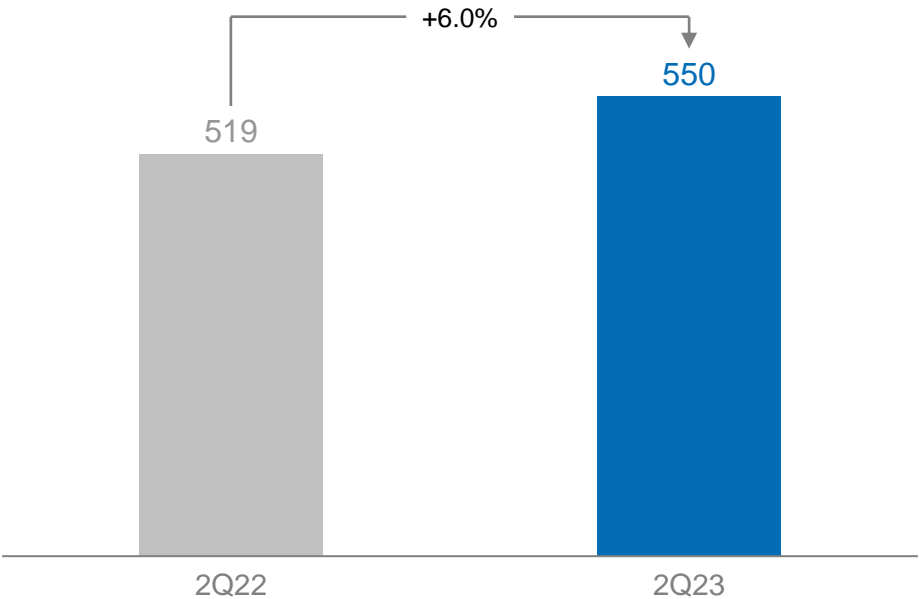
Record 2Q EBITDA



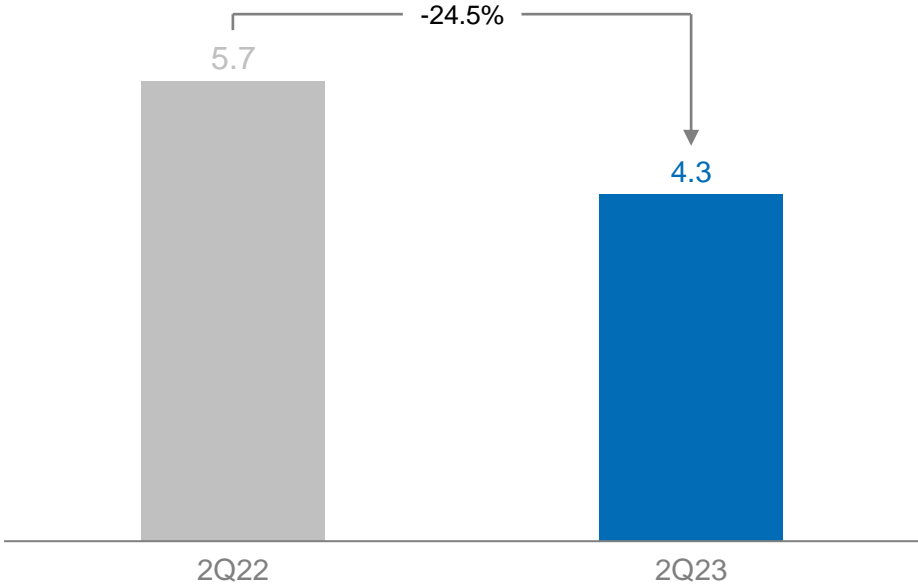
Highest EBITDA for a second quarter in our history, vastly offsetting effect of higher fuel prices vs. 2019

Robust Demand Environment

Average Fare (R\$)



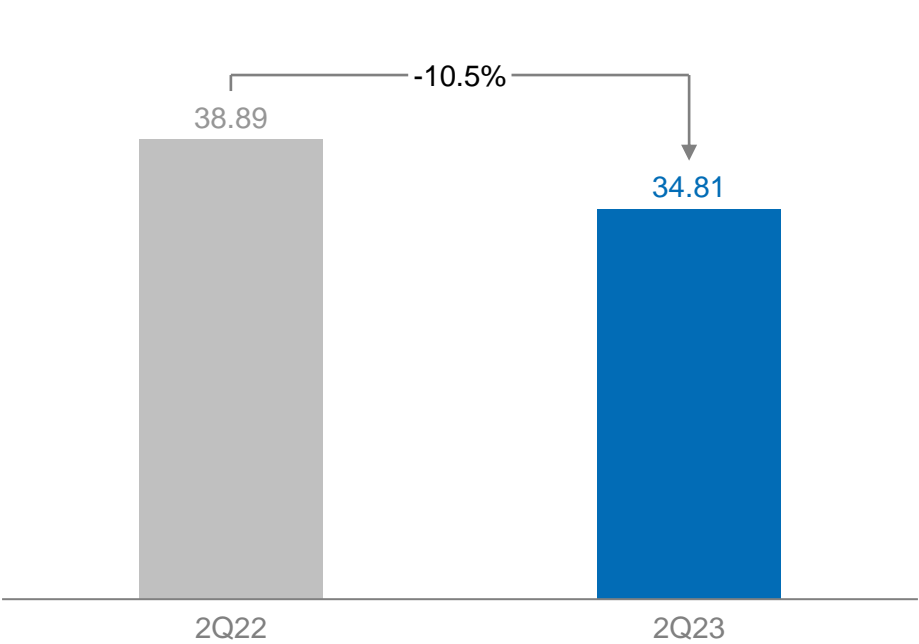
Fuel Price (R\$ per liter)



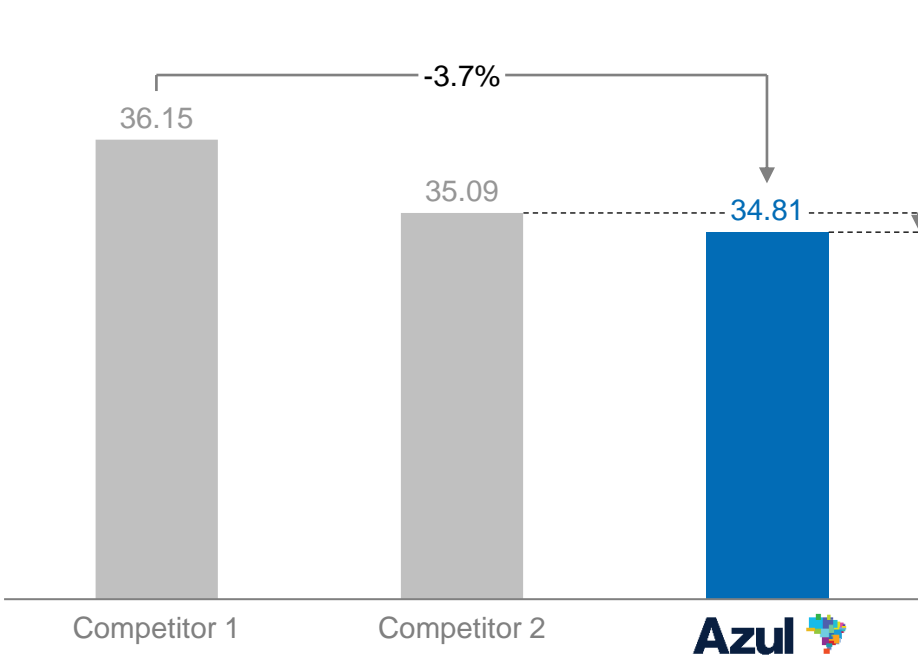
Demand environment continues to allow for fare increases, even with fuel prices falling YoY

Higher Productivity and Lower Costs

CASK
(R\$ cents)



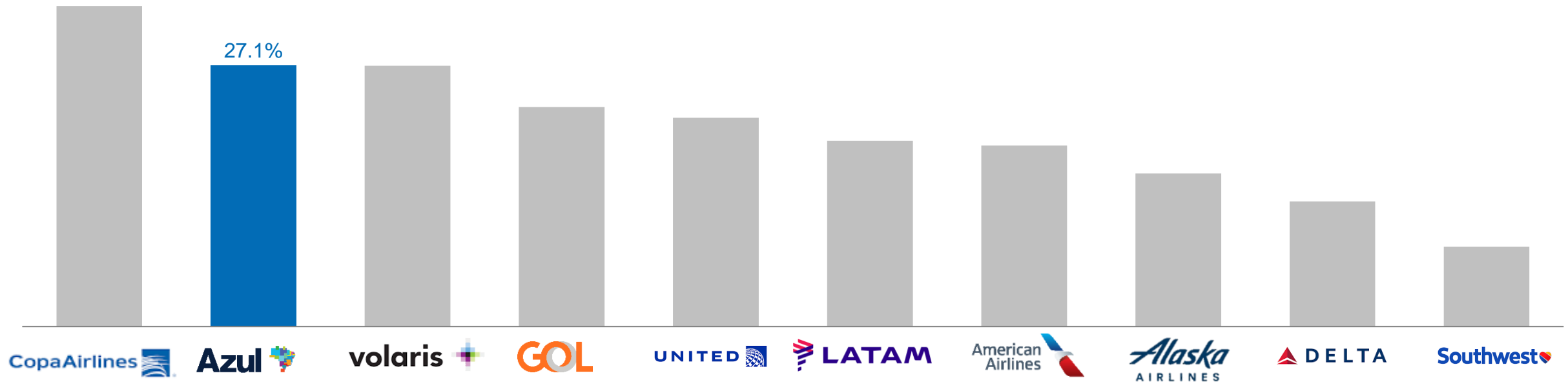
CASK Azul vs. Competitors
(R\$ cents)



Azul CASK below competition, even with diversified fleet and lower average aircraft size
Additional upside from ongoing fleet transformation

Among Most Profitable Airlines in the Americas

2Q23 EBITDA Margin
(%)



Unique business model and competitive advantages leading to superior operating results
Further margin expansion opportunities going forward

Conclusion of Comprehensive Capital Optimization Plan



- Exchange of Covid deferrals and above-market rates for equity and debt
- Equity instrument designed to minimize dilution (~17%) and eliminate overhang
- Debt to be issued as tradeable unsecured 2030 notes with 7.5% coupon



- Exchange of Covid deferrals and commercial terms for equity and debt
- Same equity and debt instruments as lessors



- Amicable, par-for-par exchange
- Over R\$4 billion in 2024 and 2026 notes exchanged for secured second-lien 2029 and 2030 notes
- Convertible debentures extended to 2028



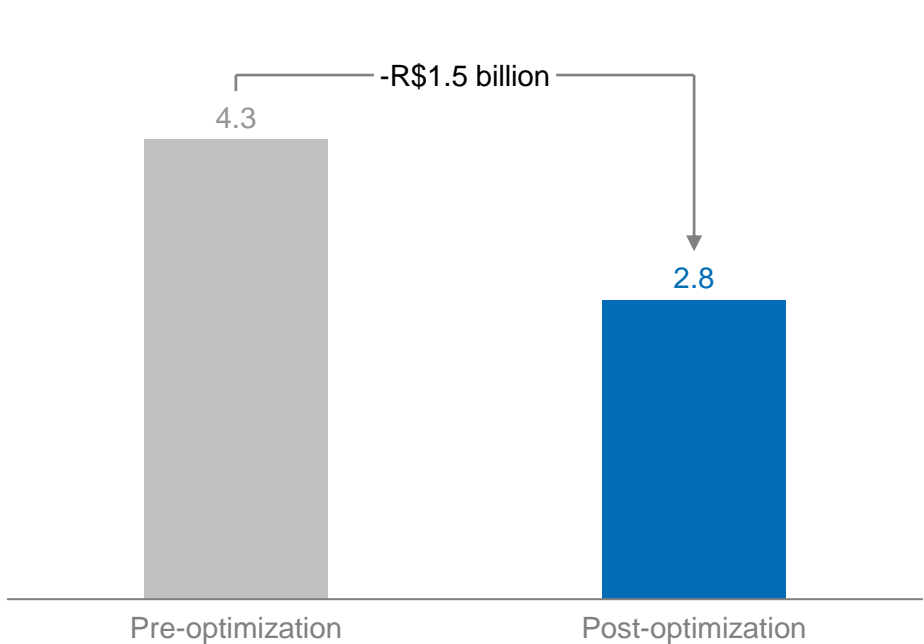
- Over R\$3.8 billion raised in secured first-lien notes maturing in 2028
- Offer 3x covered
- Collateral package allows additional raise of over R\$5 billion



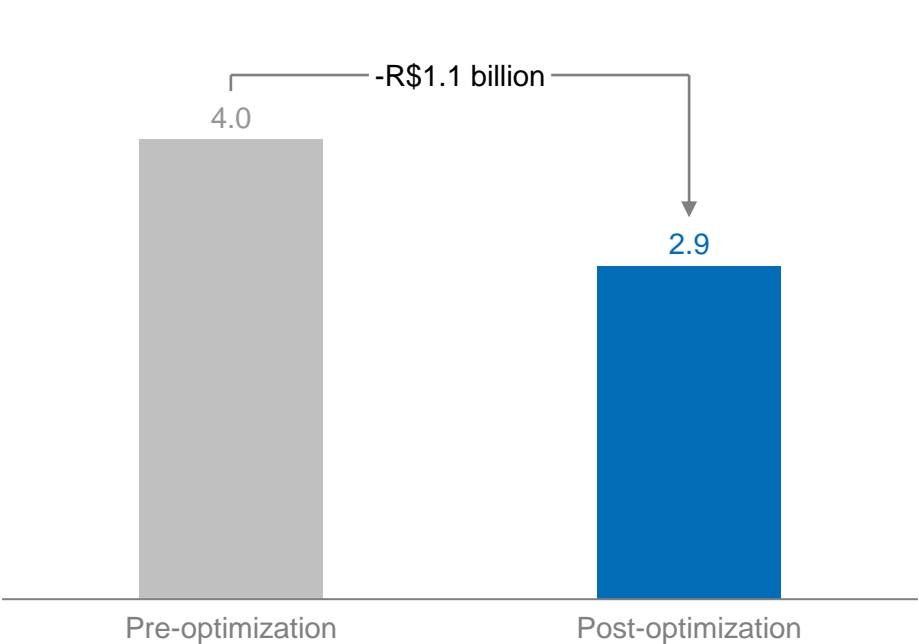
Plan designed as amicable exchange of value, preserving equity and debtholders, minimizing restructuring costs and maximizing speed of execution

Plan Outcome: Permanent Reduction in Lease Payments

2023E Lease Payments
(R\$ billion)



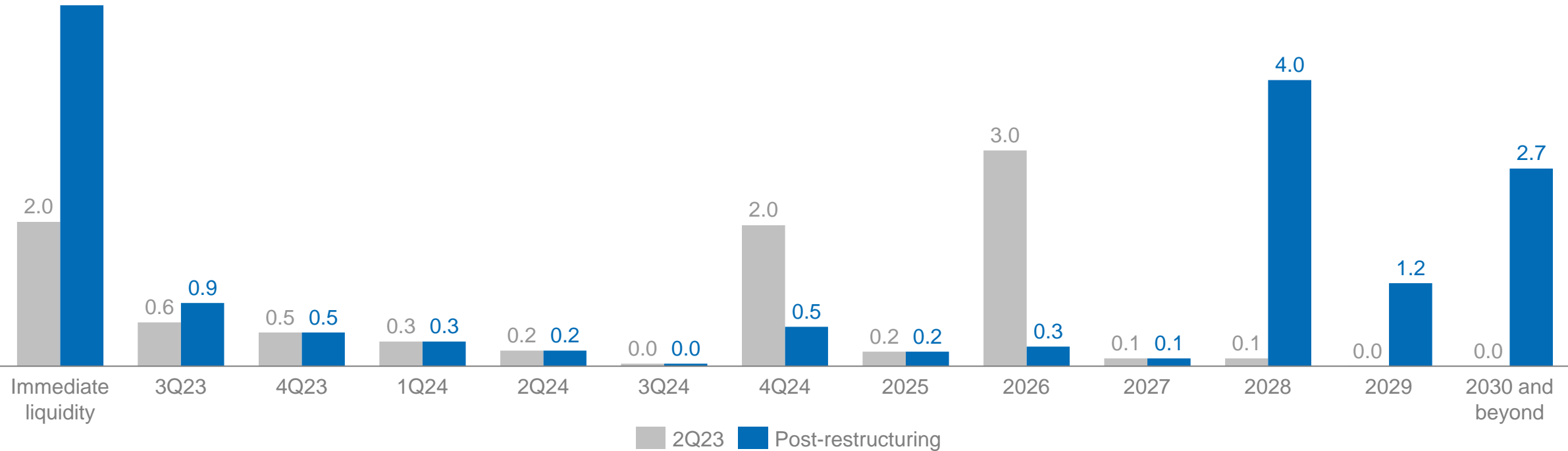
2024E Lease Payments
(R\$ billion)



Plan delivered permanent reduction in lease payments going forward with recurrent annual rent below R\$3 billion

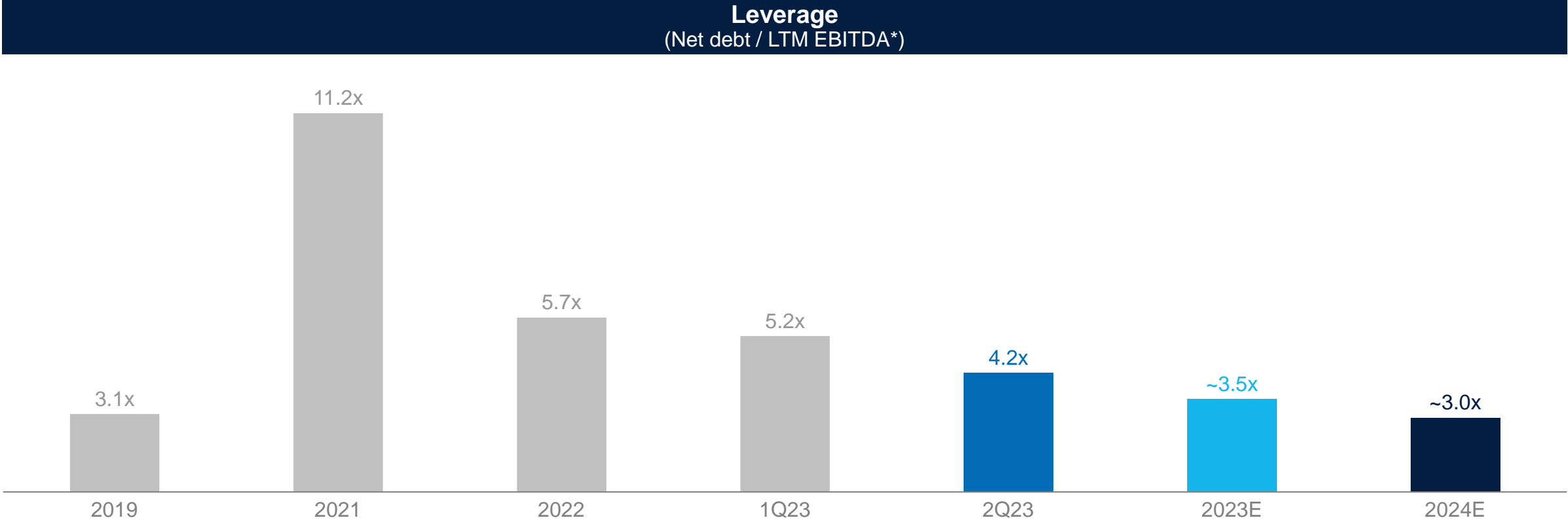
Plan Outcome: Extended Debt Profile

Debt Amortization Post-Restructuring
(R\$ billion)



No significant debt maturities until 4Q 2028
Upgraded Corporate Rating to B- (Fitch and S&P)

Plan Outcome: Reduction in Leverage



Organic reduction in leverage from strong operational results, accelerated by capital optimization plan

Further Equity Upside

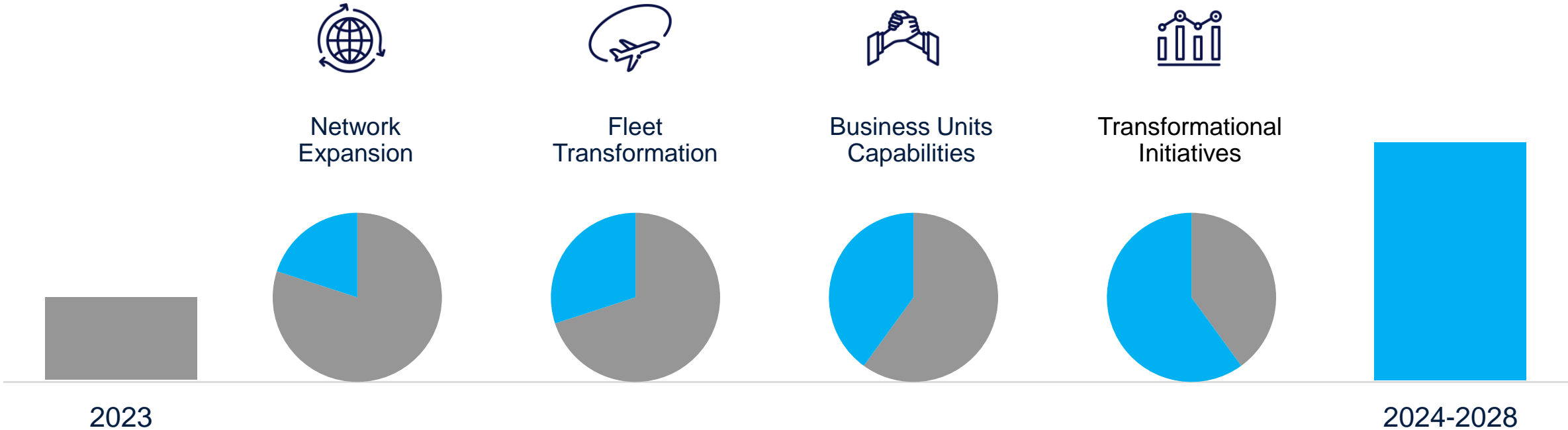
Multiple	2Q23 as reported	Post-optimization estimates
Net Debt (R\$ million)	17,719	17,700
Equity Value (R\$ million)	7,319	17,820
2023 Expected EBITDA (R\$ million)	5,500	5,500
Outstanding shares (million)	425	495
Stock Price	R\$17.22	R\$36.00
Multiple	4.55x	6.46x

Azul valuation multiple between 7.5x and 8.3x since launch

Significant upside even at reduced multiple

Further Opportunity to Expand Margins

Margin Expansion Drivers



Pursuing opportunities already identified with additional destinations, next-generation aircraft, further growth in business units and transformational initiatives

SAVE THE DATE



Azul Day 2023 | New York / NYSE (Hybrid)
September 5 at 2:00 pm (ET)



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