

CREDIT OPINION

13 July 2023

Update



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RATINGS

Azul S.A.

Domicile	Barueri, Sao Paulo, Brazil
Long Term Rating	Caa1
Type	LT Corporate Family Ratings
Outlook	Positive

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Azul S.A.

Update following upgrade of CFR to Caa1, outlook changed to positive

Summary

[Azul S.A.](#)'s Caa1 corporate family rating (CFR) reflects the company's unique business position in [Brazil](#) (Ba2 stable) as the only carrier on about 80% of its routes, which results in lower competition and strong pricing power. Azul's ability to reduce costs during the pandemic and its conservative financial policies are additional credit positives. The rating also captures the faster-than-expected post-pandemic recovery in passenger traffic in Brazil, and more rational competition and capacity in the Brazilian market, which has enabled carriers to increase airfares, mitigating the effect of higher jet fuel prices and other inflationary cost pressures. Azul has strong potential to substantially improve its key credit metrics toward the 2019 levels through 2023.

The Caa1 rating is constrained by the continued fragile situation of the airline industry in the context of the pandemic and rising macroeconomic risks, combined with Azul's still-weak credit metrics. Azul has a highly leveraged balance sheet and weak interest coverage, which limits the company's free cash flow generation. The company's ability to raise liquidity, refinance its financial obligations and control cash burn or cash needs during the industry's bumpy recovery will still be key aspects in its rating assessment. Finally, the rating captures the company's intrinsic exposure to foreign-currency and fuel-price volatility.

On 12 July 2023, we upgraded Azul's CFR to Caa1 because of the significant improvement in its liquidity following the company's financial restructuring. The company has renegotiated lease payments with lessors, exchanged its senior unsecured notes maturing in 2024 and 2026 for new secured notes due 2029 and 2030, and will issue new first priority secured notes due 2028, all of which significantly reduced its near-term cash needs and enhanced its cash position. We estimate that Azul's cash position will remain higher than BRL2 billion in 2023-25 after all these initiatives, while its Moody's-adjusted leverage will continue to decline and reach around 4.0x-5.0x over the same period, from 7.5x at the end of March 2023. Azul's annual cash outflow related to lease and financial debt payments will decline to an accumulated BRL12.8 billion in 2023-25 from BRL17 billion before the restructuring.

Credit strengths

- » Unique position as the only carrier on most of its routes
- » Good network connectivity and strategic partnerships with global companies
- » Experienced management team and conservative policies
- » Improvement in liquidity following financial restructuring

Credit challenges

- » Uncertainties in the airline industry as a result of the pandemic and macroeconomic risks
- » Exposure to foreign-currency and fuel-price volatility
- » Low geographic diversification, with most of its revenue coming from Brazil (more than 160 destinations but mostly within the country)
- » Still-high leverage, low interest coverage and near-term cash needs

Rating outlook

The positive outlook on Azul's ratings reflects Moody's expectations that the company's operations and credit metrics will improve over the next 12-18 months.

Factors that could lead to an upgrade

We could upgrade Azul if risks and uncertainties are reduced significantly, and passenger demand remains sustainable above pre-coronavirus levels. An upgrade would also require Azul to continue to improve its capital structure, maintain an adequate liquidity profile, with cash consistently above 15% of revenues, and key metrics to improve with debt-to-EBITDA below 6x and (funds from operations + interest)/ interest above 3x on a sustained basis.

Factors that could lead to a downgrade

We could downgrade Azul's ratings if liquidity concerns increase or if the company is unable to strengthen credit metrics, and if the likelihood of a default in the company's financial obligations increases.

Key indicators

Exhibit 1

Azul S.A.

USD millions	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	LTM (Mar-23)	Moody's forward view Next 12-18 months
Revenue	2,494.9	2,906.0	1,125.8	1,852.4	3,094.2	3,349.6	3,750 - 4,250
EBIT Margin %	20.7%	15.8%	6.7%	-7.0%	3.8%	5.4%	15.0% - 20.0%
Debt / EBITDA	5.3x	4.6x	-68.4x	36.8x	8.6x	7.5x	4.0x - 5.0x
RCF / Debt	16.9%	12.7%	-15.4%	-12.7%	-8.1%	-7.1%	0.0% - 5.0%
(FFO + Interest Expense) / Interest Expense	2.8x	2.5x	-0.2x	0.2x	0.6x	0.7x	0.5x - 1.5x

All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months. Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Source: Moody's Investors Service

Profile

Headquartered in Barueri near the City of Sao Paulo, Brazil, Azul S.A. is a Brazilian airline founded by David Neeleman in 2008. The company is the largest airline in Brazil by number of cities covered and departures, serving more than 160 destinations with an operating fleet of 168 aircraft and operating more than 900 flights daily. The company also flies its aircraft to select international destinations, including Fort Lauderdale, Orlando, Paris, Punta del Este and Lisbon. Azul is the sole owner of the loyalty program TudoAzul, a strategic revenue-generating asset that had more than 15 million members as of March 2023. In the 12 months that ended March 2023, Azul generated BRL17.2 billion (\$3.3 billion) in net revenue.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Detailed credit considerations

Financial restructuring significantly reduced near-term cash needs and improved liquidity

Azul has renegotiated lease payments with lessors, exchanged its senior unsecured notes maturing in 2024 and 2026 for new secured notes due 2029 and 2030, and will issue \$800 million in new first priority secured notes due 2028, all of which significantly reduced its near-term cash needs and enhanced its cash position. We estimate that Azul's cash position will remain above BRL2 billion in 2023-25 after all these initiatives, while its Moody's-adjusted leverage will continue to decline and reach around 4.0x-5.0x over the same period, from 7.5x at the end of March 2023. Azul's annual cash outflow related to lease and financial debt payments will decline to an accumulated BRL12.8 billion in 2023-25 from BRL17 billion before the restructuring.

In May 2023, Azul announced agreements with its lessors, under which lessors will reduce Azul's lease payments to eliminate pandemic-related deferrals and the gap between Azul's contractual lease rates and agreed-upon current market rates. In exchange, lessors will receive a tradeable note maturing in 2030 and equity. We estimate that total lease payments renegotiated amount to \$807 million, reducing Azul's upcoming lease payments.

In June 2023, Azul announced a par-for-par exchange offer for its 2024 and 2026 unsecured notes. The offers will exchange the 5.875% unsecured notes due 2024 for 11.500% secured notes due 2029 and the 7.250% unsecured notes due 2026 for 10.875% secured notes due 2030. Azul has entered into an agreement with an ad hoc group of holders of the 2024 and 2026 notes representing 65.5% of the aggregate principal amount of the 2024 notes and 65.8% of the aggregate principal amount of the 2026 notes. An amount of \$291 million in principal of the notes due 2024 representing 72.8% of the outstanding principal, and \$568 million in principal of the notes due 2026 representing 94.6% of the outstanding principal, have been validly tendered for exchange as of 28 June 2023. Despite the par-for-par exchange, increase in coupon and collateral assignment, Moody's views this deal as a distressed exchange given that the deal avoids a potential default in light of Azul's weak liquidity and untenable capital structure at the time of the exchange.

Finally, in July 2023, Azul announced a new first priority secured issuance and will use the proceeds to strengthen its cash position while revising capital spending and adjusting cash outflow to sustain an improved liquidity profile during the next three years.

Strong demand and rational competition continue to support pricing conditions

Brazil's domestic demand for air travel recovered strongly in 2022 and 2023, finally reaching pre-pandemic levels. As of May 2023, Brazil's domestic aggregate revenue passenger kilometers (RPKs) were at 107% of 2019 levels, while available seat kilometers (ASKs) were at 113% of 2019 levels. With the reopening of international markets, Brazil's international RPKs and ASKs as of May 2023 are also at 87% and 111% of 2019 levels, respectively, strongly recovering from about 35% of pre-pandemic levels seen at the beginning of 2022 and well above the average 6% from April 2020 to December 2020.

The strong domestic demand and more rational competition have supported the industry's pricing power, with average tariffs in Brazil increasing roughly 26% in 2022. In 2023, average tariffs as of March and April were 10% and 17% lower, respectively, than the same period a year earlier. The decrease in ticket prices comes jointly with a more than 20% reduction in fuel prices from the peak seen over Q2 and Q3 2022. In 2019, Avianca Brasil ceased operations in the Brazilian market, improving the competitive landscape and allowing for higher fares on domestic routes. Azul's operations have outperformed the domestic industry, with a fleet flexible enough to serve demand profitably in different market and aircraft scenarios. As of June 2023, Azul's ASKs and RPKs were at 122% and 126% of 2019 levels, respectively, compared with 106% and 112% a year earlier. Azul maintained a load factor of around 80% in the first half of 2023, which has been stable over the last 12 months. Azul's cost per ASK is declining since Q2 2022 but remains 10% higher than before the Russia-Ukraine conflict.

For the 12 months that ended March 2023, the company generated revenue of BRL17.2 billion (\$3.3 billion), 51% higher than the pre-pandemic level, and Moody's-adjusted EBITDA of BRL3.1 billion, 9% lower than that in 2019 but more than 3.5x higher than in 2021. The company also generated BRL3.7 billion of operating cash flow and BRL53 million of free cash flow in the 12 months that ended in March 2023. The company's profitability will continue to improve in 2023 under the new rational pricing environment in the domestic market, as Latin American peers will remain disciplined about flight offers and yield management. The lack of financial aid and government support has led to tight liquidity and more leveraged balance sheets, leaving little scope for aggressive commercial strategies.

In addition to recovering the productivity on its existing network, Azul has more than doubled its current slots at the Congonhas airport from 41, including 15 temporary slots, to 84 in March 2023. The airport, located in Sao Paulo city, is one of the busiest in Latin America, and Azul is one of the airlines that have taken most advantage from the redistribution of the slots of Avianca Brasil, which doubled its share at the airport to 14% from 7%. The continued strong pricing environment, additional slots at Congonhas and the further transition of its fleet, with new-generation jets representing more than 80% of its aircraft by 2023, will help Azul improve its adjusted gross leverage to the mid-single-digit percentages in 2023 from 7.5x in the 12 months that ended March 2023, following the improvement in its EBITDA. Cost pressure from the still-weak domestic currency and oil prices, which are likely to remain cyclically strong through 2023, is a key risk for the company over the next 12-18 months.

Difficult macroeconomic environment and the Russia-Ukraine conflict pose risks to air travel demand in Latin America

Latin America has few financial links with Russia and Ukraine, direct or indirect, but the surge in global energy prices has increased inflation and tightened monetary policy in the region. In Brazil, business travel benefits from high prices of metals, agricultural commodities, and oil and gas, countercyclical industries that can prosper during times of stressed domestic consumption and increased political risks. Nevertheless, slower economic growth and higher interest rates still pose significant risks to the demand for air travel. Fuel and food constitute a larger share of the household budget in emerging markets than in the advanced economies, so airlines will ultimately need to reduce capacity if their profitability starts to deteriorate, slowing their recovery.

Moreover, while Brazilian airlines have little route exposure to the conflict zone, the companies must grapple with higher prices of jet fuel in addition to risks on the demand side. Since February 2022, Brent prices have averaged \$95 per barrel (bbl). We expect oil prices to be higher or at the high-end of our medium-term price range of \$55-\$75/bbl in 2023-24 because a decline in commodity prices would trigger a prompt reduction in supply by OPEC-plus producers. Meanwhile, a sharp rise in demand would likely lead to another spike in oil prices because reduction in investment has led to the industry being unable to ramp up production quickly.

Our outlook for the global airline industry remains positive as its recovery from the pandemic has room to run. In Latin America, demand for air travel continues to grow, and carriers will benefit from a more rational and consolidated market to keep airfares high. There are no labor shortages in the region, and little fuel hedging will support Latin American carriers' profitability if jet fuel prices decline. Also, in a recession, demand would decline, but so would the price of oil. The biggest risk to the industry would be a scenario where oil prices increase during a recession or if demand weakens.

Exposure to foreign-currency fluctuations and oil price volatility

Azul uses the Brazilian real as its functional currency for the pricing of most of its products, while a significant part of its costs and debt are denominated in US dollars, creating a mismatch among revenue, costs and liabilities, which can hurt its operating results, leverage and other credit metrics. Azul is particularly exposed to the depreciation of the Brazilian real, which accounts for about 80% of the company's revenue and can lead to margin squeeze in case the company is not able to pass through US dollar-denominated cost increases (including fuel, which currently accounts for about 50% of total costs) to airfares. Azul's fuel-hedging strategy comprises derivatives with financial institutions and fixed-price contracts with its main supplier, [Raizen](#) (Baa3 stable). As of March 2023, Azul hedged 18% of its expected fuel consumption for the next 12 months.

Experienced management team and conservative policies

Azul has a seasoned management team with many years of experience in the airline industry. The team has responded quickly to the economic slowdown in Brazil and has established conservative financial policies and corporate governance standards. The company's management took advantage of the expertise acquired with JetBlue's E-Jets and, with the acquisition of TRIP, it gained the know-how of the world's largest ATR aircraft operator.

David Neeleman, a dual Brazilian and US citizen, is Azul's founder and the chairperson of its board of directors. Before founding Azul, Neeleman founded JetBlue, where he was the CEO from 1998 to 2007 and the chairperson of the board of directors from 2002 to 2008. Neeleman's career in the airline industry began in 1984, when he co-founded Morris Air. Neeleman was also the co-founder of WestJet Airlines and served as a member of its board of directors from 1996 to 1999. Neeleman is also part of a consortium that acquired an equity interest in TAP through TAP's privatization process in 2015, and is currently a member of TAP's board of directors.

John Rodgeron is Azul's CEO. Formerly, he was Azul's chief financial officer and investor relations officer, and was responsible for the planning and financial analysis, treasury and accounting departments. Rodgeron worked on Azul's initial business plan with Neeleman

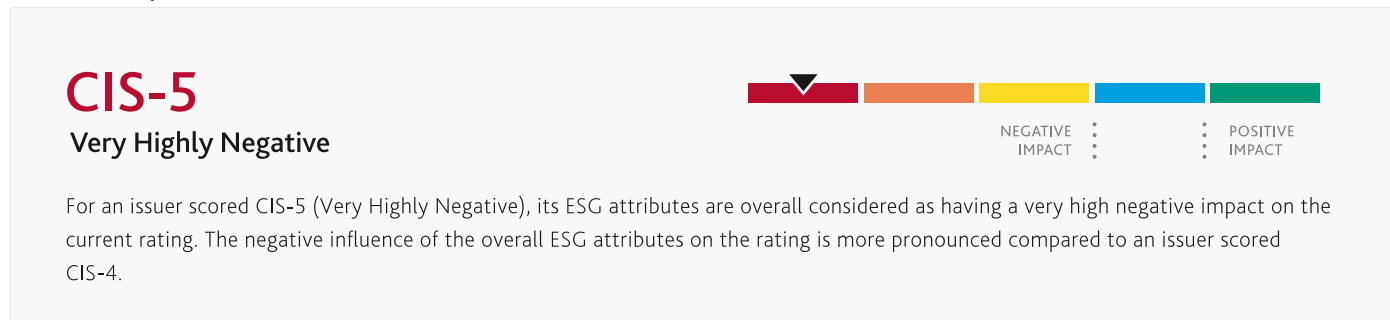
and was part of the founding team. Before joining Azul, Rodgers served as the director of planning and financial analysis at JetBlue from 2003 to 2008.

ESG considerations

Azul S.A.'s ESG Credit Impact Score is Very Highly Negative CIS-5

Exhibit 2

ESG Credit Impact Score

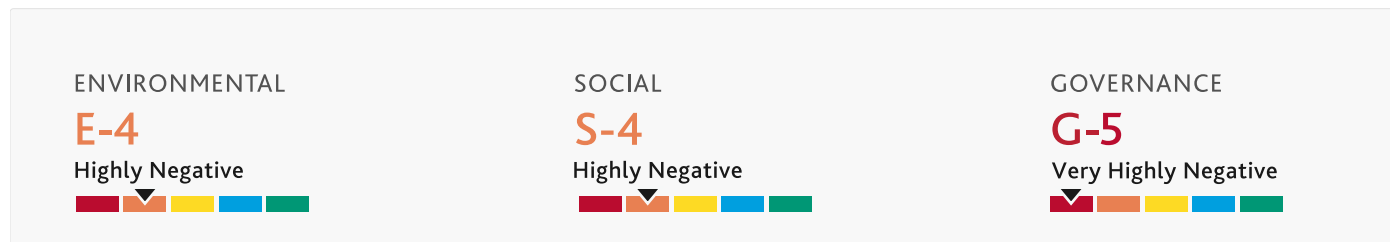


Source: Moody's Investors Service

CIS-5. Azul's CIS-5 indicates that the rating is lower than it would have been if ESG risk exposures did not exist and that the negative impact is more pronounced than for issuers scored CIS-4. The score reflects negative governance factors mainly related to the company's highly leveraged capital structure. The score also reflects limited credit impact to date, but the potential for carbon transition and related social risk factors to pressure the rating over time. That said, given that current technologies do not support a rapid carbon transition scenario for airlines and there are limited substitutes in most markets, the credit risk to most airlines is long-term in nature.

Exhibit 3

ESG Issuer Profile Scores



Source: Moody's Investors Service

Environmental

E-4. Azul faces environmental risk due to carbon transition. This will primarily depend on evolving global decarbonization policies and regulations which may increase operating costs for airlines. Further, the desire to reduce carbon emissions may lead to reduced travel, in particular for business purposes, much of which can effectively be done virtually, as demonstrated during the pandemic. Azul has been implementing its fleet transformation plan to increase the number of fuel-efficient, next-generation aircrafts (such as E2 jets) in its fleet.

Social

S-4. Azul faces industry-wide social risks related to demographic and societal policies moving to reduce carbon emissions.

Governance

G-5. Azul has exposure to governance factors mainly related to the company's highly leveraged capital structure. Azul's governance risks also include the existence of dual class of shares and concentrated ownership derived from previous limitations on foreign ownership for Brazilian airlines, balanced by its board independence and track record of adequate financial management. Azul is a

publicly held company listed on B3 under level 2 of the corporate governance standards that demand a minimum 25% free float, 100% tag-along rights to minority shareholders, voting rights to preferred shareholders in certain circumstances and a minimum number of independent directors, among others. Common shareholders have voting control over Azul, and preferred shareholders have 100% tag-along rights. David Neeleman and TRIP's shareholders together own 100% of Azul's common shares (67% and 33%, respectively). Because of regulatory requirements, Azul created a differentiated shareholder structure to appropriately distribute economic ownership and voting rights among common and preferred shareholders. Under this structure, each preferred share is equivalent to 75 common shares and each preferred shareholder is entitled to receive 75x the amount of dividends distributed to holders of common shares. Azul's board of directors comprises 10 members, of which eight are independent. The company also has an established Audit Committee.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

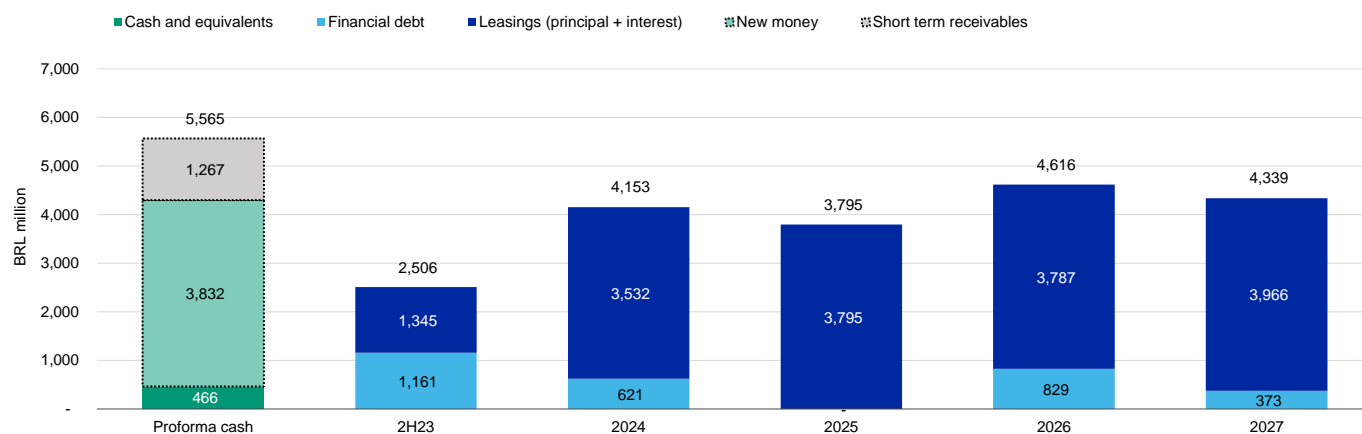
Liquidity analysis

As of March 31, 2023, Azul's cash position was BRL466 million, which was enough to cover only 32% of the company's short-term debt. After the issuance of the new \$800 million notes and renegotiation of lease and debt maturities, we estimate that Azul's cash position will increase and remain above BRL2 billion over 2023-25, while its upcoming debt and lease payments will decline significantly. The company will have about BRL3.5 billion of annual leasing payments scheduled for 2024 and 2025, compared with BRL4.0 billion before the renegotiation, in addition to BRL1.2 billion of debt to be repaid in the second half of 2023 and BRL621 million due in 2024, compared with an accumulated BRL3.3 billion before the exchange. The company has around BRL2.2 billion in other potential liquidity sources, including short-term receivables and financeable deposits, in addition to having unencumbered assets that could be used in potential secured financing transactions.

We estimate that Azul's operating cash generation will recover to about BRL3 billion-BRL4 billion in 2023-24, while the company will manage cash outflow by delaying the delivery of aircraft to reduce capital spending and manage cash generation.

Exhibit 4

Pro forma estimated debt repayment schedule As of July 2023



Source: Company filings

Structural considerations

The Caa2 rating assigned to Azul's unsecured notes is one notch lower than the company's Caa1 CFR, reflecting the effective subordination of unsecured creditors. The senior unsecured notes rank below Azul's existing and future secured claims, which will account for around 83% of the company's debt after the financial restructuring. Azul's consolidated debt is mainly composed of finance leases collateralized by aircraft, secured notes collateralized by cash flow and receivables generated by TudoAzul and Azul Viagens and debentures collateralized by credit card receivables.

The new exchanged secured notes due 2029 and senior secured notes due 2030 are rated Caa1, in line with Azul's CFR, primarily reflecting the instruments' pool of collaterals, which includes a second-priority lien on, among other assets, certain cash flow and receivables generated by TudoAzul and Azul Viagens, and certain intellectual property of the two businesses, and intellectual property of the Azul airline business; and a security on a first-lien basis (subject to future permitted priming debt) by Azul Cargo.

The proposed first priority secured notes due 2028 are rated B3, one notch higher than the company's secured ratings, reflecting the instruments' collateral package and protection features, which include first priority lien on among other assets, certain cash flow and receivables generated by TudoAzul and Azul Viagens, and certain intellectual property of the two businesses, and intellectual property of the Azul airline business; fiduciary assignments and transfers in place to ring fence the receivables for the noteholder's protection even in a bankruptcy scenario; high affirmation likelihood of the collateral due to the mission-critical intellectual property required for Azul to continue operations under the airline brand; the intellectual property included in the transaction scope, which will be owned by a bankruptcy-remote offshore special-purpose vehicle; and segregated collection accounts with a protective lock-box structure, whereby cash collections are blocked at all times until enough cash is reserved for debt obligations due on the next payment date.

Methodology and scorecard

Azul's scorecard-indicated outcome under our [Passenger Airlines](#) rating methodology maps to a Caa1 rating for the 12 months that ended March 31, 2023. Our 12-18-month forward view maps to a B2 rating, with improvement across all quantitative subfactors coming from the expected recovery in Azul's profitability and successful execution of the company's financial restructuring.

Exhibit 5

Rating factors

Azul S.A.

Methodology: Passenger Airlines published on 05 Aug 2021	Current LTM (Mar-23)		Moody's Forward View Next 12-18 months (as of Jul-23)	
	Measure	Score	Measure	Score
Factor 1: SCALE (10%)				
a) Revenue (USD Billion)	3.4	Caa	3.7 - 4.2	Caa
Factor 2: BUSINESS PROFILE (25%)				
a) Market Position and Network Strength	Ba	Ba	Ba	Ba
Factor 3: PROFITABILITY AND EFFICIENCY (12%)				
a) EBIT Margin (EBIT / Revenue)	5.4%	B	15.0% - 20.0%	Baa
Factor 4: LEVERAGE AND COVERAGE (38%)				
a) Debt / EBITDA	7.6x	Caa	4.0x - 5.0x	Ba
b) RCF / Debt	-7.1%	Ca	0.0% - 5.0%	Caa
c) (FFO + Interest Expense) / Interest Expense	0.7x	Ca	0.5x - 1.5x	Caa
Factor 5: FINANCIAL POLICY (15%)				
a) Financial Policy	Caa	Caa	Caa	Caa
Rating Outcome:				
a) Scorecard-Indicated Rating		Caa1		B2
b) Actual Rating Assigned		Caa1		

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of 3/31/2023(L).

[3] This represents Moody's forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Financial Metrics™

Appendix

Exhibit 6

Peer Comparison

(in USD millions)	Azul S.A. Caa1 Positive			Gol Linhas Aereas Inteligentes S.A. Caa2 Negative			LATAM Airlines Group S.A. B2 Stable		
	FYE Dec-21	FYE Dec-22	LTM Mar-23	FYE Dec-21	FYE Dec-22	LTM Mar-23	FYE Dec-21	FYE Dec-22	LTM Mar-23
	Revenue	\$1,852	\$3,094	\$3,350	\$1,380	\$2,949	\$3,285	\$4,884	\$9,363
Operating Profit	-\$158	\$63	\$125	-\$712	\$108	\$248	-\$1,119	-\$121	\$280
EBITDA	\$126	\$524	\$596	-\$455	\$464	\$611	\$40	\$1,733	\$2,135
Total Debt	\$4,472	\$4,398	\$4,565	\$4,069	\$4,393	\$4,516	\$10,396	\$6,782	\$6,738
Cash & Cash Equiv.	\$552	\$127	\$92	\$87	\$32	\$57	\$1,130	\$1,699	\$1,898
EBIT / Int. Exp.	-0.2x	0.1x	0.2x	-1.7x	0.2x	0.4x	-1.5x	0.6x	1.2x
Debt / EBITDA	36.8x	8.6x	7.5x	-9.3x	9.7x	7.3x	257.5x	3.9x	3.2x
RCF / Net Debt	-14.5%	-8.3%	-7.2%	-13.2%	-6.3%	-4.3%	-33.4%	48.9%	62.5%
FCF / Debt	-11.6%	-7.7%	0.2%	-6.7%	-3.7%	-4.0%	-10.2%	-20.2%	-15.3%

All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade.

Source: Moody's Financial Metrics™

Exhibit 7

Moody's-adjusted debt breakdown

Azul S.A.

(in USD millions)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-22	LTM Ending Mar-23
As Reported Debt	3,012.5	3,884.2	3,827.6	4,472.0	4,397.8	4,564.8
Pensions	0.0	0.0	0.0	0.0	0.0	0.0
Unusual	0.0	0.0	0.0	0.0	0.0	0.0
Moody's-Adjusted Debt	3,012.5	3,884.2	3,827.6	4,472.0	4,397.8	4,564.8

All figures are calculated using Moody's estimates and standard adjustments.

Source: Moody's Financial Metrics™

Exhibit 8

Moody's-adjusted EBITDA breakdown

Azul S.A.

(in USD millions)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-22	LTM Ending Mar-23
As Reported EBITDA	266.3	841.4	-1,472.8	17.4	982.3	382.6
Unusual	340.0	16.9	1,415.8	108.5	-458.8	213.4
Moody's-Adjusted EBITDA	606.3	858.3	-57.0	125.8	523.6	596.0

All figures are calculated using Moody's estimates and standard adjustments.

Source: Moody's Financial Metrics™

Ratings

Exhibit 9

<u>Category</u>	<u>Moody's Rating</u>
AZUL S.A.	
Outlook	Positive
Corporate Family Rating	Caa1
AZUL SECURED FINANCE LLP	
Outlook	Positive
Bkd Senior Secured	Caa1
AZUL INVESTMENTS LLP	
Outlook	Positive
Bkd Senior Unsecured	Caa2

Source: Moody's Investors Service

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