



o céu é **Azul** 

Resultados do 3T24

14 de novembro de 2024



Disclaimer

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Principais Fortalezas da Azul



Ao longo dos anos, as vantagens competitivas e as fortalezas da Azul permaneceram sólidas

Modelo de Negócios Sustentável e Sólido

	2019	2020	2021	2022	2023	2024
	Forte Desempenho	Covid	Covid 2.0	Guerra na Ucrânia	Retomada	Porto Alegre + OEMs + Desvalorização
EBITDA	R\$ 3,6 bilhões	R\$0,3 bilhões	R\$1,6 bilhões	R\$3,2 bilhões	R\$5,2 bilhões	~R\$6,0 bilhões
Taxa Selic ¹	4,96%	1,90%	7,63%	13,75%	13,04%	10,65%
Taxa de câmbio	R\$3,95	R\$5,16	R\$5,40	R\$5,17	R\$5,00	R\$5,55 ²
Preço médio do combustível	R\$2,56	R\$2,32	R\$3,32	R\$5,44	R\$4,56	R\$4,34 ³

Ao longo dos anos, a Azul enfrentou um grande número de desafios, e permaneceu forte devido ao seu modelo de negócio exclusivo e liderança em rentabilidade

Receita, EBITDA e EBIT Recordes

Receita no 3T24
R\$5,1 bilhões
Recorde histórico

EBITDA no 3T24
R\$1,7 bilhão
margem de 32,2%
Recorde histórico

RASK no 3T24
R\$42,87 centavos
Recorde 15

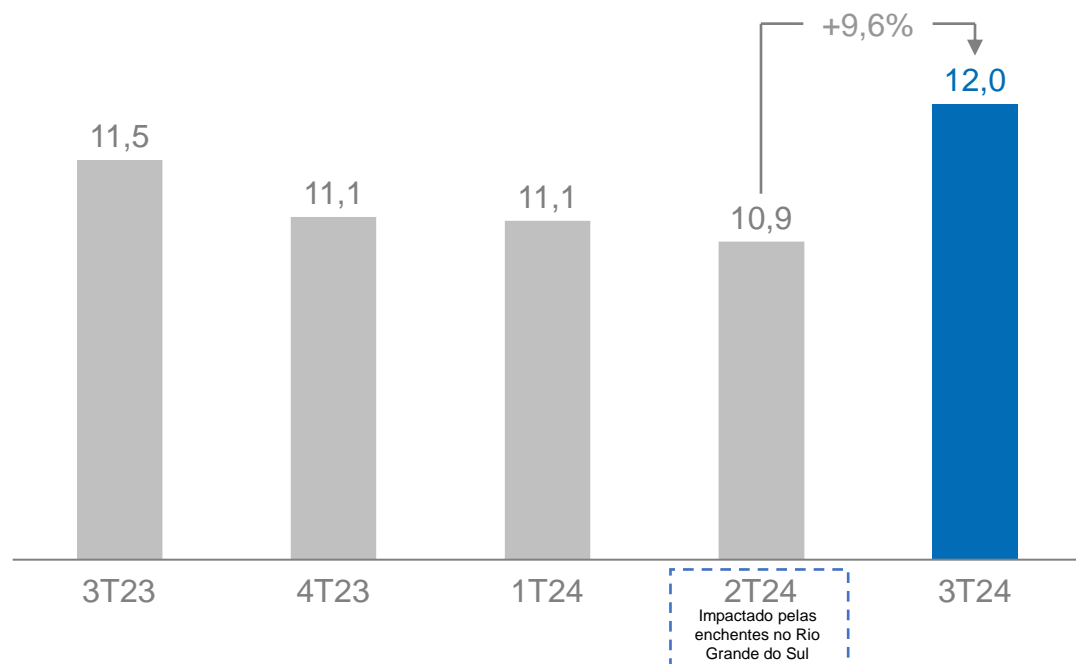
EBIT no 3T24
R\$1.0 bilhão
margem de 20,0%
Recorde histórico



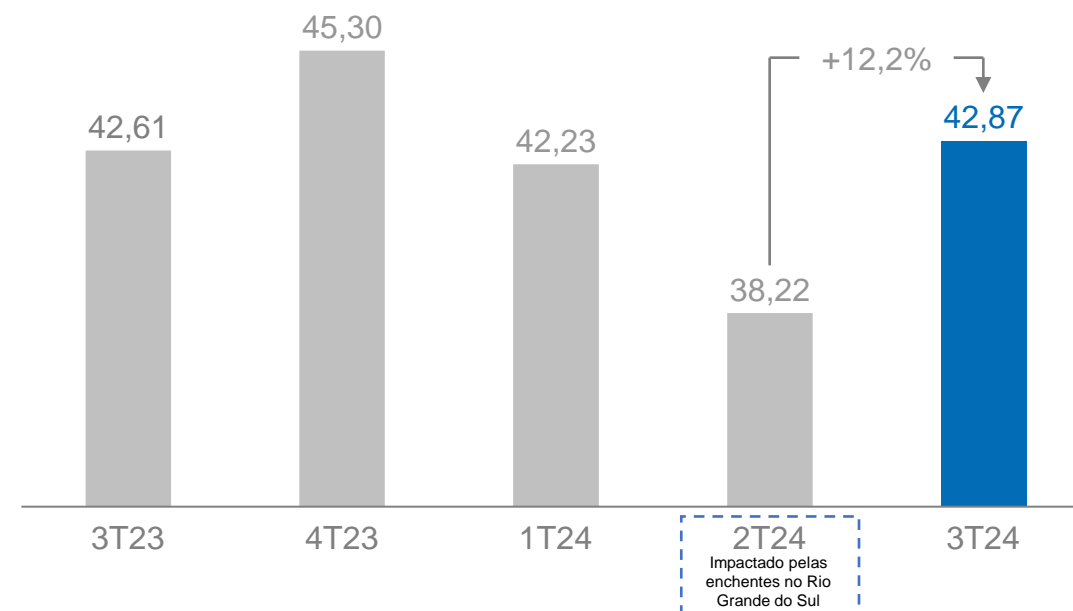
Mantendo resultados operacionais positivos e liderança em rentabilidade no setor

Crescimento Sustentável da Capacidade Mantendo Alto RASK

ASK
(Bilhões)



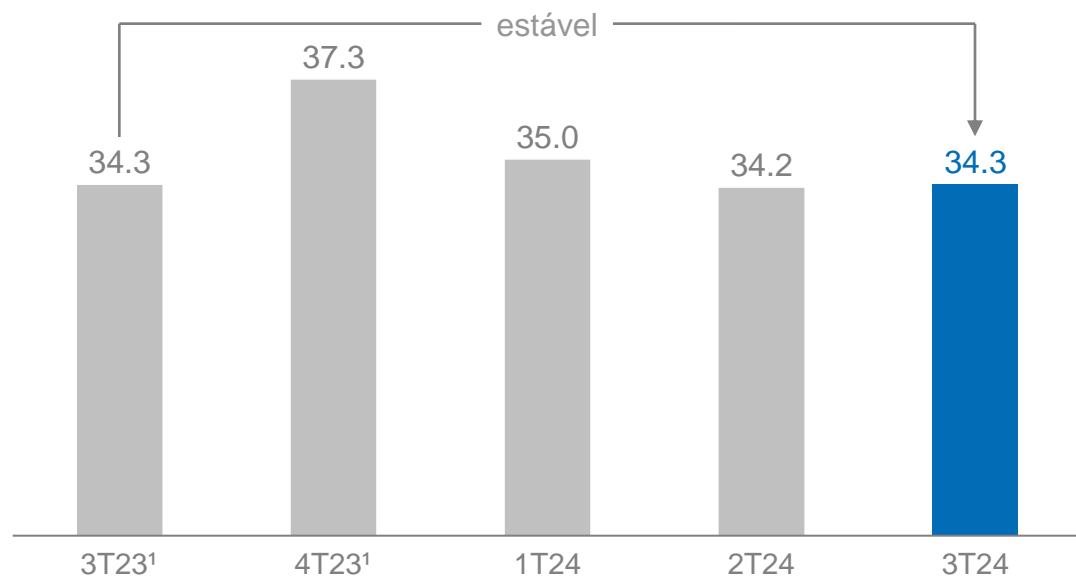
RASK
(R\$ centavos)



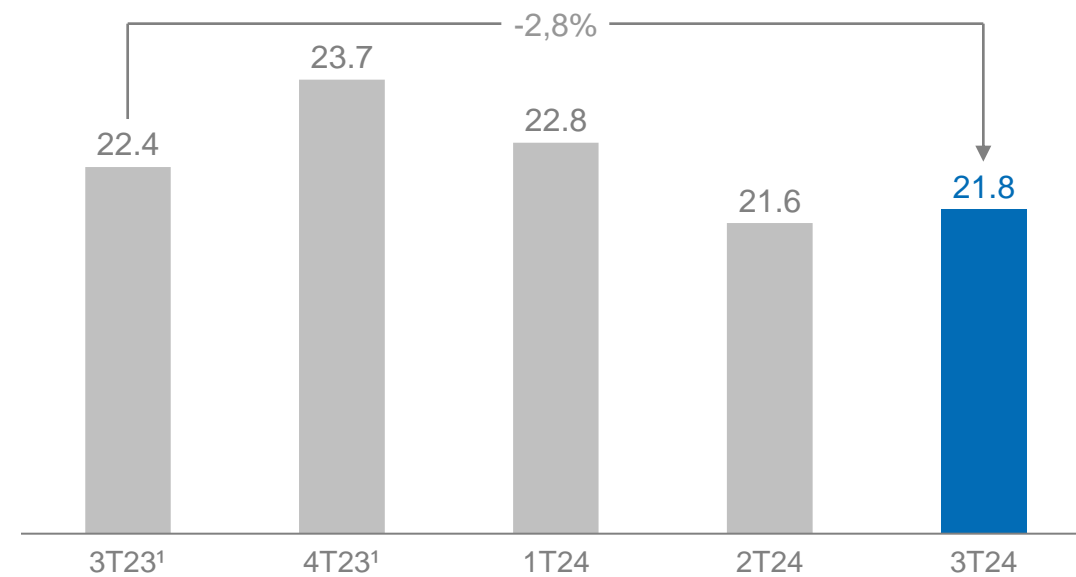
Forte recuperação do RASK após sazonalidade do 2T e enchentes no Rio Grande do Sul

Maior Produtividade e Menores Custos

CASK
(R\$ centavos)



CASK Excluindo Combustível
(R\$ centavos)

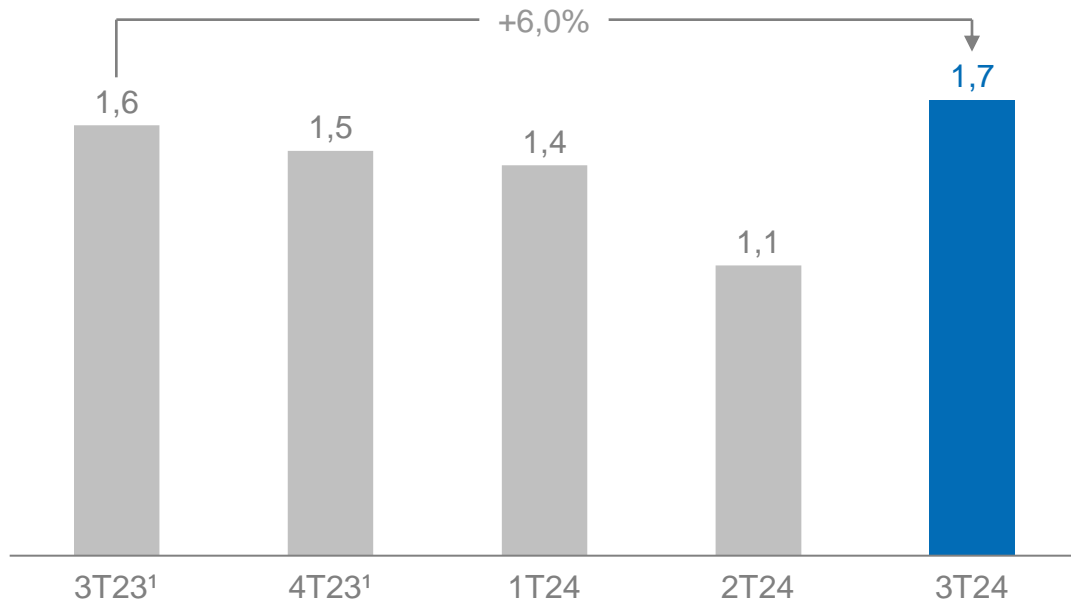


Câmbio	R\$4,88	R\$4,96	R\$4,95	R\$5,21	R\$5,55
Combustível	R\$4,06	R\$4,66	R\$4,25	R\$4,35	R\$4,41

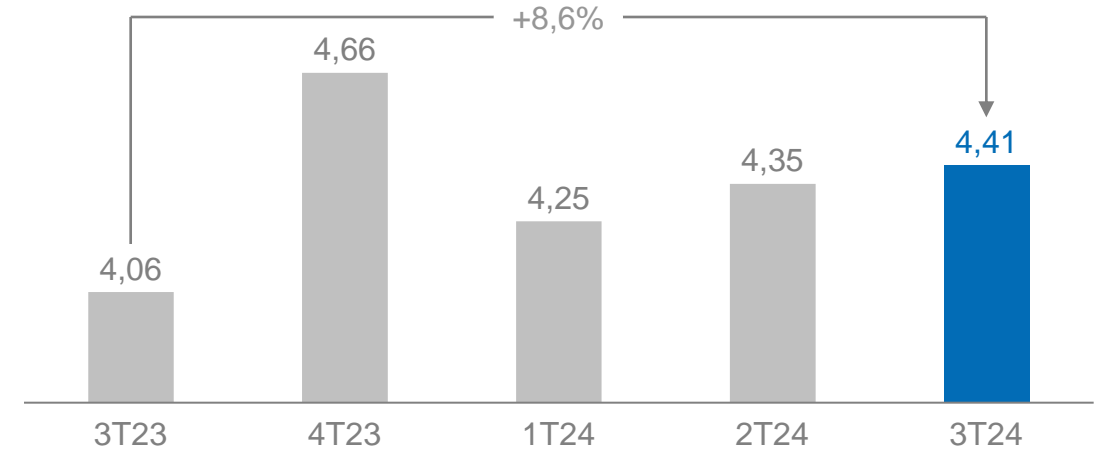
CASK da Azul abaixo da concorrência, mesmo com frota diversificada e menor tamanho médio de aeronave
Capacidade adicional de reduzir CASK por meio da transformação de frota e iniciativas do Plano Eleva

Modelo de Negócios Único Levando a Resultados Operacionais Superiores

EBITDA
(R\$ bilhões)

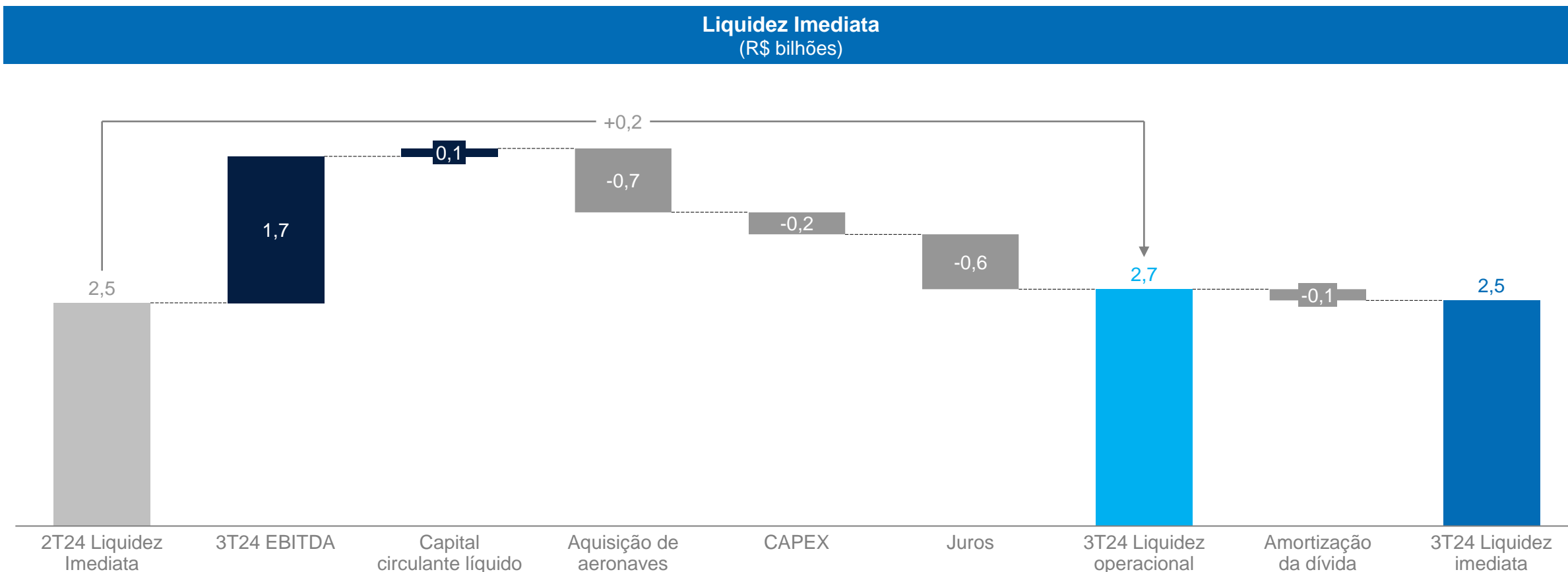


Preço do Combustível
(R\$ por litro)



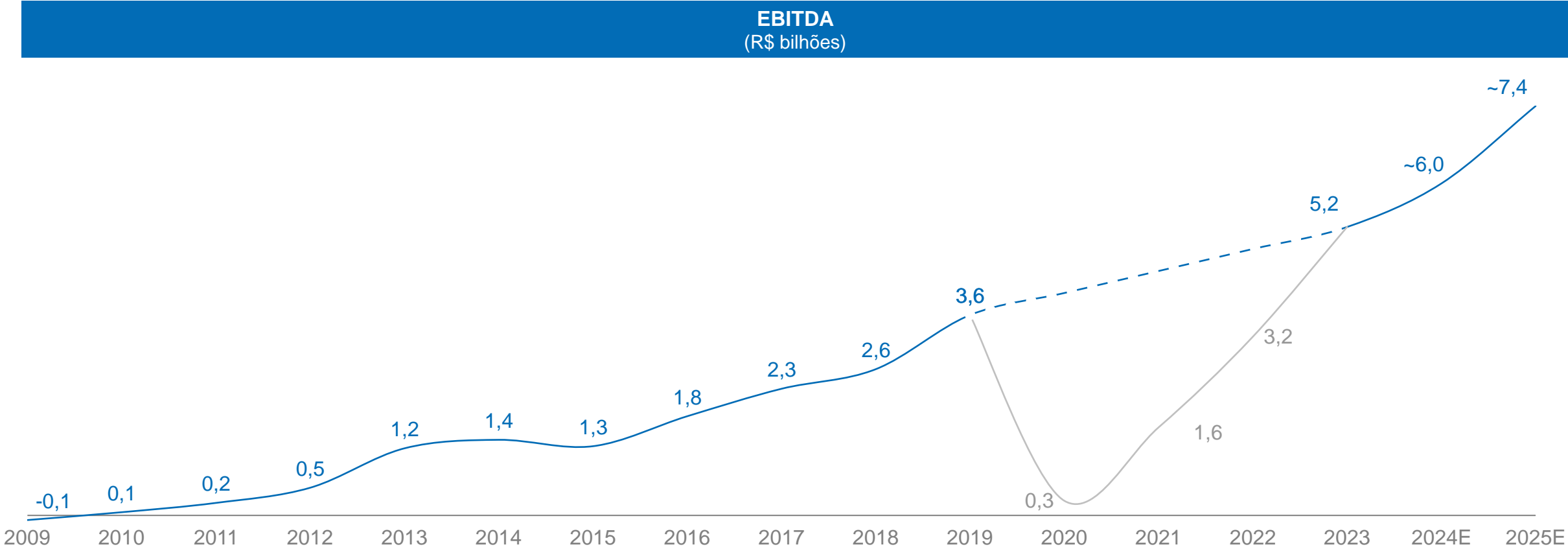
EBITDA recorde, compensando o efeito da alta nos preços dos combustíveis

Aumento no Fluxo de Caixa de Operações



Operações consistentemente gerando fluxo de caixa positivo

Crescimento Significativo da Receita e Expansão da Margem



Expectativa de EBITDA de ~R\$6,0 bilhões em 2024 e ~R\$7,4 bilhões em 2025

Desafios Recentes



Taxa de Câmbio

~R\$1,1 bilhão

Impacto de Caixa no 2024E



Enchentes no Rio Grande do Sul

~R\$400 milhões

Impacto no 2024E



Problemas de Entrega, Desempenho e Fornecimento de OEMs

~R\$1,3 bilhão

Impacto Cumulativo, Maioria em 2024



Aumento da Aversão ao Risco no Mercado de Capitais Locais

~R\$500 milhões

Impacto na Emissão de Debêntures Locais

Vários desafios impactando fluxo de caixa de 2024 em mais de R\$3 bilhões

Apoio Constante dos *Stakeholders*



Locadores e OEMs

Locadores e OEMs mais uma vez demonstrando confiança na Azul por meio de equitização e suporte adicional com fluxo de caixa



Credores

Credores fornecem novo capital à Azul, bem como suporte com fluxo de caixa e potencial para capital adicional e redução da alavancagem



Governo

Nova linha de crédito do governo (FNAC) dedicada ao setor de aviação civil proporciona ampla margem para alcançar geração de caixa

Mais uma vez, nossos *stakeholders* demonstram confiança na Azul, aumentando seu comprometimento

Transação Abrangente Gerando Melhorias Significativas



Equitização do instrumento de dívida de lessores/OEMs

Equitização de US\$550 milhões da estrutura dos lessores/OEMs além de melhorias no fluxo de caixa



Aumento de capital

Até US\$500 milhões em dinheiro novo por meio de notas superprioritárias



Melhorias adicionais no fluxo de caixa

Esforço colaborativo para negociar US\$100 milhões em melhorias adicionais no fluxo de caixa com parceiros



Equitização das Notas de 2029 e 2030

Potencial equitização de até US\$800 milhões em notas garantidas de segunda garantia

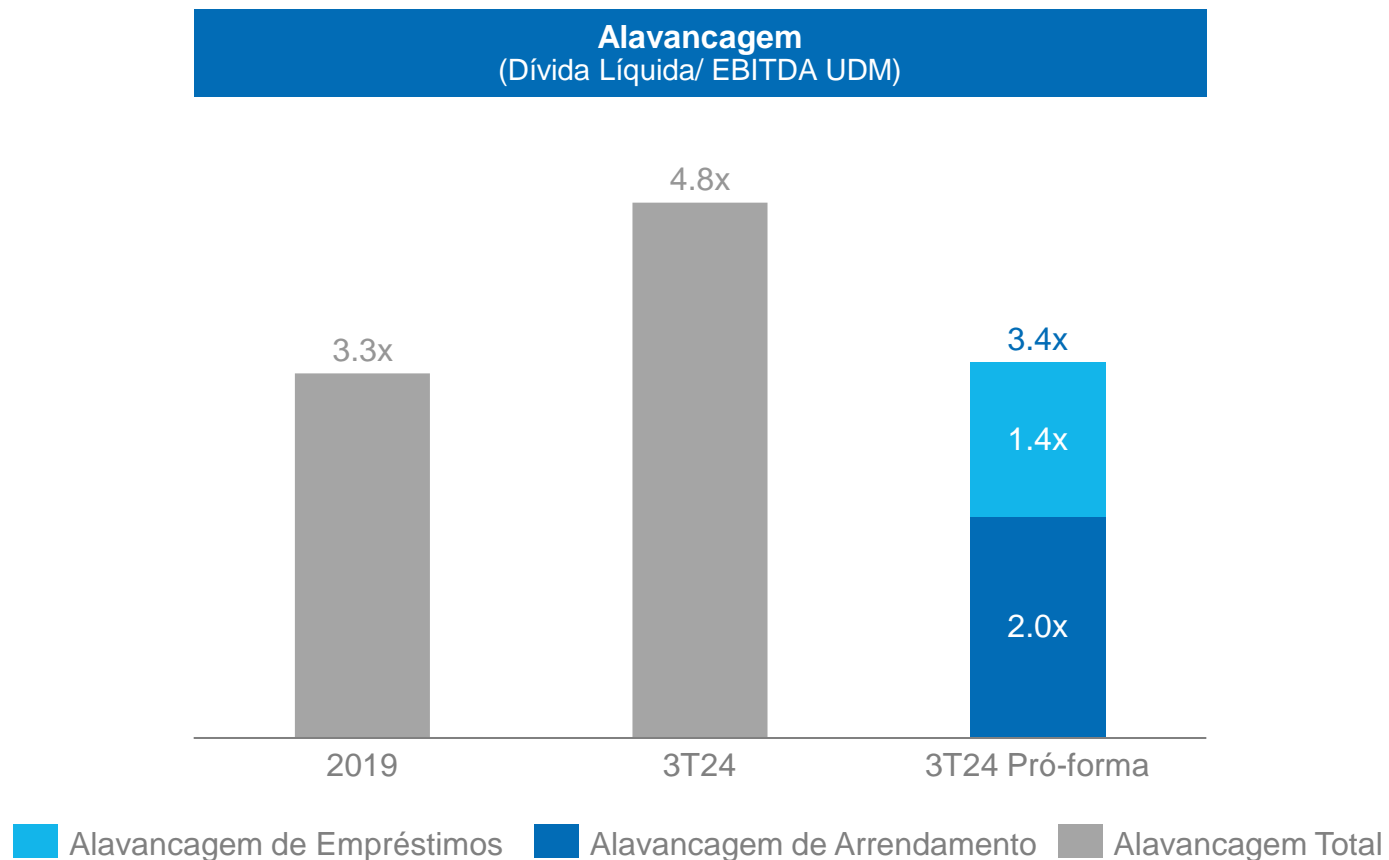
Acordo com *bondholders* para transação abrangente que melhora liquidez, geração de caixa e balanço patrimonial da Azul

Resultados da Transação: Estrutura de Capital Pró-Forma

Capitalização Pró-Forma (R\$ milhões)	3T24	Ajustes	3T24 Pró-forma
Notas 2024 e 2026 sem garantia	556	(380)	176
Notas 2028 com garantia	5,268	-	5,268
Notas 2029 e 2030 com garantia	4,437	(4,437)	-
Novas Notas 2029 Superprioritárias	-	2,725	2,725
Outras dívidas com garantia	692	-	692
Dívidas locais com garantia	1,573	(144)	1,429
Total Empréstimos e Financiamentos	12,527	(2,236)	10,290
Passivo de arrendamento	14,268	-	14,268
Notas arrendadores	1,162	(791)	371
Total da dívida com arrendadores	15,430	(791)	14,639
Dívida Total	27,957	(3,027)	24,929
Alavancagem usando o EBITDA UDM	4.4x	-1.0x	3.4x
Equity arrendadores	2,341	(2,341)	-
Dívida total incluindo equity dos arrendadores	30,298	(5,368)	24,929
Alavancagem ajustada utilizando EBITDA UDM	4.8x	-1.4x	3.4x

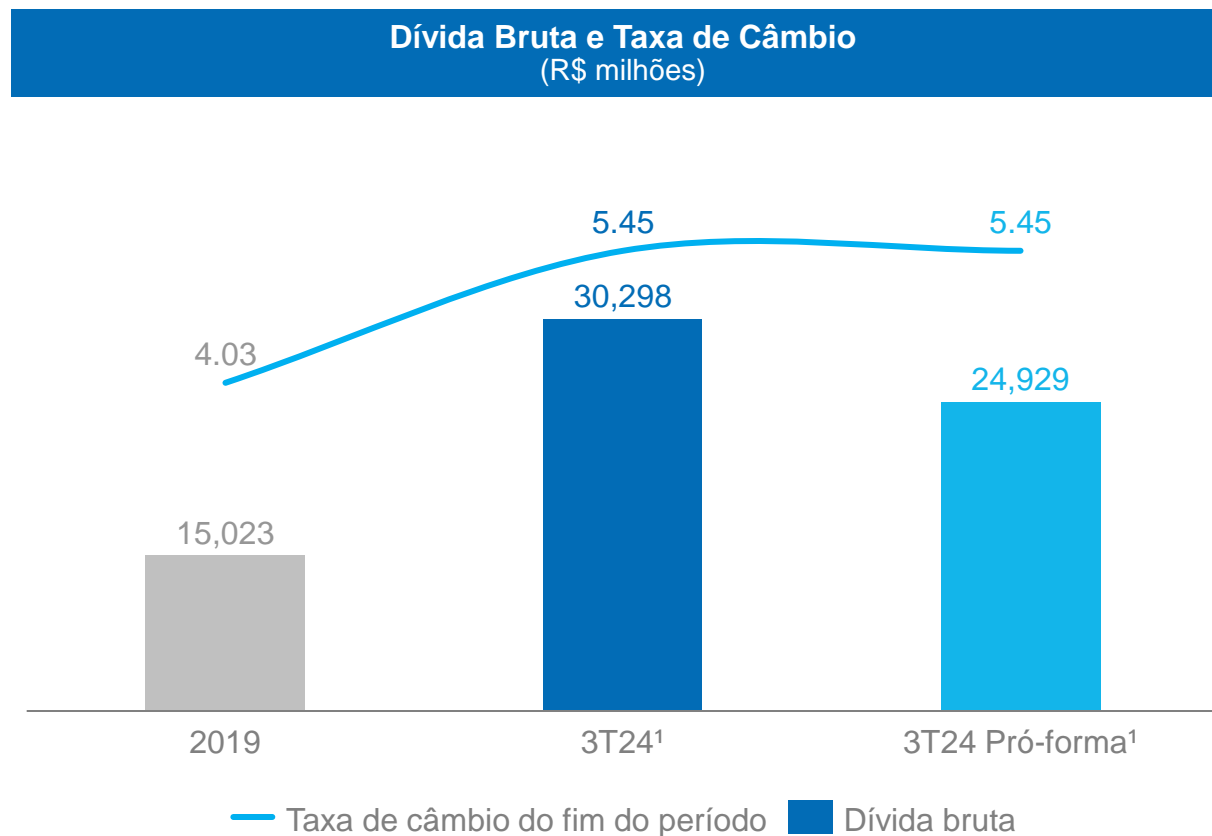
Acordo com bondholders e lessores/OEMs permite redução significativa da alavancagem a partir da equitização do instrumento de *equity* e de Notas 2029 e 2030 ao atingir determinadas condições

Resultados da Transação: Redução da Alavancagem



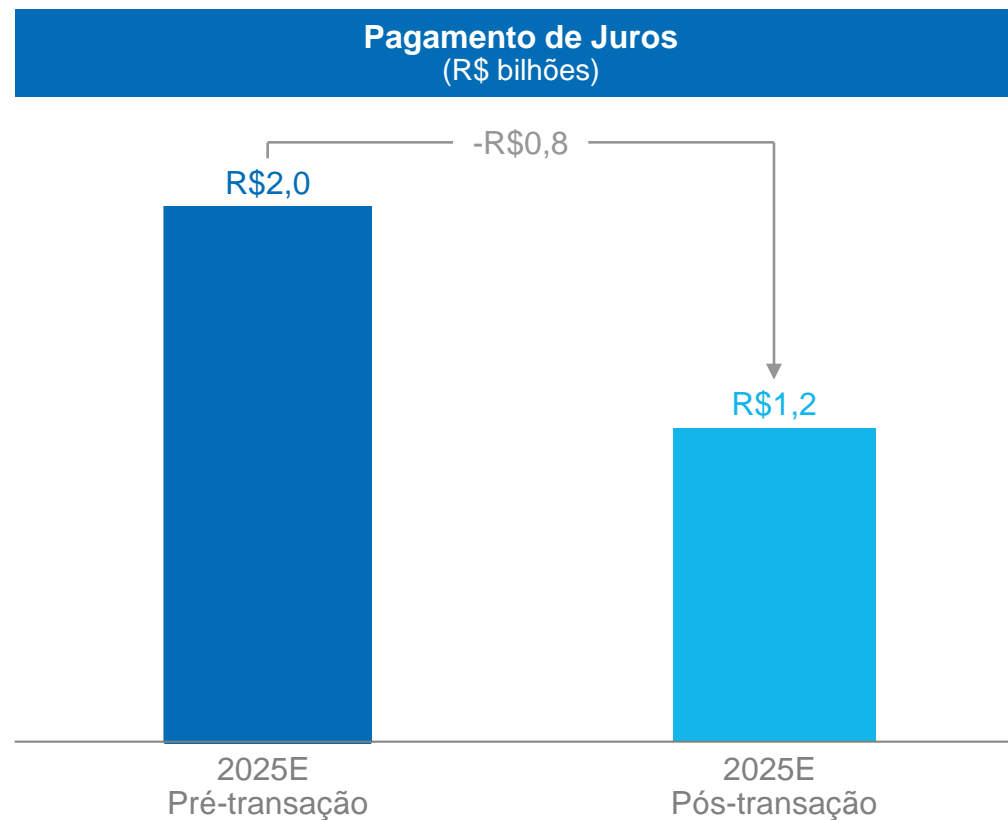
Redução orgânica da alavancagem através de sólidos resultados operacionais, agora acelerada pela transação

Resultados da Transação: Redução na Dívida Bruta



Acordo com bondholders e lessores/OEMs permite redução significativa da alavancagem a partir da equitização do instrumento de *equity* e de Notas 2029 e 2030 ao atingir determinadas condições

Resultados da transação: Redução no Pagamento de Juros



Transação abrangente com potencial para reduzir despesas com juros em R\$800 milhões em 2025

Resultados da transação: Aumento na Geração de Caixa

Detalhamento fluxo de caixa	2025E (R\$ bilhões)
EBITDA	7,4
Capital circulante líquido	0,8
Aluguel de aeronaves	(4,1)
Capex	(1,7)
Fluxo de caixa recorrente	2,3
Juros	(1,2)
Fluxo de caixa livre para firma	1,1

Melhoria potencial de até R\$1 bilhão no fluxo de caixa de 2025

Oportunidades Adicionais para Aumentar Margens

Impulsionadores de expansão de margem
(EBITDA, R\$ bilhões)



Oportunidades já identificadas levando a contínuo aumento da rentabilidade

Obrigado



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o céu é **Azul** 

3Q24 Results

November 14, 2024



*Azulando
o Brasil*

STOP
- NÃO CERTIFIQUE O EQUIPAGEM AS TOMADAS
- A ÁREA INDICADA PELA LINHA VERMELHA DEVE
SER MANTIDA LISA E LIMPA
- DO NOT PLACE OR COVER HOLES
- MAINTAIN AREA MUST BE SMOOTH AND CLEAN

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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 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, 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.

Azul's Core Strengths



Throughout the years, Azul's core strengths and competitive advantages have remained consistent

Sustainable and Strong Business Model

	2019	2020	2021	2022	2023	2024
	Strong Performance	Covid	Covid 2.0	Ukraine War	Recovery	Porto Alegre + OEM Issues + devaluation
EBITDA	R\$ 3.6 billion	R\$0.3 billion	R\$1.6 billion	R\$3.2 billion	R\$5.2 billion	~R\$6.0 billion
Selic rate ¹	4.96%	1.90%	7.63%	13.75%	13.04%	10.65%
Foreign exchange	R\$3.95	R\$5.16	R\$5.40	R\$5.17	R\$5.00	R\$5.55 ²
Average fuel price	R\$2.56	R\$2.32	R\$3.32	R\$5.44	R\$4.56	R\$4.34 ³

Throughout the years, Azul faced a number of challenges and remained strong due to its unique business model and industry-leading profitability

Record Revenue, EBITDA and EBIT

3Q24 Revenue
R\$5.1 billion
All-time Record

3Q24 EBITDA
R\$1.7 billion
32.2% margin
All-time Record

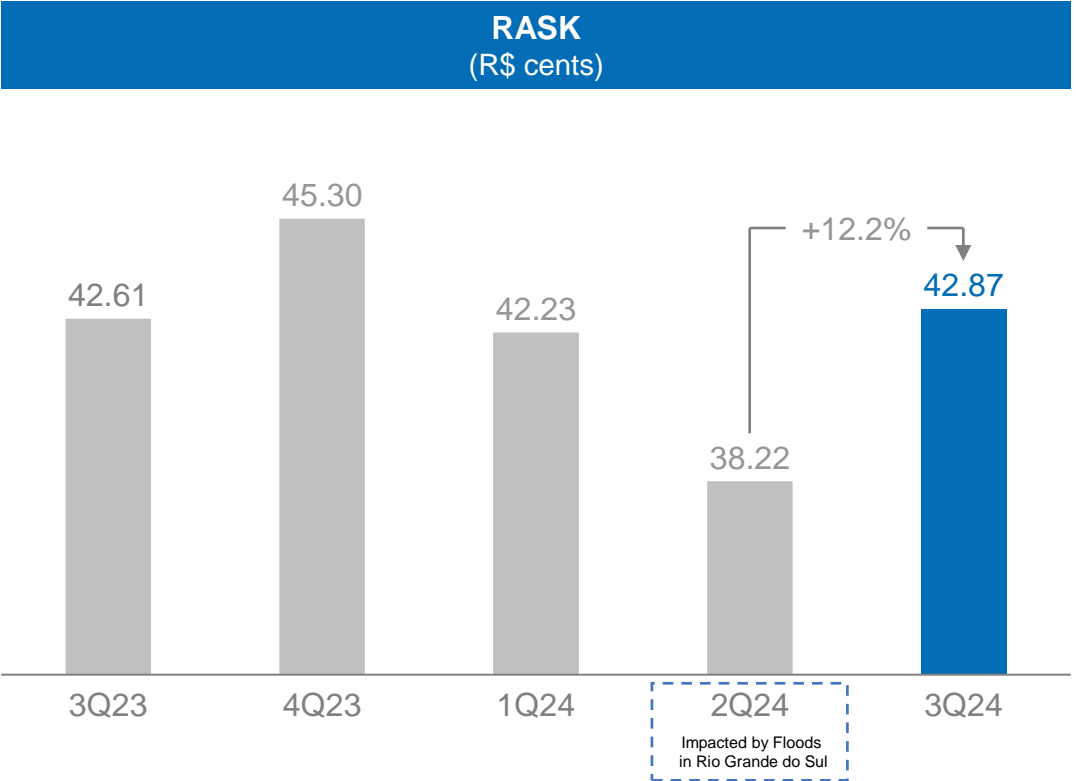
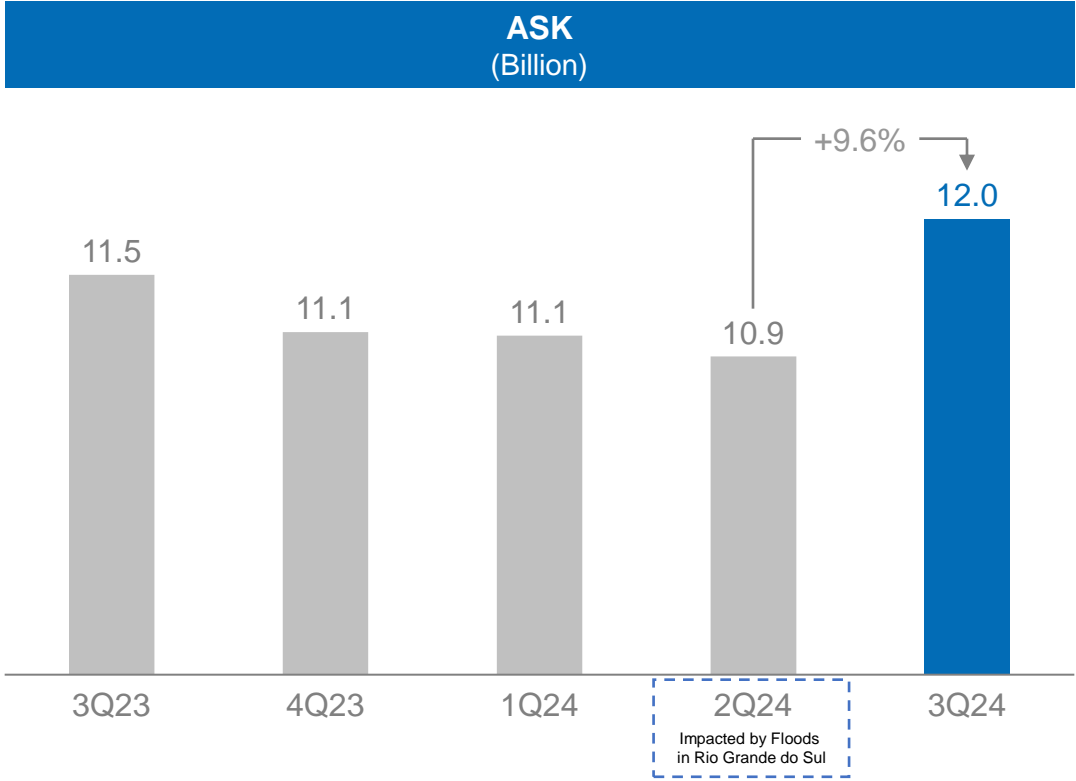
3Q24 RASK
R\$42.87 cents
3Q Record

3Q24 EBIT
R\$1.0 billion
20.0% margin
All-time Record



Maintaining positive operational results and industry-leading profitability

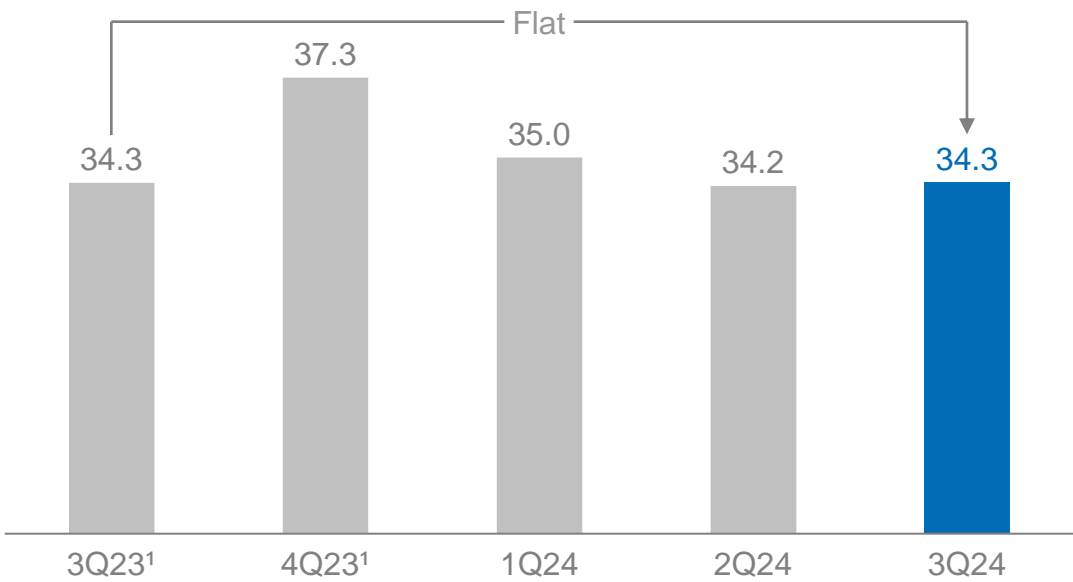
Sustainable Capacity Growth While Maintaining Strong RASK



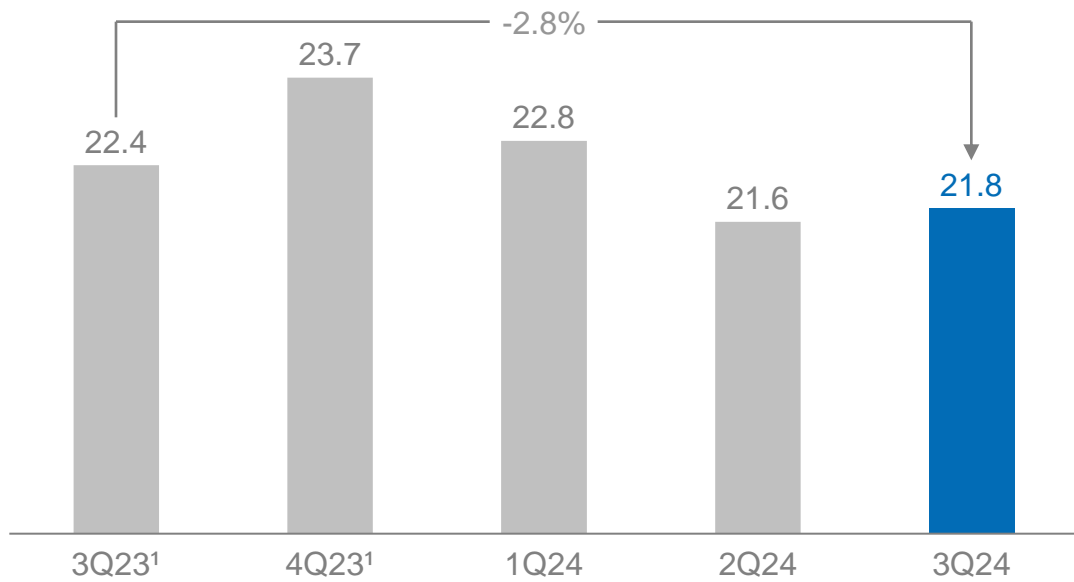
Strong recovery in RASK after 2Q seasonality and floods in Rio Grande do Sul

Higher Productivity and Lower Costs

CASK
(R\$ cents)



CASK ex-Fuel
(R\$ cents)

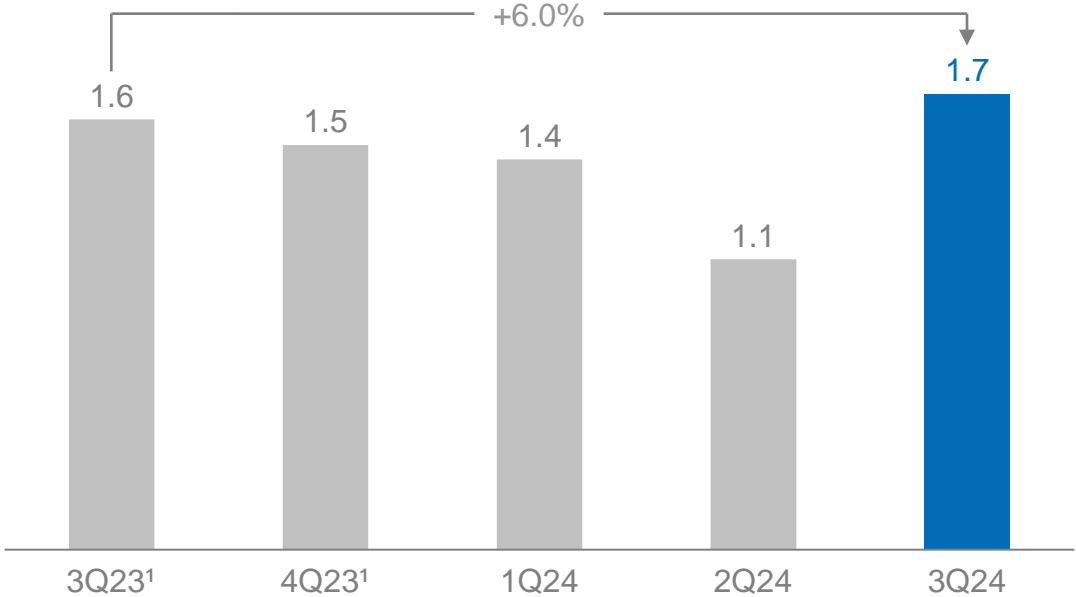


Exchange Rate	R\$4.88	R\$4.96	R\$4.95	R\$5.21	R\$5.55
Fuel Price	R\$4.06	R\$4.66	R\$4.25	R\$4.35	R\$4.41

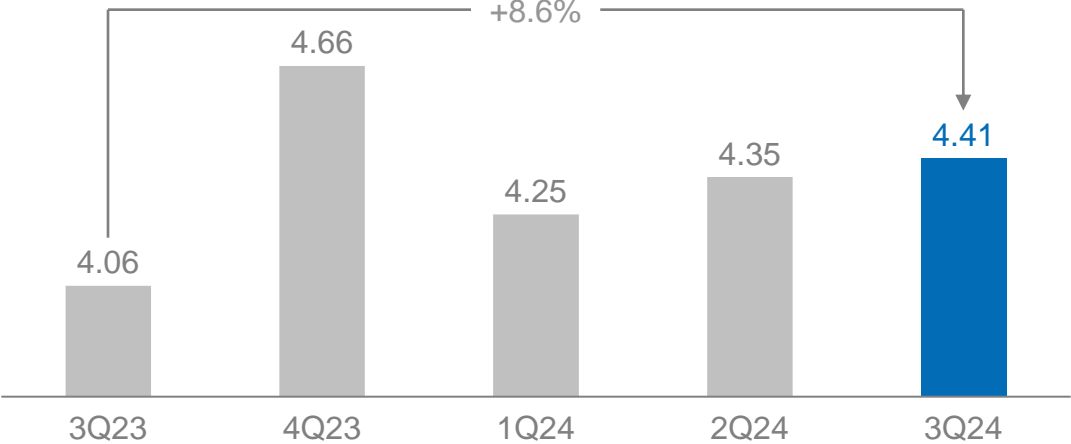
Azul CASK below competition, even with diversified fleet and lower average aircraft size
Further ability to reduce CASK through continued fleet transformation and Elevate Plan initiatives

Unique Business Model Leading to Superior Operating Results

EBITDA
(R\$ billion)

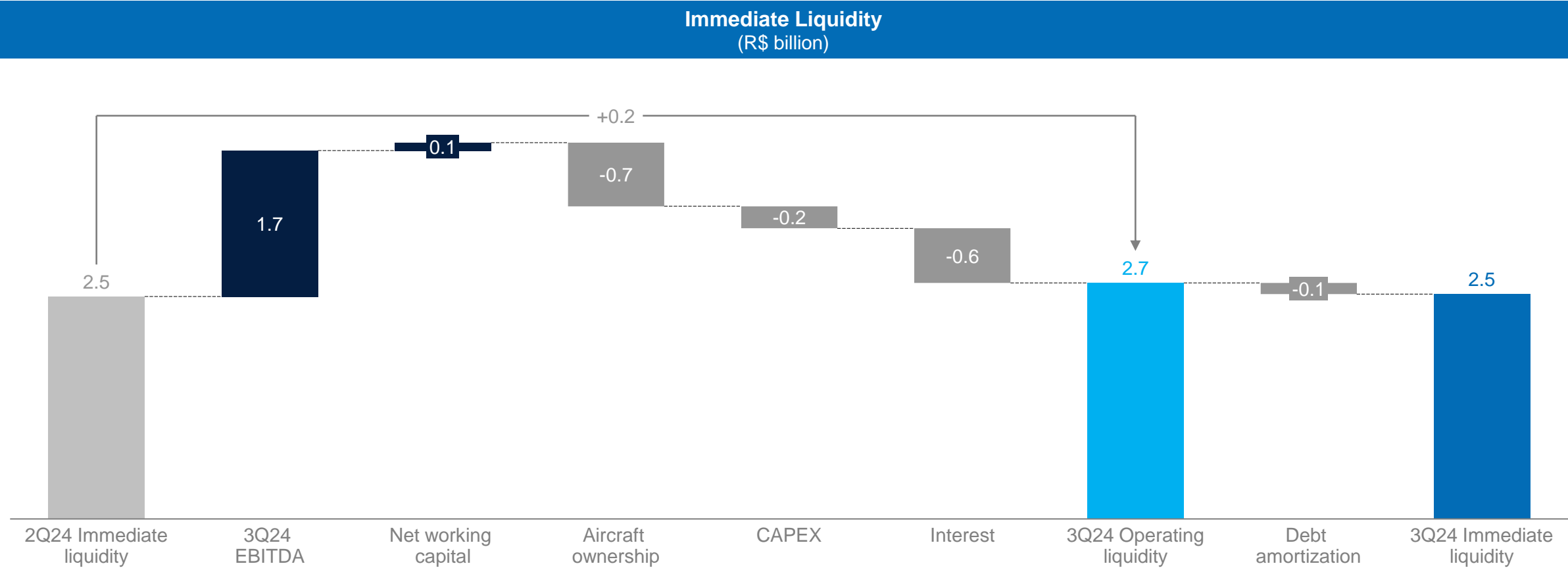


Fuel Price
(R\$ per liter)



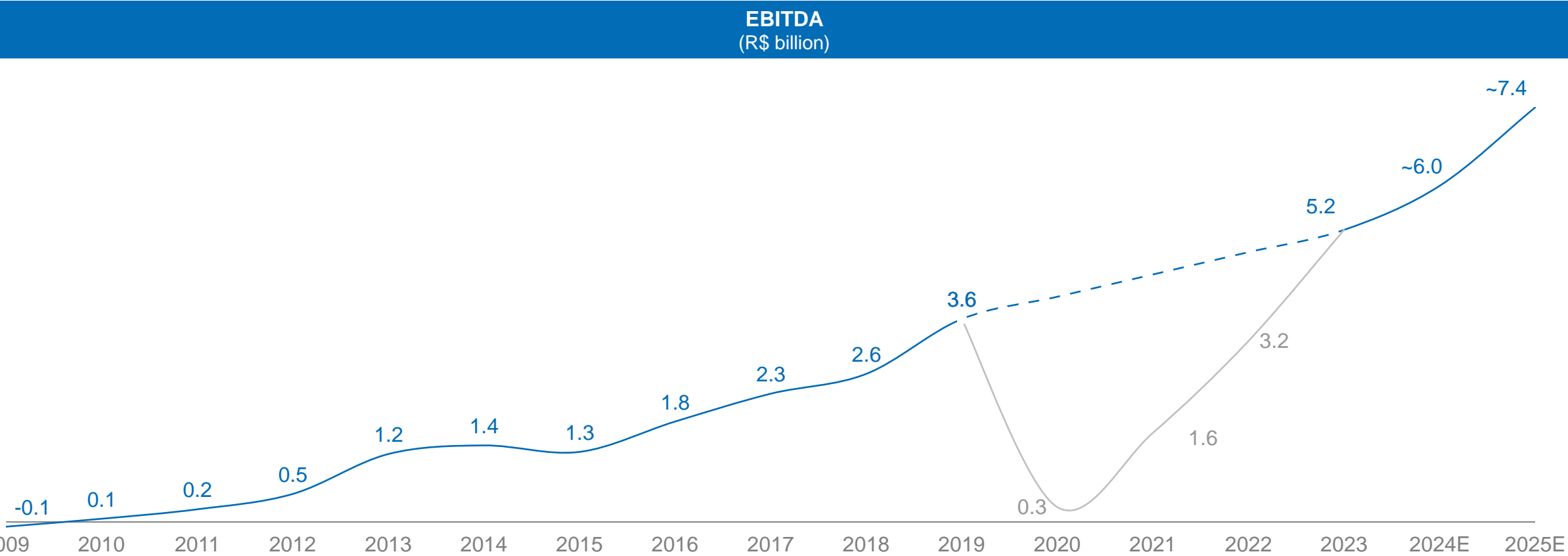
Record EBITDA, offsetting effect of higher fuel prices

Increasing Cash Contribution From Operations



Operations consistently generating positive cash flow

Significant Revenue Growth and Margin Expansion



Forecasting EBITDA of ~R\$6.0 billion in 2024 and ~R\$7.4 billion in 2025

Recent Challenges



Foreign Exchange

~R\$1.1 billion

2024E Cash Impact



Floods in Rio Grande do Sul

~R\$400 million

2024E Impact



OEM Delivery, Performance and Supply Issues

~R\$1.3 billion

Cumulative Impact, Majority in 2024



Increased Risk Aversion in Local Capital Markets

~R\$500 million

Impact to Local Debenture Issuance

Several challenges impacted 2024 cash flow by over R\$3 billion

Continued Support from Supportive Stakeholders



Lessors and OEMs

Lessors and OEMs once again demonstrating confidence in Azul through equitization and additional cash flow support



Creditors

Creditors providing new capital to Azul as well as cash flow support and path to additional capital and leverage reduction



Government

New government credit line (FNAC) dedicated to civil aviation sector provides ample runway to reach cash generation

Once again, existing stakeholders demonstrate confidence in Azul by increasing their commitment

Comprehensive Transaction Leading to Significant Improvements



Equitization of Lessor / OEM Instrument

Firm equitization of US\$550 million from lessor/OEM structure plus cash flow improvements



Capital Raise

Up to US\$500 million in new money through superpriority notes



Additional cash flow improvements

Collaborative effort to negotiate US\$100 million in additional cash flow improvements with partners



Equitization of 2029 and 2030 Notes

Potential equitization of up to US\$800 million in secured second-lien notes

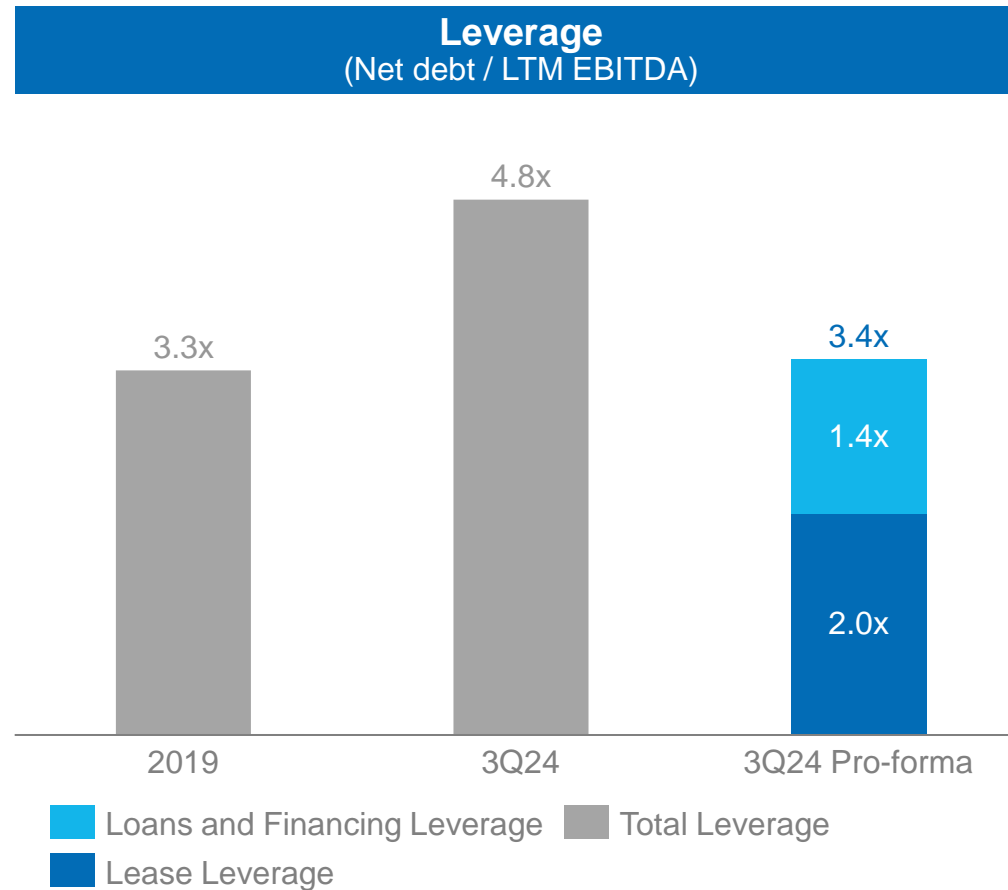
Agreement with existing bondholders on comprehensive transaction that improves Azul's liquidity, cash generation, and balance sheet

Transaction Outcome: Pro-Forma Capital Structure

Pro-forma Capitalization (R\$ million)	3Q24	Adjustments	3Q24 Pro-forma
Unsecured 2024 and 2026 Notes	556	(380)	176
Secured 2028 Notes	5,268	-	5,268
Secured 2029 and 2030 Notes	4,437	(4,437)	-
New Superpriority 2029 Notes	-	2,725	2,725
Other Secured Debt	692	-	692
Local Secured Debt	1,573	(144)	1,429
Total Loans and Financing	12,527	(2,236)	10,290
Lease Liabilities	14,268	-	14,268
Lessor Notes	1,162	(791)	371
Total Lessor Obligations	15,430	(791)	14,639
Total Debt	27,957	(3,027)	24,929
Leverage using LTM EBITDA	4.4x	-1.0x	3.4x
Lessor Equity	2,341	(2,341)	-
Total Debt Including Lessor Equity	30,298	(5,368)	24,929
Adj. Net Leverage using LTM EBITDA	4.8x	-1.4x	3.4x

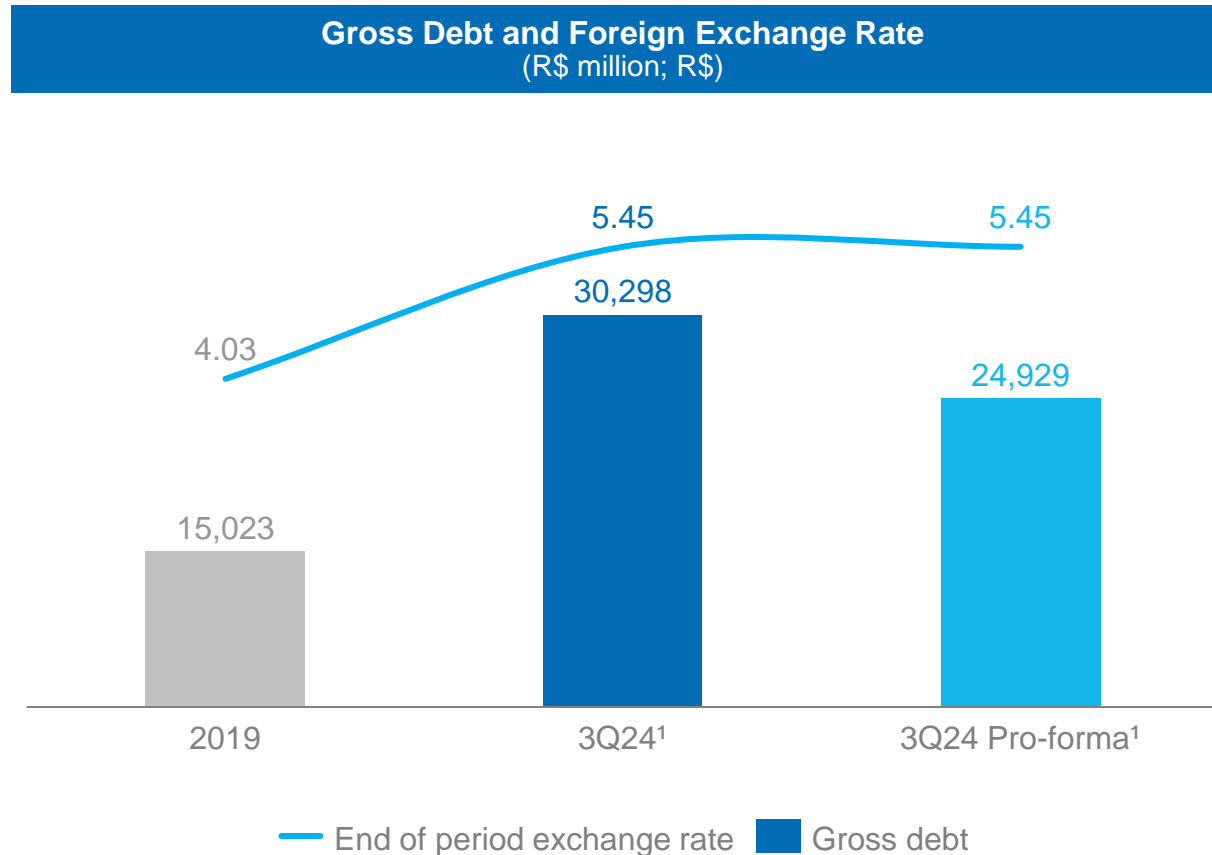
Agreement with bondholders and lessors/OEMs enabling significant reduction in leverage from equitization of equity instrument and 2029 and 2030 Notes upon achieving certain conditions

Transaction Outcome: Reduction in Leverage



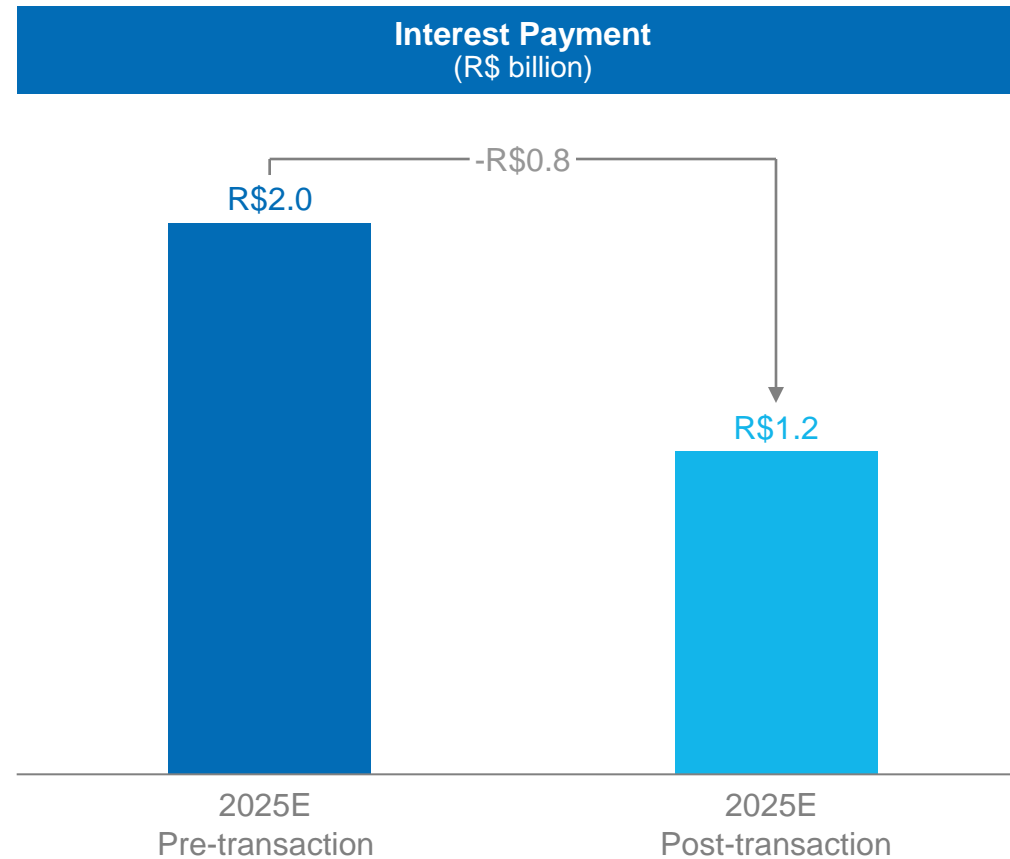
Organic reduction in leverage from strong operational results, now accelerated by comprehensive transaction

Transaction Outcome: Reduction in Gross Debt



Agreement with bondholders and lessors/OEMs enabling significant reduction in leverage from equitization of equity instrument and 2029 and 2030 Notes upon achieving certain conditions

Transaction Outcome: Reduction in Interest Payment



Comprehensive transaction with potential to reduce interest expense by R\$800 million in 2025

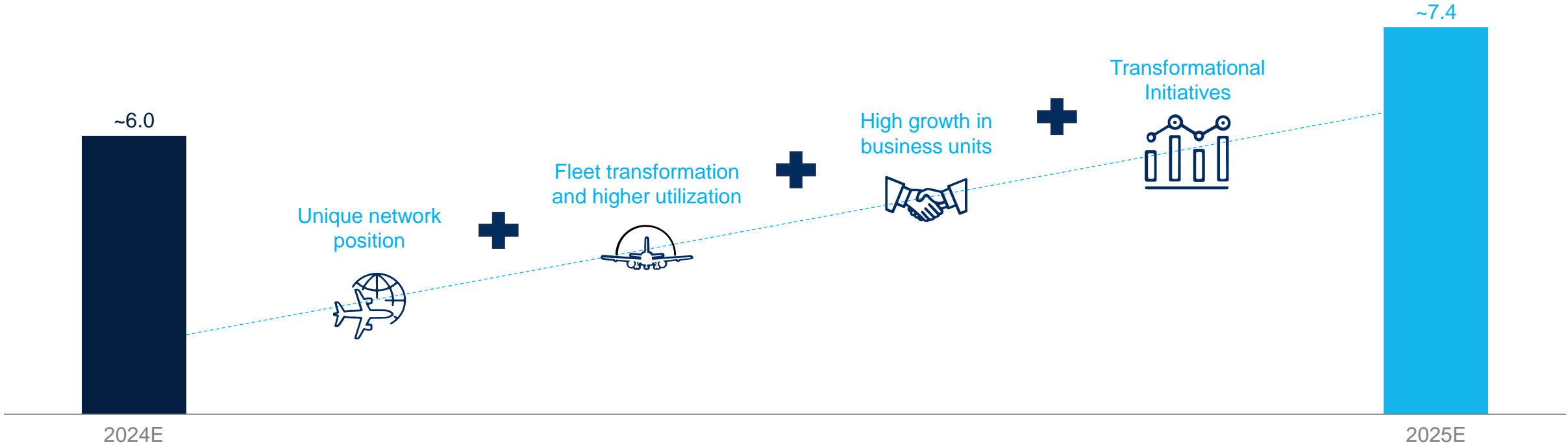
Transaction Outcome: Increased Cash Generation

High level breakdown	2025E (R\$ billion)
EBITDA	7.4
Net working capital	0.8
Aircraft ownership	(4.1)
Capex	(1.7)
Recurring cash flow	2.3
Interest	(1.2)
Free cash flow to firm	1.1

Potential improvement of up to R\$1 billion in 2025 cash flow

Further Opportunities to Expand Margins

Margin Expansion Drivers (EBITDA, R\$ billion)



Already identified opportunities leading to continued increase in profitability

Thank you.



Azul 

INVESTOR RELATIONS

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