

Presentation – 4Q17



Linhas aéreas inteligentes

March 7, 2018



4Q17 Highlights

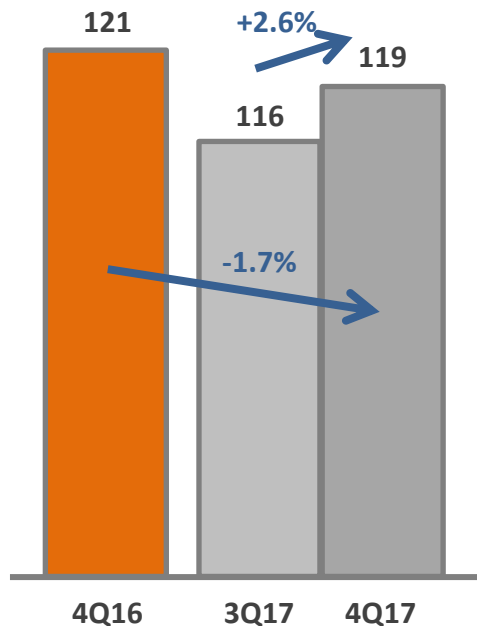
Indicators	4Q17	Var. x 4Q16
Operating Income (R\$ MM)	388	+95.7%
Operating Margin	13.0%	+5.6 p.p.
ASK (BN)	12.2	+3.5%
Traffic (000)	8,606	+6.2%
RPK (BN)	9.9	+8.0%
Load Factor	81.0%	+3.4 p.p.
Yield (R\$ cents)	26.36	+3.1%
Pax Revenue (R\$ MM)	2,608	+11.4%
RASK (R\$ cents)	24.38	+8.0%
CASK (R\$ cents)	21.21	+1.4%

- Net operating revenues: R\$3.0 billion (+11.8% vs. 4Q16)
- Net Income: R\$6 million
- EPS: R\$0.02/share | US\$0.01/ADS
- Aircraft utilization: 12.4 block hours/day (+5.4% vs. 4Q16)
- Net Debt¹/LTM EBITDA: 3.0x

1. Excludes perpetual bonds,

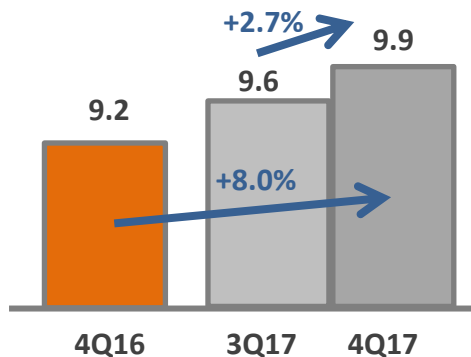
Capacity and Network

Number of Operating Aircraft (average)

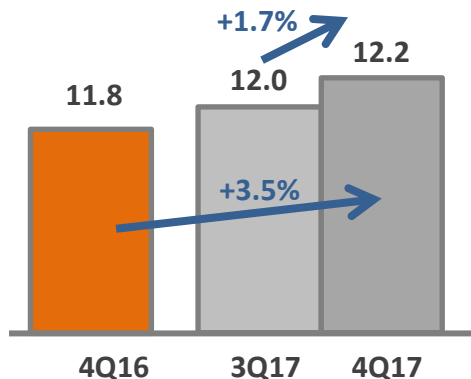


#NOVAGOL

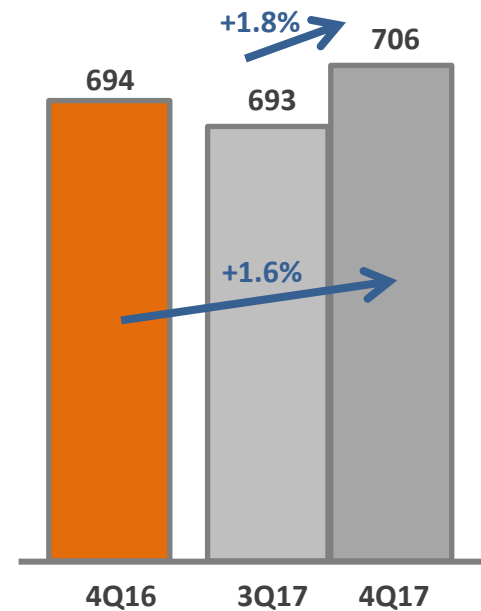
RPK (BN)



ASK (BN)



Flights/Day



Best in Class Operations & Customer Experience

Most on time Departures



■ **94.6%**
on-time departures



■ **98.5%**
flight completion



Easy and Fast Flight Changes

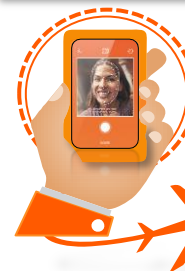


GOL Online

- Flexible ticketing → adapts flights schedule
- Flexible fares → change flights, no additional cost



Selfie Check-in



- Save time and check-in from wherever you are
- World's first app to use facial recognition

Only Brazilian airline with this technology

Best in Class Product



- Eco-leather seats (more comfort)
- New products / onboard service



GOL+
Conforto

- Priority boarding/check-in
- Best network



Smiles Loyalty Program



- Leading program: +13mm members
- Key differentiator for customer loyalty



Best Customer Experience

- On-board Wi-Fi & domestic premium lounges



Outlook | 2018 and Preliminary 2019

Financial Outlook (Consolidated, IFRS)	Guidance 2017	Actual 2017	Guidance 2018E	Preliminary 2019E ¹
Total fleet (average)	116	117	118	122 to 124
ASKs, System (% change)	+0.5%	+0.8%	1% to 3%	5% to 10%
- Domestic	+0.5%	+0.9%	0% to 3%	1% to 3%
- International	+0.2%	+0.2%	7% to 10%	30% to 40%
Seats, System (% change)	-3%	-3,90%	1% to 3%	3% to 5%
Departures, System (% change)	-5%	-4,20%	1% to 3%	2% to 5%
Average load factor (%)	~ 79%	79,70%	79% to 80%	79% to 81%
Cargo and other revenues (R\$ billion)	~ 1.4	1,4	~ 1.6	~ 2
Total net revenues (R\$ billion)	~ 10.4	10.6	~ \$11	~ 12
Non-fuel CASK (R\$ cents)	~ 14	14.5	~ 15	~ 15
Fuel liters consumed (mm)	~ 1,370	1,379	~ 1,400	~ 1,440
Fuel price (R\$ / liter)	~ 2.1	2.1	~ 2.2	~ 2.6
Aircraft rent (R\$mm)	~ 950	940	~ 950	~ 1,000
EBITDA margin (%)	~ 14%	14.1%	~ 16%	~ 18%
Operating (EBIT) margin (%)	~ 9%	9.4%	~ 11%	~ 13%
Effective income tax rate (%)	-	N.M.	~ 0%	~ 0%
Capital expenditures (R\$mm)	~ 600	560	~ 600	~ 600
Net Debt ² / EBITDA (x)	~ 3.4x	3.0x	~ 3.0x	~ 2.5x
Fully-diluted shares outstanding (million)	347.7	347.7	347.7	347.7
Earnings per share – fully diluted ³ (R\$)	0.80 to 0.90	0.42	1.20 to 1.40	1.70 to 2.30
Fully-diluted ADS outstanding (million)	173.9	173.9	173.9	173.9
Earnings per ADS – fully diluted ³ (US\$)	0.50 to 0.56	0.27	0.75 to 0.90	1.00 to 1.50

(1) 2019 figures do not consider IFRS 16.

(2) Excluding perpetual bonds.

(3) After participation of minority interest in Smiles S.A. Excluding non-recurring expenses from financial results.

Downside risks: external shocks, intensity of competitive fares and/or capacity growth



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Financial Review 4Q17



Solid December Quarter

17.8% EBITDA margin and 13.0% operating margin, up 5.8 p.p. and 5.6 p.p., respectively, above 4Q16 margins.

- ❑ Sixth consecutive quarter reporting positive operating profit
- ❑ Increased Total Liquidity of R\$1.1 billion (R\$3.2 billion total in 4Q17) vs. 3Q17

December Quarter 2017

Recurring operating (EBIT) margin	13.0% (up 0.2 p.p.)
Ancillary revenue (cargo and other) and change q-o-4q16	12.4% of Total Rev. (up 0.3 p.p.)
Passenger unit revenue (PRASK) change q-o-4q16	Up 7.6%
Fuel price (change q-o-q) Average exchange rate to US\$	R\$2.26 (up 16.4%) R\$3.25
CASK ex-fuel (excluding non-recurring expenses) change q-o-4q16	Up 3.6%
GOL System capacity (ASK) change q-o-4q16	Up 3.5%
GOL System capacity (Seats) change q-o-4q16	Up 1.6%

Load Factor and Forward Bookings

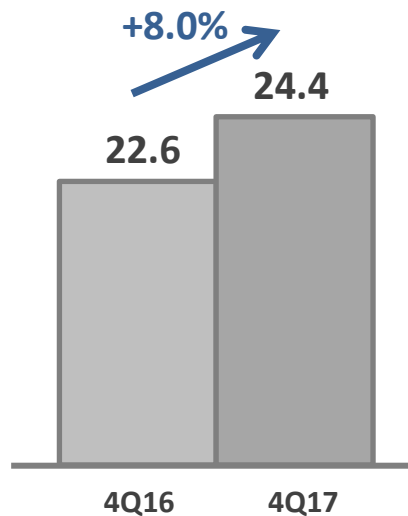
	2016	2017	Var. (pp)
Jan	82%	83%	+1
Feb	76%	78%	+2
Mar	73%	76%	+3
Apr	76%	79%	+3
May*	75%	77%	+2
Jun	75%	78%	+3
Jul	83%	82%	-1
Aug	78%	78%	0
Sep	78%	80%	+2
Oct	76%	81%	+5
Nov	78%	81%	+3
Dec	79%	81%	+2

(*) New network rolled out in May 2016

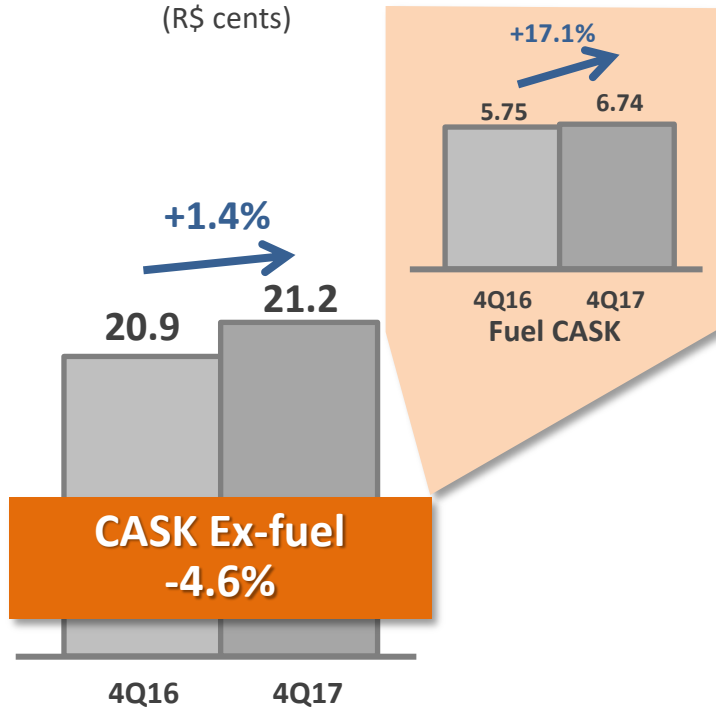
	2017	2018	Var. (pp)
Jan	83%	84%	+1
Feb	78%	78%	0
Mar	76%	79%	+3
Apr	79%		-1
May	77%		0
Jun	78%		0

Profitability (EBITDA) | 4Q16 vs 4Q17

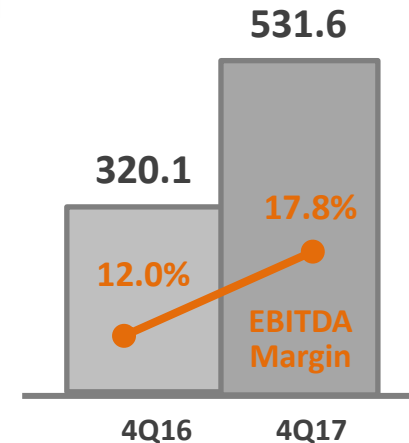
RASK
(R\$ cents)



CASK
(R\$ cents)



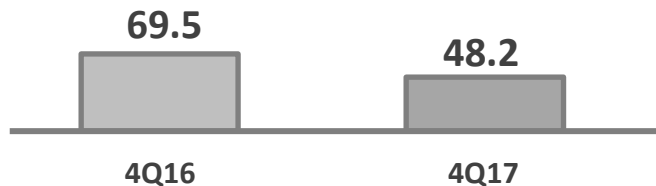
EBITDA
(R\$ million)



Net Financial Results

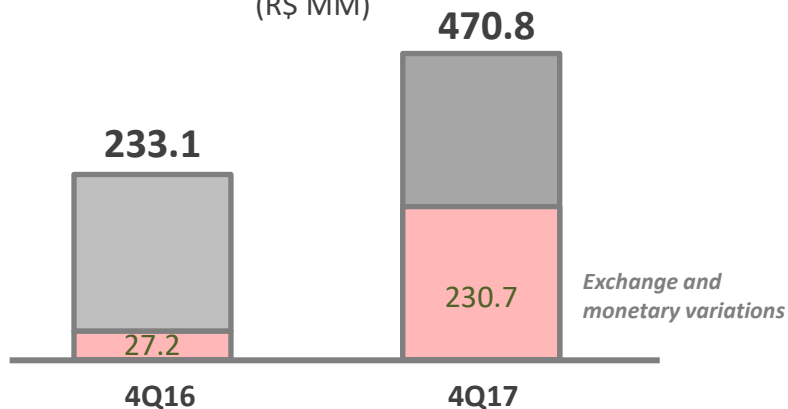
Financial Income

(R\$ MM)



Financial Expense

(R\$ MM)

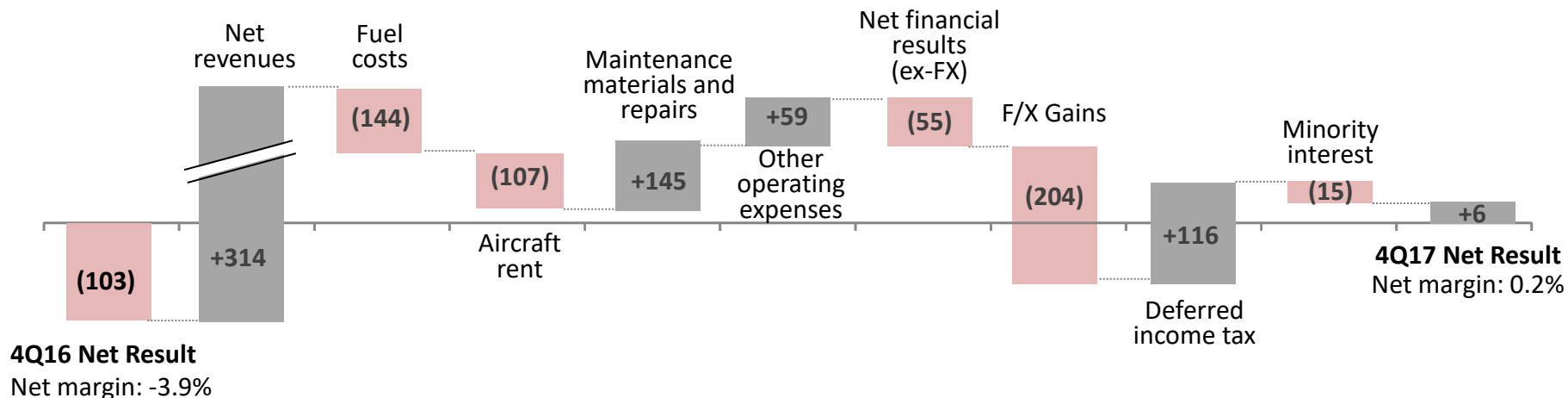


Net Financial Results:

- 4Q17: expense of R\$423 MM
- 4Q16: expense of R\$164 MM

- Reduced cost of debt and increased average maturity of indebtedness

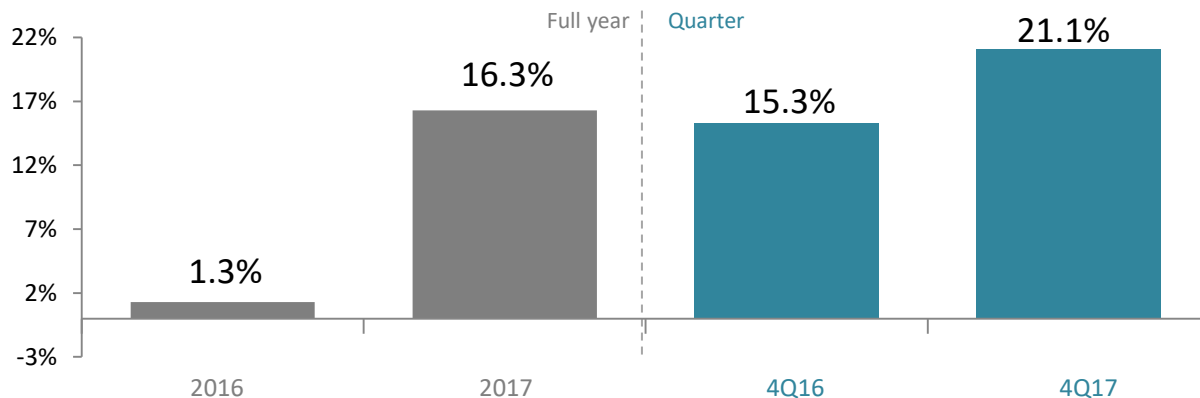
Net Income Composition (R\$ MM)



4Q17 EPS: R\$0.02/share
US\$0.01/ADS

Operating Cash Flow Generation

Operating Cash Flow Margin



<i>in R\$ million</i>	2016	2017	4Q16	4Q17
Operating cash flow	127.5	1,722.5	407.9	629.9
Investing cash flow	95.6	(817.5)	(234.6)	(362.8)
Financing cash flow ²	(1,062.8)	359.5	(79.7)	801.8
Net increase (decrease) in cash and cash equivalents	(839.6)	1,264.5	93.7	1,068.9
Total liquidity ¹	1,922.4	3,187.0	1,922.4	3,187.0

2017 Milestones | Capital Structure

Credit Ratings Upgrade

- Moody's upgraded rating by 4 notches to B2
- Fitch upgraded rating by 2 notches to B
- S&P upgraded rating by 1 notch to B-

New Capital

- Completed \$500 million offering of senior notes due 2025 with a coupon of 7.0% (December 2017)
- Raised an additional \$150 million on the 2025 notes (January 2018)

Debt Restructuring

- Decreased the blended cost of our debt to 7.9% from 8.3%
- Eliminated near term maturities
- Increased average maturity of our debt from 3.9 years to 6.3 years

Increased Liquidity

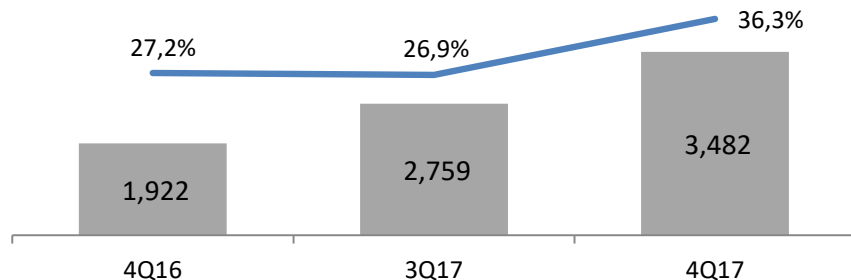
- Net debt ratio (ex-perpetual bonds) to LTM EBITDA was 3.0x (4Q17) vs. 4.2x (4Q16)
- Total liquidity was R\$3.2 billion, 66% higher than Dec. 31, 2016

The combination of GOL's cash flow generation, credit rating upgrades, successful notes offering, tender offers/redemptions and improved cash liquidity substantially increased the Company's financial flexibility and the average maturity of its indebtedness, while decreasing its blended cost of debt.

Liquidity and Leverage

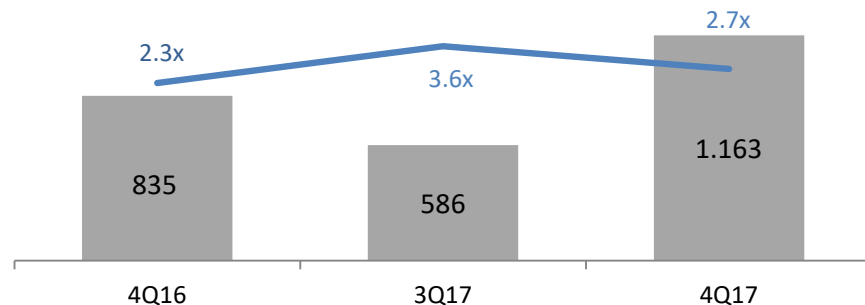
Liquidity¹ (R\$ MM)

■ Total Liquidity + Deposits² — Liquidity² / LTM Net Revenues



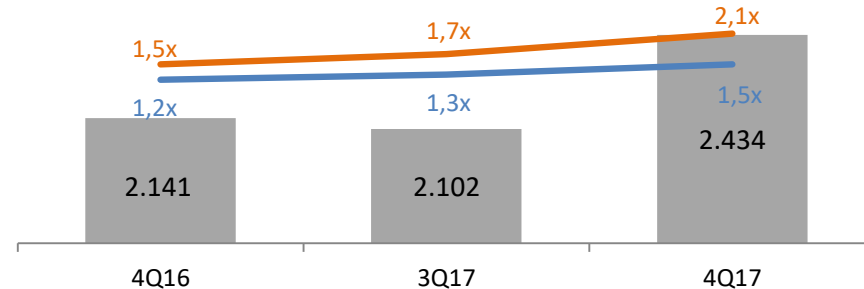
Short Term Debt (R\$ MM)

■ Short Term Debt — Liquidity / Short Term Debt



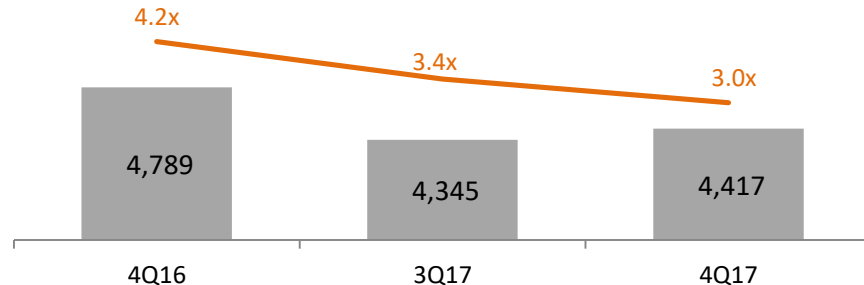
Interest Coverage (R\$ MM)

■ EBITDAR LTM — EBITDAR LTM / Interest+Rent — EBITDA LTM / Interest



Balance Sheet

■ Net Debt (ex-Perp) — Net Debt (Ex-Perp) / LTM EBITDA



GOL's Fleet Plan (year end position)

Aircraft Type	Configuration	2017	2018	2019	2020	2021	2022
	Capacity: 138 pax Range: 5,570 km Type: 737-700	24	25	22	21	16	16
	Capacity: 177/186 pax Range: 5,440 km Type: 737-800	91	91	89	86	83	78
	Capacity: 186 pax Range: 6,510 km Type: 737-800 MAX	-	5	13	21	34	43
TOTAL		115	121	124	128	133	137

Public Comparables (Local Prices, in US\$)

(US\$ MM, except per share data)

Company	Share Price	Market	Enterprise	Adj. Enterprise	TEV / EBITDA		Adj. TEV / EBITDAR		Price / Earnings		EBITDAR Margin Expansion	
	2/27/18	Value	Value	Value ¹	2018E	2019E	2018E	2019E	2018E	2019E	2018E	2019E
GOL - Factset Estimates	\$6.03	\$2,126	\$3,747	\$5,770	7.1x	6.3x	7.1x	6.4x	NM	22.4x	(0.3%)	1.0%
GOL - Management Guidance	\$6.03	\$2,126	\$3,747	\$5,770	6.1x	5.6x	6.4x	5.9x	15.1x	9.8x	2.5%	0.9%
Latin American Peers												
Latam	\$16.53	\$10,056	\$17,409	\$21,556	8.6x	7.7x	8.3x	8.0x	25.4x	18.7x	0.9%	(0.3%)
Copa	136.60	5,843	6,074	7,015	8.9	8.0	8.8	8.0	13.2	11.8	0.2%	0.1%
Azul	10.36	3,208	3,665	6,138	6.0	4.6	7.3	6.3	18.5	13.5	(1.0%)	(0.8%)
Avianca	9.28	1,157	4,318	6,270	5.5	4.9	6.1	5.3	7.0	5.4	0.4%	1.1%
Volaris	8.62	872	697	2,853	9.1	4.6	6.9	5.4	NM	12.5	(0.4%)	2.3%
Mean (Latam, Copa and Azul)					7.8x	6.7x	8.1x	7.4x	19.0x	14.7x	0.0%	(0.3%)
Mean (All Latin American Peers)					7.6	5.9	7.5	6.6	16.0	12.4	0.0%	0.5%
Median					8.6	4.9	7.3	6.3	15.8	12.5	0.2%	0.1%
Low					5.5	4.6	6.1	5.3	7.0	5.4	(1.0%)	(0.8%)
High					9.1	8.0	8.8	8.0	25.4	18.7	0.9%	2.3%

Memo:

GOL Factset Estimates (\$US)	\$527	\$594	\$808	\$905	\$0.10	\$0.27
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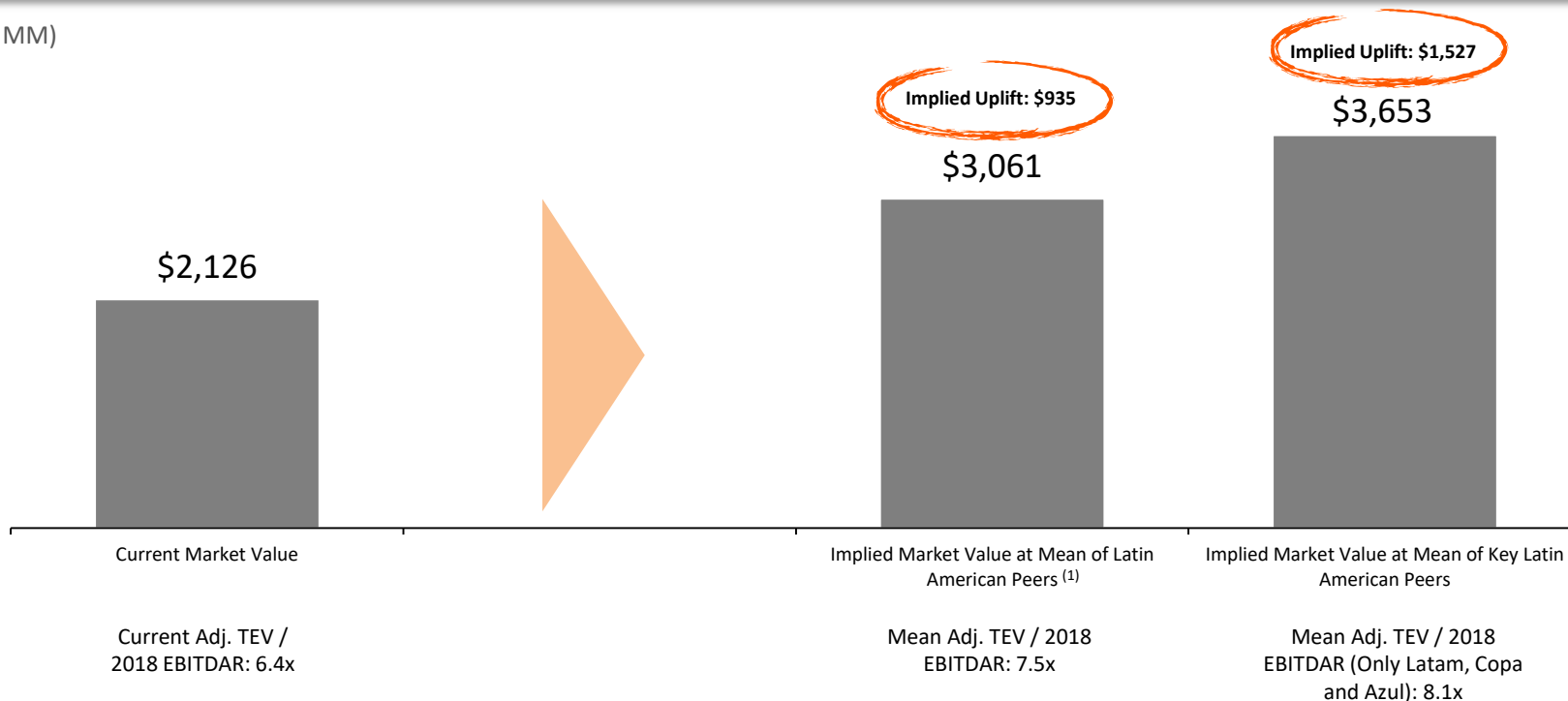
Source: Factset as of 2/27/2018

(1) Includes capitalized rent. Rent expense capitalized at 7.0x for consistency across companies

Peer Comparisons

If GOL were to trade at industry multiples, there would be a valuation uplift of \$935 - \$1,527 million in market value, based on 2018 EBITDAR guidance.

(US\$ MM)





Q&A – 4Q17

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The verbs “anticipate”, “believe”, “estimate”, “expect”, “forecast”, “plan”, “predict”, “project”, “target” and other similar verbs are intended to identify these forward-looking statements, which involve risks and uncertainties that could cause actual results to differ materially from those projected in this presentation and do not guarantee any future GOL performance. The factors that might affect performance include, but are not limited to: (i) market acceptance of GOL services; (ii) volatility related to the Brazilian economy and financial and securities markets, and the highly competitive industries GOL operates in; (iii) changes in domestic and foreign legislation and taxation, and government policies related to the transportation markets; (iv) increasing competition from new entrants to the Brazilian markets; (v) ability to keep up with rapid changes in technological environment; (vi) ability to maintain an ongoing process for introducing competitive new products and services, while maintaining the competitiveness of existing ones; (vii) ability to attract customers in domestic and foreign jurisdictions. Other factors that could materially affect results can be found in GOL’s annual report on Form 20-F as filed with the U.S. Securities and Exchange Commission, particularly under “Risk Factors” session.

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