JetBlue announces hostile takeover for Spirit

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JetBlue has announced that it has filed a “Vote No” proxy statement urging Spirit shareholders to vote against the Spirit/Frontier transaction at Spirit’s upcoming special meeting.

In addition, JetBlue commenced an all-cash, fully financed tender offer to acquire all of the outstanding shares of Spirit for $30 per share, without interest and less any required withholding taxes. Given the Spirit Board of Directors’ complete unwillingness to share the same necessary diligence information that was shared with Frontier, JetBlue is now offering to acquire Spirit for $30 per share in cash through a fully financed tender offer. This represents a 60% premium to the value of the Frontier transaction as of May 13, 2022 – a very compelling offer and higher than the premium implied by JetBlue’s original proposal. JetBlue is fully prepared to negotiate in good faith a consensual transaction at $33, subject to receiving necessary diligence.

JetBlue launched a website at www.JetBlueOffersMore.com and issued a letter to Spirit shareholders detailing the benefits of its transaction, the certainty of closing, and the misleading statements made by Spirit. In the letter, JetBlue CEO Robin Hayes states:

“JetBlue offers more value – a significant premium in cash – more certainty, and more benefits for all stakeholders. Frontier offers less value, more risk, no divestiture commitments, and no reverse break-up fee, despite more overlap on non-stop routes and their own regulatory challenges.”

“Yet the Spirit Board failed to provide us the necessary diligence information it had provided Frontier and then summarily rejected our proposal, which addressed its regulatory concerns, without asking us even a single question about it. The Spirit Board based its rejection on unsupportable claims that are easily refuted.”

“Ask yourself a simple question: why won’t the Spirit Board engage with us constructively? The interests of Bill Franke’s Indigo Partners and the long-standing relationships between the two companies is the obvious answer.”

The letter goes on to note that JetBlue’s current proposal still offers more value and certainty for Spirit shareholders than Frontier, and stresses that the company is prepared to engage on the basis of its original proposal, if the Spirit Board acts in good faith:

“Based on the clear superiority of our offer, we expected the Spirit Board to engage constructively. Given its unwillingness to share necessary information or negotiate in good faith, we adjusted our price accordingly, but will work towards a consensual transaction at $33 per share, subject to receiving the information to support it.”

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