

## JetBlue reports 2nd quarter 2022 results

- A Monitor Desk Report

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JetBlue Airways Corporation (NASDAQ: JBLU) today reported its results for the second quarter of 2022:

Reported GAAP loss per share of (\$0.58) in the second quarter of 2022 compared to diluted earnings per share of \$0.59 in the second quarter of 2019. Adjusted loss per share was (\$0.47)(1) in the second quarter of 2022 versus adjusted diluted earnings per share of \$0.60(1) in the second quarter of 2019.

GAAP pre-tax loss of (\$151) million in the second quarter of 2022, compared to a pre-tax income of \$236 million in the second quarter of 2019. Excluding one-time items, adjusted pre-tax loss of (\$102) million(1) in the second quarter of 2022 versus adjusted pre-tax income of \$238 million(1) in the second quarter of 2019.

**Operational and Financial Highlights from the Second Quarter**

Capacity increased by 2.3pc year over three, compared to our guidance for capacity to increase 2pc to 3pc year over three.

Revenue increased 16.1pc year over three, compared to our guidance of an increase of 16p or above, year over three. Revenue was better than the high-end of our initial outlook as a result of robust demand across the network with a record

number of Customers.

Operating expenses per available seat mile increased 34.7pc year over three. Operating expenses per available seat mile, excluding fuel and special items (CASM ex-fuel) (1) increased 14.5pc(1) year over three, compared to our guidance of a 15pc to 17pc increase year over three.

#### Balance Sheet and Liquidity

As of June 30, 2022, JetBlue's adjusted debt to capital ratio was 54%(1).

JetBlue ended the second quarter of 2022 with approximately \$2.6 billion in unrestricted cash, cash equivalents, short-term investments, and long-term marketable securities, or 32pc of 2019 revenue. This excludes our \$550 million undrawn revolving credit facility.

JetBlue paid down approximately \$106 million in regularly scheduled debt and finance lease obligations during the second quarter of 2022.

#### Fuel Expense and Hedging

The realized fuel price in the second quarter 2022 was \$4.24 per gallon, a 97pc increase versus second quarter 2019 realized fuel price of \$2.16.

As of August 2, 2022, JetBlue has not entered into forward fuel derivative contracts to hedge its fuel consumption for the third quarter of 2022. Based on the forward curve as of July 22, 2022, JetBlue expects an average all-in price per gallon of fuel of \$3.68 in the third quarter of 2022.

#### Creating a National Low-Fare Challenger to the Dominant Big Four Airlines

On July 28, 2022, JetBlue and Spirit Airlines, Inc. ("Spirit") announced that their boards of directors approved a definitive merger agreement under which JetBlue will acquire Spirit for \$33.50 per share in cash, including a prepayment of \$2.50 per share in cash payable upon Spirit stockholders' approval of the transaction and a ticking fee of \$0.10 per month starting in January 2023 through closing, for an aggregate fully diluted equity value of \$3.8 billion(2) and an adjusted enterprise value of \$7.6 billion(3).

This combination increases JetBlue's relevance and offers consumers more choices by leveraging the airlines' complementary networks and fleets. The airline will offer its combined 77 million customers more options and choices and will accelerate JetBlue's organic growth plan with 1,700+ daily flights to more than 125 destinations in 30 countries based on December 2022 schedules. The combined airline will have a fleet of 458 aircraft on a pro forma basis and an order book of over 300 Airbus aircraft

JetBlue expects to achieve \$600-700 million in net annual synergies once integration is complete, driven in large part by expanded customer offerings resulting from the greater breadth and depth of the combined network. JetBlue expects the transaction to be significantly accretive to earnings per share in the first full year following closing. The company also expects to maintain balance sheet flexibility with post-transaction leverage of 3.0-3.5x, well inside historical levels, and to continue its deleveraging trajectory as it captures synergies.

#### Delivering Significant Growth and Consumer Benefits Through the Northeast Alliance

While the industry has yet to return capacity to 2019 levels, the Northeast Alliance (NEA) is growing well in excess of the U.S. market. The NEA added over 50 new routes, and increased frequencies on another 130 routes. Collectively with American, JetBlue is now offering more service in New York than the other two legacy carriers.

## Earnings Call Details

JetBlue will conduct a conference call to discuss its quarterly earnings today, August 2, 2022 at 10:00 a.m. Eastern Time. A live broadcast of the conference call will also be available via the internet at <http://investor.jetblue.com>. The webcast replay and presentation materials will be archived on the company's website.

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