

Spirit again delays vote on Frontier merger

- A Monitor Desk Report

Date: 01 July, 2022



Spirit Airlines Inc. delayed a shareholder vote on its proposed merger with Frontier Group Holdings Inc. less than 24 hours before it was scheduled, saying management needs more time for talks with its favored partner and rival suitor JetBlue Airways Corp.

Spirit, which rescheduled the meeting for July 8, will continue soliciting shareholder proxies for the ballot, according to a statement late Wednesday. The decision to delay came a day after the carrier rejected an improved \$3.7 billion all-cash offer from JetBlue, the airline's fifth try at wooing Spirit.

Despite advocating for the Frontier merger for months, even after JetBlue sweetened its terms, Spirit's board said it needed more time to sway shareholders, a tacit admission that it's not confident the deal will get approved. Spirit delayed the shareholder vote once before, earlier in June. Frontier's stock-and-cash offer was valued at \$2.6 billion as of last week.

"My guess is this means they don't have everything in place for tomorrow," said George Ferguson, a Bloomberg Intelligence aviation analyst. "To me, it sounds like they don't have the votes."

Shares of Spirit were up 1.9% to \$22.84 in extended trading. Frontier gained 1.8% to \$9.68, while JetBlue was fractionally lower at \$8.90.

Both suitors are counting on a Spirit acquisition to provide a quick infusion of growth as domestic leisure travel surges. A Frontier-Spirit combination would create the nation's largest deep-discount airline, placing it just behind the top four US carriers based on domestic passenger traffic. JetBlue has said Spirit would "turbocharge" its expansion and make it a better competitor to bigger rivals. "It's clear that Spirit shareholders have now handed the Spirit board an undeniable mandate to reach an agreement with JetBlue," JetBlue said in a statement. "We urge the Spirit board to listen to its shareholders and accept our superior proposal without further delay."

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