

Spirit Air again rejects JetBlue's bid

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Spirit Airlines' board urged its shareholders to reject JetBlue Airways' hostile takeover attempt, citing regulatory hurdles and accusing the airline of trying to derail its planned merger with fellow discount carrier Frontier Airlines.

JetBlue launched its hostile takeover bid after Spirit earlier this month rebuffed its surprise \$33-a-share, all-cash acquisition offer. The tender offer from New York-based JetBlue was for \$30 a share. JetBlue urged Spirit shareholders to turn down the combination with Frontier at a June 10 Spirit stockholders meeting.

Spirit's board reviewed that offer and said in a statement Thursday that it determined it "is NOT in the best interests of Spirit and its stockholders."

"Spirit believes JetBlue's proposals and offer are a cynical attempt to disrupt Spirit's merger with Frontier, which JetBlue views as a competitive threat," Spirit said.

Frontier and Spirit in February announced a \$2.9 billion cash-and-stock deal to combine into a discount airline behemoth. All three airlines fly Airbus narrow-body planes, with dozens more on order.

Either combination of the airlines would create the fifth-largest U.S. carrier.

JetBlue said that it is "no surprise that Spirit shareholders are getting more of the same from the Spirit Board," accusing it of conflicts of interest. JetBlue also said Spirit's board "continues to ignore the best interests of its shareholders by distorting the facts to distract from their flawed process and protect their inferior deal with Frontier."

In Spirit's statement, it said in talks with JetBlue that airline said there "was a 100pc certainty" that the Justice department would seek to block JetBlue's acquisition of

Spirit.

“This deal is illusory,” Spirit’s CEO, Ted Christie, said in an interview Thursday on CNBC’s “Squawk Box,” regarding the JetBlue bid to acquire Spirit. “It will not happen in our opinion and for that reason our board has rejected it and to imply otherwise again, we think is insulting.”

Spirit Airlines CEO Ted Christie said JetBlue wants to create ‘distraction’ and confuse our shareholders.

JetBlue said in a statement that both deals “have a similar risk profile.” JetBlue previously offered to offload Spirit assets in Boston, New York and Florida, and pay a \$200 million reverse breakup fee if regulators don’t approve the deal.

JetBlue argues its \$3.6 billion all-cash offer would “turbocharge” its growth. But Spirit’s board has cited JetBlue’s partnership with American Airlines in the Northeast U.S. as a regulatory hurdle. The Justice Department sued JetBlue and American over that agreement last year with a trial date set for September.

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