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Spirit Airlines still positioned to fly you home for the holidays despite financial turbulence, observers say

By [DAVID LYONS](#) | South Florida Sun Sentinel

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One would think that less than a month before Thanksgiving, and two months before the Christmas-New Year's holiday season, this is not an ideal time for news pages to be filled with reports about an airline's possible bankruptcy filing, or renewed takeover talk by an old suitor, or a spate of layoffs looming in January.

But the public discussion is one of the realities facing South Florida-based Spirit Airlines as the carrier's management labors to raise cash and plot a course to return to profitability amid fierce industry competition.

Travelers have choices when they book trips for the year's busiest travel seasons. As Spirit [alters its route network, sells airplanes](#), cuts capacity and arranges hundreds of furloughs as part of an \$80 million cost-cutting program, customers would like to know whether they will be facing changes in their plans.

"I think Spirit is going to do everything possible to minimize disruptions to its customers for the holidays," said Henry Hartveldt, founder and president of Atmosphere Research Group, an industry consultancy in San Francisco. "One challenge Spirit faces is unfortunately there is a lot of bad news swarming around the airline, and that inspires concern among travelers."

Spirit, which publicly acknowledged Thursday another round of [330 furloughs among its pilot ranks](#) planned for January, was less clear when asked if the airline plans any route changes that might impact the forthcoming holidays, and whether customers would be notified in advance.

“We don’t have any route adjustments to share at this time,” a spokesman replied by email.

In 2023, Spirit was the leader in passengers carried at Fort Lauderdale-Hollywood International Airport, whose annual report placed the discount airline’s share at 29%, or more than 9.8 million travelers using the Broward County airport. JetBlue Airways was second at 20% and Southwest Airlines third at 14%.

“We are a month away from Thanksgiving,” Harteveltdt said. “I don’t think we are going to see Spirit make any major changes to the Thanksgiving schedule. If bookings are strong enough I expect the airline will fly the flights scheduled for the Christmas and New Year’s period as well.”

Ivan Reich, a lawyer who lives in West Palm Beach, said he remains a fan of Spirit for its low prices. Asked if he’d continue to fly with the airline amid its turmoil, he replied, “most likely.”

“If you’re flying the next two or three weeks, it’s still the best deal,” he said. “The price difference between Spirit and everybody else is a lot. And you get to fly nonstop, which is the other thing.

“Will I keep an eye on the news? Of course,” he added. “I’m presuming between now and January they will be fine.”

Capacity reductions

Of late, the airline has engaged in substantial scheduling adjustments, and in a regulatory filing it forecast year-over-year capacity reductions of 20% in the fourth quarter and in the “mid teens” for the entirety of 2025. The reductions are partly attributable to the sale of 23 Airbus jetliners, which will be removed from its fleet.

Late last month, The Points Guy, the travel website for airline passengers, reported Spirit had cut 32 routes, many in the West. The site also noted seven

routes were dropped from Logan International Airport in Boston. Only one route was cut from Fort Lauderdale — to Salt Lake City.

Clint Henderson, managing editor at The Points Guy, said he doubts any further reductions are in the offing until at least January because the airline already has instituted deep cuts.

“If I had a flight booked for the holidays I would not be worried at all,” he said.

“Hopefully passengers have already been notified and have made alternate arrangements for the holidays,” he added, speaking of flights that have been removed from the schedule.

Specific figures for the third quarter are hard to come by as Spirit has yet to report its quarterly results, saying it will do so in mid-November, well after its peers. In the second quarter, Spirit posted a net loss of \$192.9 million. The airline hasn't posted a net profit since before COVID-19.

Spirit's shift into downsize mode came after a variety of setbacks for the airline, starting with a federal judge's rejection of Spirit's proposed \$3.8 billion takeover by New York-based JetBlue Airways on antitrust grounds. JetBlue, which has had its own financial losing streak, is also in the midst of a campaign to make money again.

The proposed takeover by JetBlue would have meant the end of Spirit as an independent carrier. A previously proposed merger with Frontier collapsed in the face of JetBlue's offer.

Once the merger and takeover offers went off the table, Spirit was left to fend for itself.

One immediate major problem — beyond its control — involves a manufacturer's recall of Pratt & Whitney engines that forced Spirit to ground aircraft to allow for an extended program of inspections. Although Spirit has worked out a compensation program that runs into the millions to account for the business losses, the aircraft groundings created a major disruption in its operations.

Heavy debts spawn bankruptcy talk

Earlier this year, Spirit CEO and President Ted Christie, who has labored long and hard to upgrade the airline's brand and reputation — the latest being a revised menu of more fare and service options for customers — publicly bristled at analyst predictions that a [bankruptcy filing](#) might be the only way to relieve the company of its financial pressures.

The company line has been that it prefers to renegotiate its debt obligations without the help of a bankruptcy court and the controlled supervision it provides.

But industry analysts have wondered if the approach can be sustained under pressure from lenders who are owed up to \$3.3 billion.

“Spirit fully unveiled its standalone plan with a (still low-cost) premium and passenger-friendly offering that should reinvigorate the brand,” Raymond James analyst Savanthi Syth said in a note to investors. “However, we see risk in the patience of Spirit's creditors to fund an uphill marketing battle ...”

Cash is king, and the airline has spent a number of months building a war chest.

“They have to figure out how to get enough cash liquidity to get to the finish line,” said Joseph Luzinski, senior managing director of DSI, a financial advisory firm in Miami and Fort Lauderdale.

By the end of the year, the company has said in a regulatory filing, it expects to have roughly \$1.1 billion in liquidity, in large part on the strength of its recent sale of 23 Airbus jetliners. It also [borrowed \\$300 million](#) from a credit line.

“I think what they've done is going to get them through the first quarter of next year,” said Joseph Smith, an investment banker specializing in aviation at Cassell Salpeter & Co. in Miami. “They've raised enough cash selling these birds.”

The company has not commented on a more recent Wall Street Journal report that it discussed a [Chapter 11 bankruptcy scenario](#) with its bondholders, and that it renewed merger talks with rival discounter Frontier Airlines in the context of a possible asset acquisition through bankruptcy.

The Denver-based airline has declined comment.

If a bankruptcy filing does occur, Spirit would likely continue flying, but under a court's supervision. "Even if the worst case happens, consumers are still pretty protected when a U.S. carrier declares bankruptcy because it keeps operating," Henderson said.

It remains unclear how the airline will ultimately fix its finances as it deals with creditors behind the scenes.

"Often these things are on a parallel track," Luzinski said. "We're going to file for bankruptcy and blow everybody out. Or as a negotiating ploy you say, 'if we make a deal we file and get exactly what you want out of this transaction.'"

Whither the discounters?

Whatever happens, customers such as Ivan Reich would like to see the airline preserved. Without discount carriers, he suggested, consumer choices will be narrowed to legacy carriers such as Delta Air Lines, which charge higher prices.

"I like the cheap flights," Reich said. "If you are going to go away for a weekend and throw everything in an overnight bag, you can't beat it."

"Look at the Spirit prices compared to everybody else and there is a substantial difference," he added. "Where are you going to find bargains? What happens to the marketplace where all you have is the legacy carriers?"