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JetBlue Airways Announces A Definitive Merger Agreement To Acquire Spirit Airlines



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We advised JetBlue in its transformational agreement to acquire Spirit Airlines for \$3.8 billion, following its all-cash hostile tender offer and vote no proxy campaign that featured a precedent-setting reverse breakup fee structure that secured the support of Spirit Airlines shareholders.”

Following the announcement of the Spirit-Frontier transaction, after Spirit refused to meaningfully engage with JetBlue, JetBlue launched an all-cash, hostile tender offer for \$30 per Spirit share, coupled with a “vote no” proxy campaign to convince Spirit shareholders to oppose the Spirit-Frontier transaction, which featured a novel reverse breakup fee mechanism and prepayment structure. After the Spirit shareholder meeting to approve the Frontier transaction was postponed three times, that transaction was terminated, and JetBlue and Spirit entered into an agreement for JetBlue to acquire Spirit for \$33.50 per share, or \$3.8 billion in the aggregate. The agreement contained an unprecedented prepayment structure that contemplated prepayments to Spirit shareholders of \$2.50 per share following Spirit shareholder approval of the transaction and a \$0.10 per share monthly prepayment beginning in January 2023, which aggregate prepayments (up to \$400 million) would be deducted from the \$400 million breakup fee payable to Spirit stockholders.

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