JetBlue seeks to buy Spirit Airlines, threatening Frontier deal

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JetBlue announced a bid to acquire Spirit Airlines, challenging a merger between Spirit and Frontier Airlines announced in February 2022.

JetBlue Airways announced Tuesday a bid to acquire Spirit Airlines for $3.6 billion, setting up a bidding war with Frontier Airlines in the

discount flying market.

The all-cash bid of $33 a share marks a 52 percent premium of Spirit's price prior to its February 7 announcement of the deal with Frontier, according to JetBlue.

"JetBlue firmly believes its proposal constitutes a 'superior proposal' under Spirit's merger agreement with Frontier and represents the most attractive opportunity for Spirit's shareholders," JetBlue said.

Spirit confirmed receipt of the "unsolicited" proposal from JetBlue, adding that its board would weigh the offer.

The board "will work with its financial and legal advisors to evaluate JetBlue's proposal and pursue the course of action it determines to be in the best interests of Spirit and its stockholders," Spirit said.

Frontier hit back at the JetBlue announcement and said its proposed merger with Spirit remained "in the best interest of consumers and shareholders," a Frontier spokesperson said.

"Unlike the compelling Spirit-Frontier combination, an acquisition of Spirit by JetBlue, a high-fare carrier, would lead to more expensive travel for consumers. In particular, the significant East Coast overlap between JetBlue and Spirit would reduce competition and limit options for consumers."

Frontier also said that JetBlue's effort was "surprising" given an antitrust lawsuit by the Department of Justice challenging an alliance between American Airlines and JetBlue.

In announcing the merger between Frontier and Spirit two months ago, executives from the two carriers argued they could together challenge

larger US carriers and save about $1 billion in costs.

JetBlue offered a similar argument Tuesday, saying the deal would "position JetBlue as the most compelling national low-fare challenger to the four large dominant US carriers."

Shares of Spirit rose 22.4 percent Tuesday, while JetBlue fell 7.1 percent. Frontier Group rose 3.9 percent.

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