

# SPIRIT AIRLINES, INC.

## **FORM 8-K** (Current report filing)

Filed 10/16/17 for the Period Ending 10/16/17

Address	2800 EXECUTIVE WAY MIRAMAR, FL, 33025
Telephone	954-447-7920
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Sector	Industrials
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported) :** October 16, 2017

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**SPIRIT AIRLINES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**001-35186**

(Commission File Number)

**38-1747023**

(IRS Employer Identification Number)

**2800 Executive Way  
Miramar, Florida 33025**

(Address of principal executive offices, including Zip Code )

**(954) 447-7920**

(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition**

**Item 7.01 Regulation FD Disclosure.**

The information in this report furnished pursuant to Item 7.01 shall not be deemed “filed” for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or the Securities Act of 1933, as amended (the “Securities Act”), if such subsequent filing specifically references the information furnished pursuant to Item 7.01 of this report.

On October 16, 2017, the Company provided an update to investors regarding the Company's third quarter 2017 guidance; a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The guidance provided therein is only an estimate of what the Company believes is realizable as of the date of this investor update. Actual results will vary from the guidance and the variations may be material. The Company undertakes no intent or obligation to publicly update or revise any of these projections, whether as a result of new information, future events or otherwise, except as required by law.

On October 16, 2017, Spirit Airlines, Inc. reported certain operating and traffic statistics for September 2017, a copy of which report is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits**

The following is furnished as an exhibit to this report and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Update regarding third quarter 2017 guidance.
99.2	September 2017 Traffic Results

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 16, 2017

SPIRIT AIRLINES, INC.

By: /s/ Thomas Canfield

Name: Thomas Canfield

Title: Senior Vice President and General Counsel

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## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
<a href="#">99.1</a>	<a href="#">Investor Update regarding third quarter 2017 guidance.</a>
<a href="#">99.2</a>	<a href="#">September 2017 Traffic Results.</a>



**Exhibit 99.1**  
**Investor Update**

October 16, 2017

This investor update provides Spirit's third quarter 2017 guidance. All data is based on preliminary estimates.

Total revenue per available seat mile for the third quarter 2017 is estimated to be down approximately 6.5 percent year over year. This is better than our previous guidance range of down 7.0 to 8.5 percent given in early September, due to improving ticket and non-ticket yields and better-than-expected load factor.

During the third quarter 2017, Spirit canceled over 1,650 flights related to Hurricanes Harvey, Irma, and Maria. The Company estimates the unusual meteorological activity, together with the overhang from the pilot work action earlier in the year, negatively impacted third quarter revenue by approximately \$40 million and operating margin by approximately 450 basis points.

Adjusted cost per available seat mile ex-fuel for the third quarter 2017 is expected to be flat to down 1 percent year over year compared to our previous guide of down 2 to 3 percent, primarily due to fewer available seat miles and additional costs related to the preparation for, and recovery from, Hurricane Irma.

**3Q17E**

<b>Capacity - Available Seat Miles (ASMs) (Thousands)</b>	7,681,312
Year-over-Year % Change	18%
<b>Total Revenue per ASM (TRASM)</b>	
Year-over-Year % Change	Down approx. 6.5%
<b>Adjusted Operating Expense Ex-Fuel per ASM</b>	
Adjusted CASM ex-fuel year-over-year % change <sup>(1)</sup>	Flat to down 1%
<b>Average Stage Length (miles)</b>	1,006
<b>Fuel Expense (\$)</b>	
Fuel gallons (millions)	90.3
Economic fuel cost per gallon <sup>(2)</sup>	\$1.75
<b>Selected Operating Expenses (\$Millions)</b>	
Aircraft rent	\$53.4
Depreciation and amortization	\$36.8
<b>Interest Expense, net of Capitalized Interest (\$Millions)</b>	
Interest expense	\$15.1
Capitalized interest	\$(3.2)
Interest Income	\$(2.6)
Interest expense, net	\$9.3
<b>Effective Tax Rate</b>	36.5%
<b>Wtd. Average Diluted Share Count (Millions)</b>	69.5

**Footnotes**

- (1) Excludes all components of fuel expense and special items.  
(2) Includes fuel taxes and into-plane fuel cost.

## Forward-Looking Statements

Statements in this release and certain oral statements made from time to time by representatives of the Company contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act) which are subject to the “safe harbor” created by those sections. Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management. All statements other than statements of historical facts are “forward-looking statements” for purposes of these provisions. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “project,” “predict,” “potential,” and similar expressions intended to identify forward-looking statements. Forward-looking statements include, without limitation, statements regarding the Company’s intentions and expectations regarding the delivery schedule of aircraft on order, guidance and estimates for the third quarter 2017, including expectations regarding the delivery schedule of aircraft on order, announced new service routes, revenues, TRASM, cost of operations, operating margin, capacity, CASM, CASM ex-fuel, fuel expense, economic fuel cost, expected unrealized mark-to-market gains or losses, capital expenditures and other working capital requirements, aircraft rent, depreciation and amortization, fuel hedges and tax rates. Such forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Furthermore, such forward-looking statements speak only as of the date of this release. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements. Risks or uncertainties (i) that are not currently known to us, (ii) that we currently deem to be immaterial, or (iii) that could apply to any company, could also materially adversely affect our business, financial condition, or future results. References in this report to “Spirit,” “we,” “us,” “our,” or the “Company” shall mean Spirit Airlines, Inc., unless the context indicates otherwise. Additional information concerning certain factors is contained in the Company’s Securities and Exchange Commission filings, including but not limited to the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K.



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Exhibit 99.2

## Spirit Airlines Reports September 2017 Traffic

MIRAMAR, Fla., ( October 16, 2017 ) - Spirit Airlines (NASDAQ: SAVE) today reported its preliminary traffic results for September 2017 .

Our September operations were significantly impacted by Hurricanes Irma and Maria. Between the two storms, we canceled approximately 1,400 flights during the month of September which negatively affected our completion factor and on-time performance. Excluding the impact of these storms, we were on target to deliver a September on-time performance of nearly 86.5 percent and a completion factor of about 99.1 percent. "The recent hurricanes caused significant damage in several of the regions we serve, and our thoughts and prayers remain with all those affected by the devastation caused by these storms," said Robert Fornaro, Spirit's President and Chief Executive Officer. "We remain committed to assist with relief efforts throughout the Caribbean."

Traffic (revenue passenger miles) in September 2017 increased 5.9 percent versus September 2016 on a capacity (available seat miles) increase of 8.9 percent . Load factor for September 2017 was 78.6 percent , a decrease of 2.3 percentage points compared to September 2016 .

### Preliminary Traffic Results

	September 2017	September 2016	Change
Revenue passenger miles (RPMs) (000)	1,768,561	1,670,359	5.9%
Available seat miles (ASMs) (000)	2,249,708	2,065,128	8.9%
Load factor	78.6%	80.9%	(2.3) pts
Passenger flight segments	1,732,949	1,685,395	2.8%
Average stage length (miles)	1,001	972	3.0%
Total departures	12,509	12,090	3.5%

	YTD 2017	YTD 2016	Change
Revenue passenger miles (RPMs) (000)	18,285,588	16,219,093	12.7%
Available seat miles (ASMs) (000)	21,851,789	18,909,627	15.6%
Load factor	83.7%	85.8%	(2.1) pts
Passenger flight segments	18,082,740	16,268,396	11.2%
Average stage length (miles)	991	978	1.3%
Total departures	123,492	111,495	10.8%

### Preliminary Operational Performance

	September 2017
On-Time Performance <sup>1</sup>	75.1%
Systemwide Completion Factor	89.1%

<sup>1</sup> As defined by the Department of Transportation

*About Spirit Airlines:*

Spirit Airlines (NASDAQ: SAVE) is committed to offering the lowest total price to the places we fly, on average much lower than other airlines. Our customers start with an unbundled, stripped-down Bare Fare™ and get Frill Control™ which allows them to pay only for the options they choose - like bags, seat assignments and refreshments - the things other airlines bake right into their ticket prices. We help people save money and travel more often, create new jobs and stimulate business growth in the communities we serve. With our Fit Fleet™, the youngest fleet of any major U.S. airline, we operate more than 480 daily flights to 60 destinations in the U.S., Latin America and the Caribbean. Come save with us at [www.spirit.com](http://www.spirit.com)

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