

SPIRIT AIRLINES, INC.

FORM 8-K (Current report filing)

Filed 04/17/17 for the Period Ending 04/17/17

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

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) : April 17, 2017

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)

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 April 17, 2017, the Company provided an update to investors regarding the Company's first quarter and full year 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 April 17, 2017, Spirit Airlines, Inc. reported certain operating and traffic statistics for March 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 first quarter and full year guidance for the year ending December 31, 2017.
99.2	March 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: April 17, 2017

SPIRIT AIRLINES, INC.

By: /s/ Thomas Canfield

Name: Thomas Canfield

Title: Senior Vice President and General Counsel

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Investor Update regarding first quarter and full year guidance for the year ending December 31, 2017.
99.2	March 2017 Traffic Results



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

First quarter 2017 TRASM declined 4.3 percent year over year, primarily driven by the calendar shift of Easter which we estimate accounted for 350 basis points of the year-over-year decline. In addition, as we noted previously, we estimate the tragic Fort Lauderdale airport event and winter storm Helena together contributed another 75 basis point decline to first quarter 2017 TRASM. As anticipated, booking trends for the second quarter look strong and that, coupled with the momentum we receive from positive TRASM year to date through April, leads us to expect second quarter TRASM will be positive year over year, even without including any benefit from the timing of the Easter holiday shift from March in 2016 to April in this year.

	1Q17E
Capacity - Available Seat Miles (ASMs)	6,875,899
Year-over-Year % Change	14.9%
Total Revenue per ASM (TRASM)	
Year-over-Year % Change	Decrease of approx. 4.3%
Adjusted Operating Expense Ex-Fuel per ASM (CASM)	
Adjusted CASM ex-fuel year-over-year % change ⁽¹⁾	Flat to up 1%
Average Stage Length (miles)	985
Fuel Expense (\$)	
Fuel gallons (millions)	79.1
Economic fuel cost per gallon ⁽²⁾	\$1.78
Selected Operating Expenses (\$Millions)	
Aircraft rent	\$57.1
Depreciation and amortization	\$31.5
Interest Expense, net of Capitalized Interest (\$Millions)	
Interest expense	\$12.5
Capitalized interest	\$(3.6)
Interest expense, net of capitalized interest	\$8.9
Effective Tax Rate	38.4%
Wtd. Average Diluted Share Count (Millions)	69.6

Footnotes

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

Spirit Airlines, Inc.

<u>Aircraft Delivery Schedule (net of Scheduled Retirements) as of April 17, 2017</u>					
	A319	A320 CEO	A320 NEO	A321 CEO	Total
Total Year-end 2016	29	45	5	16	95
1Q17	2	—	—	3	5
2Q17	—	3	—	1	4
3Q17	—	1	—	2	3
4Q17	—	2	—	3	5
Total Year-end 2017	31	51	5	25	112
1Q18	—	1	—	5	6
2Q18	—	1	—	—	1
3Q18	—	2	—	—	2
4Q18	—	1	—	—	1
Total Year-end 2018	31	56	5	30	122
2019	(1)	1	14	—	14
2020	(5)	—	16	—	11
2021	(5)	—	18	—	13
Total Year-end 2021	20	57	53	30	160

Notes:

The listed A321ceo aircraft in 2017 reflect scheduled deliveries of 11 A321ceo aircraft, net of 2 A321ceo lease expirations (1 in 2Q17 and 1 in 4Q17).

Seat Configurations

A319	145
A320	178/182
A321	218/228

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 first and second 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.



Investor Relations Contact:
DeAnne Gabel
InvestorRelations@Spirit.com
(954) 447-7920

Media Contact:
Paul Berry
Paul.Berry@Spirit.com
(954) 628-4827

Exhibit 99.2

Spirit Airlines Reports March 2017 Traffic

MIRAMAR, Fla., (April 17, 2017) - Spirit Airlines (NASDAQ: SAVE) today reported its preliminary traffic results for March 2017

Traffic (revenue passenger miles) in March 2017 increased 11.6 percent versus March 2016 on a capacity (available seat miles) increase of 15.1 percent . Load factor for March 2017 was 85.8 percent , a decrease of 2.7 percentage points compared to March 2016 .

Preliminary Traffic Results

	<u>March 2017</u>	<u>March 2016</u>	<u>Change</u>
Revenue passenger miles (RPMs) (000)	2,057,061	1,843,678	11.6 %
Available seat miles (ASMs) (000)	2,396,541	2,082,413	15.1 %
Load factor	85.8%	88.5%	(2.7) pts
Passenger flight segments	2,050,593	1,826,154	12.3 %
Average stage length (miles)	981	994	(1.3)%
Total departures	13,722	12,216	12.3 %

	<u>YTD 2017</u>	<u>YTD 2016</u>	<u>Change</u>
Revenue passenger miles (RPMs) (000)	5,613,422	5,070,313	10.7 %
Available seat miles (ASMs) (000)	6,875,899	5,983,005	14.9 %
Load factor	81.6%	84.7%	(3.1) pts
Passenger flight segments	5,569,604	4,988,160	11.7 %
Average stage length (miles)	985	995	(1.0)%
Total departures	39,330	35,160	11.9 %

Preliminary Systemwide Operational Performance

	<u>March 2017</u>
On-Time Performance ¹	77.3%
Completion Factor	97.7%

¹ Total percentage of flights arriving within 14 minutes of scheduled arrival time.

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 440 daily flights to 59 destinations in the U.S., Latin America and the Caribbean. Come save with us at www.spirit.com.

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