

# SPIRIT AIRLINES, INC.

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

Filed 07/17/17 for the Period Ending 07/17/17

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) : July 17, 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 July 17, 2017, the Company provided an update to investors regarding the Company's second 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 July 17, 2017, Spirit Airlines, Inc. reported certain operating and traffic statistics for June 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 second quarter 2017 guidance.
99.2	June 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: July 17, 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>
99.1	Investor Update regarding second quarter 2017 guidance.
99.2	June 2017 Traffic Results



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

Second quarter 2017 total revenue per available seat mile (TRASM) increased approximately 5.5 percent year over year on a capacity increase of 13.6 percent. This capacity increase was lower than the revised quarterly guidance the Company issued on June 8, 2017 primarily due to pilot-related flight cancellations. The Company re-accommodated many of the customers impacted by these cancellations on its own flights or on flights flown by other carriers, thus retaining a portion of the revenue related to the canceled available seat miles which accounted for approximately 50 basis points of the TRASM outperformance compared to its revised guidance given on June 8, 2017.

	<b>2Q17E</b>
<b>Capacity - Available Seat Miles (ASMs) (Thousands)</b>	7,294,578
Year-over-Year % Change	13.6%
<b>Total Revenue per ASM (TRASM)</b>	
Year-over-Year % Change	Increase of approx. 5.5%
<b>Adjusted Operating Expense Ex-Fuel per ASM</b>	
Adjusted CASM ex-fuel year-over-year % change <sup>(1)</sup>	Up 9.5 to 10.5%
<b>Average Stage Length (miles)</b>	982
<b>Fuel Expense (\$)</b>	
Fuel gallons (millions)	86.7
Economic fuel cost per gallon <sup>(2)</sup>	\$1.64
<b>Selected Operating Expenses (\$Millions)</b>	
Aircraft rent	\$52.6
Depreciation and amortization	\$35.3
<b>Interest Expense, net of Capitalized Interest (\$Millions)</b>	
Interest expense	\$13.7
Capitalized interest	\$(3.3)
Interest expense, net of capitalized interest	\$10.4
<b>Effective Tax Rate</b>	37%
<b>Wtd. Average Diluted Share Count (Millions)</b>	69.6

**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 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.



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Exhibit 99.2

## Spirit Airlines Reports June 2017 Traffic

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

Traffic (revenue passenger miles) in June 2017 increased 17.0 percent versus June 2016 on a capacity (available seat miles) increase of 19.2 percent . Load factor for June 2017 was 86.8 percent , a decrease of 1.6 percentage points compared to June 2016 .

### Preliminary Traffic Results

	<u>June 2017</u>	<u>June 2016</u>	<u>Change</u>
Revenue passenger miles (RPMs) (000)	2,197,950	1,878,137	17.0%
Available seat miles (ASMs) (000)	2,531,250	2,123,782	19.2%
Load factor	86.8%	88.4%	(1.6) pts
Passenger flight segments	2,154,369	1,904,656	13.1%
Average stage length (miles)	999	966	3.4%
Total departures	14,201	12,620	12.5%

	<u>YTD 2017</u>	<u>YTD 2016</u>	<u>Change</u>
Revenue passenger miles (RPMs) (000)	11,833,060	10,619,724	11.4%
Available seat miles (ASMs) (000)	14,170,478	12,402,423	14.3%
Load factor	83.5%	85.6%	(2.1) pts
Passenger flight segments	11,775,458	10,594,443	11.1%
Average stage length (miles)	983	983	—%
Total departures	80,893	73,185	10.5%

### Preliminary Operational Performance

	<u>June 2017</u>
On-Time Performance <sup>1</sup>	67.8%
Systemwide Completion Factor	96.1%

<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 470 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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