Spirit Airlines to exit Chapter 11 'within weeks' as court backs recovery plan

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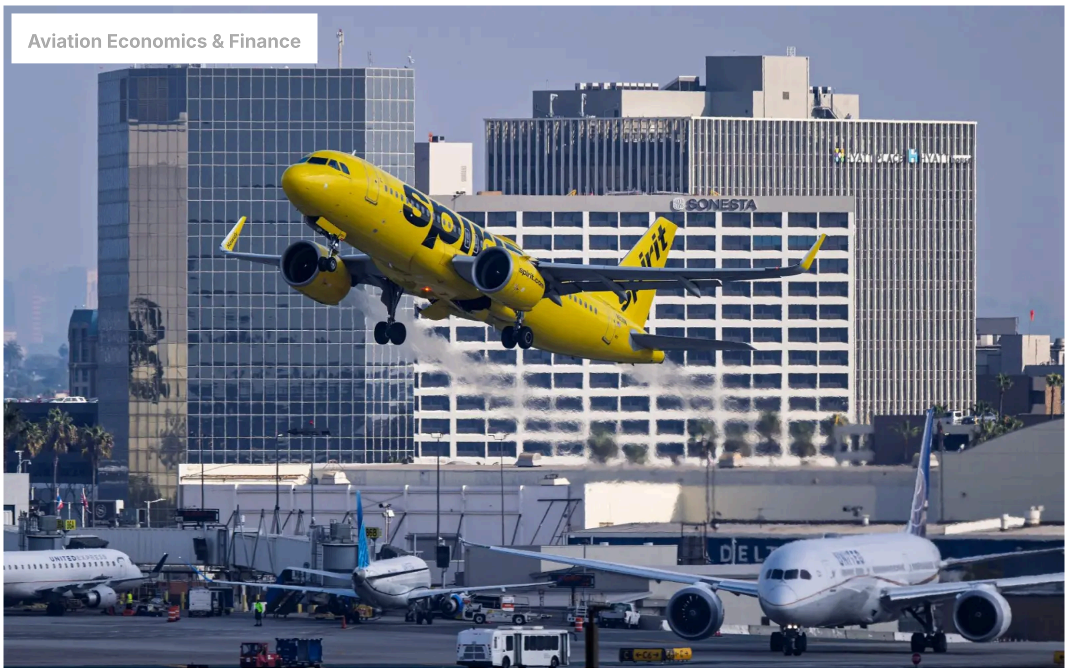

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Ultra-low-cost carrier Spirit Airlines has announced that it expects to emerge from Chapter 11 reorganization bankruptcy "within weeks" after a US court approved its recovery plan.

On February 20, 2025, the Bankruptcy Court for the Southern District of New York said that Spirit's reorganization plan had been "confirmed" in its entirety and that the "burden

Christie added: “As we move forward, our leadership team remains focused on reducing costs while also advancing our strategic initiatives to transform our Guest experience and position Spirit for success. I’m especially grateful for the dedication and unwavering commitment of our entire Spirit Family, who continue their outstanding work to serve our Guests and drive our business forward.”

Under the approved plan, Spirit will equitize $795 million of funded debt, receive $350 million of new equity investment and issue $840 million aggregate principal amount of new senior secured debt to existing bondholders upon emergence.

In addition, Spirit will enter into a new revolving credit facility of up to $300 million. Spirit vendors, aircraft lessors and holders of secured aircraft indebtedness will not be affected.

On November 18, 2024, Spirit confirmed that the carrier has entered a prearranged Chapter 11 process so it could set out plans to reduce its debt, provide increased financial flexibility and position the airline for long-term success.

As part of the Chapter 11 process, Spirit announced that its bondholders would commit to a $350 million equity investment, plus $300 million in debtor in possession (DIP) financing.

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