

Spirit Airlines Warns That It Could Go Out of Business

Low-budget airline Spirit Airlines issued a warning that it could soon go out of business, as low summer demand for leisure travel has hurt its financial results.

Spirit Aviation Holding, the airline's parent company, made the declaration during its second-quarter earnings report, saying, "The company has continued to be affected by adverse market conditions, including elevated domestic capacity and continued weak demand for domestic leisure travel in the second quarter of 2025, resulting in a challenging pricing environment."

It added that it expects to face these "challenges and uncertainties in its business operations" for the remainder of the year.

Miramar, Fla.-based Spirit emerged from bankruptcy protection earlier this year, successfully restructuring some of its debt obligations while securing new financing.

However, it still encountered operational issues, forcing it to place furloughs on pilots, sell spare engines, and explore the potential sale of its aircraft, real estate, and excess airport gate capacity in recent weeks.

Spirit noted that, should these steps not yield any positive returns, there was "substantial doubt as to the company's ability to continue as a going concern over the next 12 months."

The airline's stock price fell by as much as 45% to \$2.26 per share on the news, but Spirit's flying operations continue as

usual, with no flights or routes in peril of cancellation at this time.

In November 2024, the company filed for Chapter 11 bankruptcy after a federal judge blocked its merger with JetBlue Airways on antitrust grounds. Prior to that, in 2022, it attempted to merge with fellow low-cost carrier Frontier Airlines.

Spirit last experienced profitability in 2019.

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