



UNIVERSITY OF RICHMOND
Robins School of Business™

JetBlue Airways Corporation

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JetBlue commenced operations on February 11, 2000.¹ The company was founded by David Neeleman, an extremely dedicated entrepreneur who, consistent with his Christian roots, wanted to create an airline with more humanity. Neeleman first started working at his grandfather's convenience store when he was just nine years old. The store had a heavy emphasis on customer service. On NPR's "How I Built This" podcast, Neeleman explained that when the store didn't have something in stock that a customer was looking for, his grandfather would go to another store down the street, buy it, and then deliver it.² Consistent with its mission, JetBlue became a customer-centered airline, emphasized by what the company called its customer bill of rights.³ The company opened a hub in New York, with its operations base in John F. Kennedy Airport.

In its early years, JetBlue successfully competed as one of the industry's first best-value airlines, combining high-quality customer service and low prices. JetBlue was very successful in its first few years of operation. Although several airlines struggled in 2001-2002 following the horrific September 11th attacks, JetBlue was able to sustain a higher-than-industry-average operating margin of 16.5% in 2002.⁴ Passenger support of the new company revealed that JetBlue was a key player in transforming the airline industry.

On May 10, 2007, Neeleman was replaced as CEO by David Barger and resigned as chair of the board the next year. In 2008, Neeleman also announced plans to launch a new airline in Brazil called Azul, which is now Brazil's largest airline. Although JetBlue was once an entrepreneur's success story, the company's profits eroded and it fell out of favor with investors after Neeleman left. Barger was pushed out as CEO in 2015, replaced by Robin Hayes.

During the first few years of Hayes' tenure, the airline seemed content to grow organically by building its Fort Lauderdale and Boston operations. Then the pandemic hit, and around this time JetBlue went through a transformation, experimenting with operations in Miami, Philadelphia, Newark, and Raleigh/Durham. None of these experiments worked out. JetBlue also began European operations in 2021, which required the acquisition of a separate fleet of planes with different configurations. In addition, JetBlue formed what was called the Northeast Alliance (NEA) with American Airlines, which was intended to strengthen the market positions of both airlines in key markets. However, after limping along for a while, a judge eventually blocked the partnership. Hayes lasted nine years, but in early 2024 he was replaced by Joanna Geraghty.⁵

In a U.S. market dominated by American, Delta, United, and Southwest, which control 80% of the market, JetBlue found it increasingly difficult to remain competitive.⁶ In an effort to increase efficiency and expand its routes, JetBlue sought to take over the struggling Spirit Airlines, a low-cost carrier in the U.S. In July of 2022, Spirit agreed to the merger, which would create the fifth-largest airline in the U.S. With the goal of lowering prices in more cities to compete with the big four carriers, the deal's approval prospects were promising. Basically, the merger would expand JetBlue's presence rapidly and prevent Spirit from going bankrupt. However, in January of 2024, a federal judge in Boston blocked the merger between JetBlue and Spirit.⁷ Both companies filed an appeal. Investors were concerned that the deal wouldn't happen, with almost all stock analysts recommending a sell or hold on the JetBlue stock. Then, in March of 2024, both companies decided to forgo their efforts to appeal the blocked merger.⁸

OPERATIONS

JetBlue started in New York, with its operations base in New York's John F. Kennedy Airport. JetBlue has a strategic advantage as its operations base is in one of the nation's largest travel markets. Named New York's "Hometown Airline," the carrier focuses on a "point-to-point" system connecting six focus cities to 100+ destinations. The six focus cities include New York, Boston, Orlando, Fort Lauderdale, Los Angeles and San Juan. Operations are primarily concentrated in the Northeast, as 135 routes are operated out of the New York area, and 75 flights are operated out of Boston.⁹

JetBlue has four core operations through which the company operates. The JetBlue brand includes flights to more than one hundred national and international travel destinations, including London, Paris, Latin America, the Caribbean, and more.¹⁰ Second, JetBlue operates a JetBlue Vacations branch, which packages low-fare JetBlue flights with hotel or cruise accommodations. The brand pays homage to Neeleman's humble beginnings, where he would package vacations to Hawaii for his local community in Salt Lake City. Third, Paisley by JetBlue offers deals and savings for transportation, accommodations, and activities. Also, through Paisley, customers can enjoy 24/7 customer support. Lastly, JetBlue's successful loyalty program allows travelers to enjoy perks and earn points on travel.¹¹

The company has over 24,000 crew members that serve customers across the US and worldwide.¹² In 2023, the airline generated \$9.6 billion in operating revenue, which, compared to 2022, was an increase of \$457 million. JetBlue largely attributes this increase to a 7.5% increase in revenue passengers. However, operating expenses increased by 4.1% yearly; thus, JetBlue's operating margin decreased. The company reported a loss of \$310 million (see Appendix A for more information on the company's financial status). Consensus analysts' expectations are that losses will continue or even worsen in 2024. Due to the decision to block the takeover between JetBlue and Spirit, JetBlue has shifted focus to its organic growth plan. The plan emphasizes the need to "return the business to profitability" by capitalizing on JetBlue's core competitive advantages.¹³

COMPETITIVE STRATEGIES

JetBlue's organic growth strategy includes focusing on its competitive strengths. The company was built on a premium travel experience at a low price. The airline's competitive strategies include its strategic footprint in its focus cities, the emphasis on customer service as the best value airline, JetBlue loyalty programs, and strategic partnerships. Since the COVID pandemic, customers seem to have returned to a preference for premium experiences and customer service, capitalizing on JetBlue's strengths.

The company's large footprint is primarily in key cities throughout the northeast. The airline still owns the most valuable gates at New York's John F. Kennedy Airport. JetBlue serves 36% of the seats offered, with 135 routes served. The Northeast is highly congested with travelers, and the airline can capitalize on these markets. The airline has six focus cities to which 95% of its routes fly. These destinations include New York, Boston, Fort Lauderdale-Hollywood, Los Angeles, Orlando, and San Juan.¹⁴

JetBlue provides customers an exceptional in-flight experience without charging a price premium. The brand boasts its high-quality travel experience. Perks when traveling with JetBlue include the most legroom in coach, free high-speed Wi-Fi, live TV, snacks, and drinks, all free of charge.¹⁵ To ensure a uniform JetBlue experience, the airline created a customer Bill of Rights, compensating for the airline's unexpected mistakes.

The company achieves its business goals through its dedicated employees and focus on customer experience. JetBlue must ensure its employees are dedicated to the company's customer-first mission. Extensive interviews and training are required to become a JetBlue crew member. Founder David Neeleman explains he wanted to hire people who cared about others, so in interviews, a question was: Tell me about a time when you had to help a coworker?¹⁶

Low prices also heavily contribute to JetBlue's best value strengths. What happens when you combine exceptional trip experiences with low prices? The JetBlue Effect. A study by MIT Research revealed that when JetBlue enters a market, all other airlines also decrease their fares to stay competitive. Moreover, the JetBlue effect is 3x more effective at lowering prices than Spirit or other low-cost airlines due to the JetBlue onboard experience. In some routes, fares dropped around 48% due to JetBlue's presence, and even a year later, fares dropped about 50% from before the airline arrived in the market.¹⁷

JetBlue Loyalty

Flyers can choose to enroll in TrueBlue and earn points through spending on co-branded credit cards, spending on JetBlue travel, JetBlue Vacations, and Paisley by JetBlue. TrueBlue contributes a significant amount of revenue to the business, and for 2024, executives have emphasized the importance of continuing to build out these programs. In May of 2023, the company released a new loyalty program that revamped the existing TrueBlue loyalty program by increasing point opportunities for its users. The expanded TrueBlue now offers ways to reach the highest loyalty status, named Mosaic, through spending on credit cards or travel. The new program also has expanded JetBlue's highest Mosaic status to include four levels with accompanying perks. Aside from its partners, Barclaycard and MasterCard, JetBlue has also expanded its international co-branding with the First Caribbean International Bank in the US.¹⁸ In a corporate earnings call, CEO Geraghty explains that JetBlue has "the fastest growing loyalty program of any major US airlines, growing revenues by 75 percent."¹⁹ Additionally, in 2023, the company had success in its loyalty program through a record-setting number of redemptions. According to Joanna, point redemptions increase by over 25% each year.

Strategic Partnerships

Although JetBlue had no alliances or strategic partnerships when it began, it now has 47 commercial alliances.²⁰ In the industry, commercial partnerships are essential. Partnerships with airlines create broader networks, code-sharing abilities, reciprocated loyalty programs, simplified booking processes, and joint marketing activities that provide value to customers. JetBlue also partners with companies such as credit card vendors and aircraft suppliers. These strategic partnerships have some regulatory risks, especially when they are with other airlines. Recently,

the US Department of Justice blocked a partnership between JetBlue and American Airlines in airports in the Northeast. Lawsuits resulting from the proposed partnership may increase JetBlue and American Airlines costs and affect revenues.²¹ More partnerships are expected for JetBlue in 2024. JetBlue is currently using its strong relationship with Airbus to gain advantages in aircraft delivery. This agreement will help moderate the number of deliveries JetBlue receives and support the airline's initiative to return to profitability.²²

Marketing

Due to JetBlue's unique business proposition and value, the company has garnered public support and recognition. The airline markets through multiple channels but ultimately gains from the widespread recognition of the airline as a global and established brand. For example, JetBlue captures audiences through in-person events, social media advertising, promotions, and strategic partnerships for cross-marketing efforts. The airline provides low-cost fares to its customers due to its business model. Keeping costs low is essential to the airline due to its primary value proposition. JetBlue attempts to keep costs low through “high aircraft utilization, new and efficient aircraft, relatively low distribution costs, and a productive workforce.”²³

PEOPLE

Key Executives

Joanna Geraghty became CEO on February 12th, 2024, after Robin Hayes stepped down for health reasons. Before stepping up to serve as CEO, Geraghty worked at JetBlue for nineteen years. Her most recent positions were president and Chief Operations Officer COO, which she held since 2018. She also serves on the JetBlue Foundation's board of directors. She graduated from the College of the Holy Cross and received her master's and J.D. from Syracuse University.²⁴

Ursula Hurley worked in the aviation industry for almost two decades before becoming JetBlue's Chief Financial Officer (CFO). Previously she was the head of investor relations and treasury, managing the firm's \$13 billion balance sheet. Hurley is president of the JetBlue Foundation, which promotes diversity in the aviation industry. She graduated from Fairfield University and holds an MBA from Columbia University.²⁵

Warren Christie has worked in the aviation industry for more than 30 years. He started his career at JetBlue in 2003 when the company began. He has held various positions, which prepared him for his role as a chief operating officer (COO) today. Apart from his experience at JetBlue as Vice President of Operations Planning and Training, he also served as a naval aviator and instructor at the Navy Fighter Weapons School. Warren graduated from the University of Notre Dame and was an Officer in the US Navy.²⁶

Employees and Culture

JetBlue espouse five critical values: safety, caring, integrity, passion, and fun.²⁷ JetBlue understands that many airlines make a trade-off between high prices or uncomfortable travel

experiences. Moreover, as customer preference trends highlight service and best-class experience, JetBlue has an optimal strategy for growth within its core competitive advantages.

As mentioned previously, employees are at the forefront of JetBlue's competitive strength in the marketplace because they allow for exceptional customer service. Geraghty's biography on JetBlue's website says that Joanna is focused on "nurturing JetBlue's unique culture and standing as one of the best places to work."²⁸ JetBlue's employees need to be a part of a great culture to strive to provide the best experience to their customers. To foster a team-oriented culture, the company refers to its employees as "crewmembers." An extensive interview and training process is required for all JetBlue crew members. Newly hired employees (called "Baby Blues") attend JetBlue University, where they participate in an orientation.²⁹ The time is also an opportunity to build community and engage with JetBlue's leaders.

JetBlue must hire and train the best employees in the industry to uphold their values of exceptional customer service and care. The company's recent annual report for 2023 explains, "Our goal is to hire, train, and retain a diverse workforce of caring, passionate, fun, and friendly people who share our mission to inspire humanity."³⁰ To further foster teamwork throughout crewmembers' careers, each employee can access a communications app called On The Fly. The app allows employees to communicate with each other and access "pocket sessions," which are open forum meetings with leadership across JetBlue's network.³¹

In the beginning, none of JetBlue's employees were unionized. Following employment trends, 51% of full-time crew members are now unionized. It is important to note that unions represent only pilots and inflight crewmembers, and all other employees maintain a direct relationship with the leadership executives at JetBlue. The airline believes that direct relationships are the best way to foster company culture and a team-oriented spirit. JetBlue created Values Committees to ensure they serve their employees to the utmost standards. Values Committees are employee representatives that are selected by crewmembers for crewmembers. These chosen individuals represent employees' concerns and provide a direct communication line to executives.³²

JetBlue hire its employees through various Gateway programs. These programs inspire the next cohort of crewmembers at JetBlue. Aspiring pilots can enroll in one of five programs: Gateway University, Gateway Select, Gateway Flex, Gateway Direct, and Gateway Family.³³ Crewmembers who want to become maintenance technicians can enroll in Gateway Direct or Gateway Flex. The requirements for each program vary as some require applicants to be crewmembers already, whereas others are open to the public.³⁴ JetBlue can inspire its employees to further their career development and attract talented and dedicated employees through these industry-leading programs. Participants also receive one-on-one mentoring, and the programs break down barriers to entry for applicants.³⁵

Finally, JetBlue offers a variety of employee programs that benefit their dedicated employees. JetBlue Scholars allows employees to pursue higher education through discounted rates and provides career and personal development courses. In addition, the airline sponsors crewmember resource groups that offer communities for JetBlue's diverse employee base. Lastly, the JetBlue Crewmember Crisis Fund is a program to assist crewmembers with short-term financial

obligations that they cannot meet. The program is completely confidential and is funded by fellow crewmembers' donations.³⁶

Ownership

JetBlue is a publicly owned company. Its ticker symbol is JBLU, and the stock is traded on the NASDAQ. In 2024, Carl Ichan, an activist investor, disclosed a substantial stake of almost 10% in JetBlue, making him the company's third-largest shareholder. Following the acquisition of shares, Ichan applied for seats on the firm's board of directors. On February 16th, 2024, two seats were granted to Jesse Lynn and Steven Miller, who work for Icahn Enterprises and Icahn Capital, respectively.³⁷

AIRLINE INDUSTRY

The airline industry is highly competitive. Airlines are susceptible to several risks, including fluctuating fuel costs, weather conditions, government regulations, high fixed costs, economic performance and unexpected events (such as COVID or wars). Due to the extremely high risks associated with this line of business, it is tough to become a widely successful and profitable airline. As a result, four major airlines dominate the market: American, Delta, United, and Southwest. Each of these airline's market capitalization is presented in the chart in Appendix B in comparison with JetBlue. The industry has also undergone a significant shift due to consolidations and mergers. Also, JetBlue competes with other airlines on all its flight routes. Its big four competitors are much larger and possess more financial resources. JetBlue also competes with other airlines apart from the big four airlines. Low-cost airlines include Spirit and Breeze.

The impact of the COVID-19 pandemic on the airline industry was devastating. Many airlines suffered as people worldwide decided to cut back on travel to mitigate the spread of the deadly virus. According to the National Library of Medicine, demand for air travel dropped by 75.6% internationally and 48.8% domestically.³⁸ Many aviation workers lost their jobs due to cutbacks and cost-saving efforts. The aviation industry, mainly, was highly vulnerable to the pandemic due to the high-cost structure and dependence on demand. The impacts of the pandemic were profound. For JetBlue, in particular, demand decreased along with competitors in the airline industry. Capacity declined by 48.8%, and operating revenues fell by 63.5% yearly.³⁹

JetBlue had to react quickly to protect its crewmembers' and passengers' safety and well-being. Programs like "Safety from the Ground Up" increased the airline's cleaning process on each aircraft, in airports, and in offices. The airline also took more safety measures, including temperature checks, paid sick leave, and a protocol for contact tracing. Due to the decrease in demand, costs also decreased. In 2020, JetBlue's fuel consumption decreased by 53.4% compared to 2019. Although the pandemic reduced demand in 2020 and required a recovery in 2021, it changed consumer preferences to align more with JetBlue's competitive advantages. Passengers are now more focused on service and comfort. The high focus on customer service and in-flight experience has helped increase JetBlue's demand for its unique offerings and helped the company recover after the decrease in demand.⁴⁰

Key Industry Competitors

American Airlines has a long aviation history, founded in 1926. The company has traditionally been on the frontier of change. American is known for “hiring the first Black U.S. commercial airline pilot, hiring the first female U.S. commercial airline pilot, launching the first loyalty program of any major carrier, and becoming the first airline to introduce airport lounges.”⁴¹ Unlike JetBlue, the airline’s focus hubs are not concentrated in the northeast; instead, the airline has a footprint that spans the entire country and includes international cities. Major cities include Charlotte, Chicago, Dallas, Los Angeles, Miami, New York, Philadelphia, Phoenix and Washington, D.C., London, Madrid, Sydney, and Tokyo.⁴² Under the brand name “American Eagle,” American’s regional carriers provide service to smaller markets.⁴³ American Airlines offers flights to more than 350 destinations worldwide, while JetBlue only serves 100 destinations.⁴⁴ In 2023, American reported \$52.8 billion in operating revenues, up \$3.8 billion from 2022. Net income in 2023 was \$822 million.⁴⁵ Goals for 2024 for American “prioritize reliability, profitability, and accountability while building an even more efficient and resilient airline.”⁴⁶

Another key player in the airline industry, Delta, was founded in 1925. The company has been ranked as *Forbes's* 12th most admired company globally.⁴⁷ Delta served over 190 million passengers in 2023. Revenue was \$58 billion, an increase of \$7.5 billion from 2022. Net income was \$4.6 billion. The airline's success was powered by a 17% increase in capacity with an increase in demand for international and domestic travel and an increase in demand for premium products.⁴⁸ Delta reported the second-highest EPS in the company’s history.⁴⁹ The company employs 100,000 employees and was named by Glassdoor as the thirteenth best workplace in the US. Culture is one of the airline's top priorities and competitive advantages. The airline offers an industry-leading profit-sharing program to ensure world-class service and customer satisfaction. Employees are focused on the airline's success, and for 2023, the airline is rewarding employees through \$1.4 billion in profit-sharing payments.⁵⁰ In 2024, Delta created goals of “restoration to optimization.” Ed Bastian, Delta’s CEO, explains that the company expects strong demand as their primary customers continue to value travel as a top priority. With optimization goals, the airline has plans to reduce leverage and optimize profitability through tracking traveler trends and diversification of revenue streams.⁵¹

United Airlines was created in 1926.⁵² The airline operates worldwide and has US mainland hubs in Chicago, Houston, Denver, Los Angeles, Newark, San Francisco, and Washington, D.C. The company has centered its goals around the United Next program to drive future growth. The strategy includes increasing the airline's domestic capacity and lowering carbon emissions per flight.⁵³ The airline was able to serve a record 171 million passengers in 2023. Reported revenue was \$53.7 billion, up an impressive \$8.8 billion from 2022, and net profit was \$2.6 billion. For 2024, the airline expects growth to continue in line with the success of the United Next program. In recent months, though, the airline has experienced headwinds relating to the safety of their flights. In two weeks, eight safety incidents occurred on United flights, five of which were on planes manufactured by Boeing. As a result, the Federal Aviation Industry is looking into preventing United from adding new routes, suspending pilot approval for new aircraft, and suspending newly delivered aircraft.⁵⁴ Each incident is under review, but there are increasing

concerns around Boeing commercial aircraft. JetBlue exclusively works with Airbus and Embraer for their aircraft, which may attract fliers if Boeing remains in the headlines.

Southwest Airlines and Jetblue's founder, David Neeleman, have had a long history. Southwest was Neeleman's favorite company, and he admired everything about it.⁵⁵ Neeleman took inspiration from Southwest when he co-founded and became president of Morris Air. The small airline was a great success and was the first company with e-tickets. Southwest knew Morris Air was small but fiercely competitive, so on December 13th, 1993, Southwest announced its acquisition of the company.⁵⁶ As a result, Southwest gained control of Morris Air's growing network and the new reservation and ticket system. After some work at Southwest, Neeleman decided to leave. He signed a non-compete for five years when he started to think of ideas for a new airline. Then, in 1998, JetBlue was formed.⁵⁷ Now, Southwest operates as one of America's largest airlines, serving the domestic and near international markets. Customers choose Southwest due to its friendly crew, low-cost fares, and 121 destinations. Southwest differs from other airlines that have a network centered around hubs. The company uses point-to-point service, allowing more direct flights to its destinations. In 2023, revenue grew to \$26 billion, an increase of \$2.3 billion from 2022. Net income was \$465 million.

Breeze is a new airline also created by JetBlue founder David Neeleman. The airline aims to serve poorly served markets with direct, nonstop routes. The airline offers affordable fares with customized offerings through a menu of service options. The company serves 50-plus cities in the US, and fares can be as low as \$32 one way.⁵⁸ Breeze operates Embraer 190/195 and Airbus A220-300 aircraft, similar to JetBlue.⁵⁹ There are several different types of flying experiences when you book with Breeze. With three different fares (Nice, Nicer, and Nicest), customers can customize their purchase according to their in-flight preferences. These three options vary in their options and perks. For example, the nicest option includes a Breeze Ascent seat, two checked bags and a free carry-on bag, complimentary beverages and snacks, priority boarding, and free Wi-Fi. The Nice option, however, only includes a personal item that fits under the seat. Wifi, food, and beverages can be purchased on a flight at an additional cost to the ticket's purchase price. Breeze offers premium snacks and drinks that are locally sourced.⁶⁰ Breeze also differentiates itself from other airlines as it does not have a customer support line to reduce costs. Instead, it directs customers to the Breeze website and app.⁶¹ Limited information about Breeze is available as the company is private. Still, the company's website emphasizes that it is growing, highlighting the addition of new routes and aircraft purchases.⁶²

Spirit is a low-cost airline that operates primarily in the US. The company aims to offer the lowest prices on the market and caters to cost-conscious leisure travelers. The company has a menu of options for customers to customize each user's experience. Features such as checking bags, picking your seats, and on-board amenities are all offered at a specific fare. Travelers can opt for the barest tickets to save the most on their flights.⁶³ In 2022, JetBlue announced its plans to acquire Spirit. Then, in January 2024, the US Department of Justice blocked the merger on the opinion that the merger between the two airlines would reduce optionality for low-fare customers.⁶⁴ Ultimately, JetBlue and Spirit decided not to continue their efforts for the proposed merger in March 2024.⁶⁵ Many analysts question whether Spirit can survive without undergoing the merger. The company lost \$447 million in 2023 on revenues of \$5.4 billion and its stock (SAVE) has reflected this pessimism, trading at all-time lows below \$5 per share.

LOOKING FORWARDS

To revamp the company and increase value for its shareholders, Geraghty plans to bring JetBlue “back to profitability.” Several initiatives will be implemented in 2024, including cost-cutting initiatives, which are expected to achieve \$70 million in cost savings.⁶⁶ The structural cost program is necessary as indebtedness is a risk for the company. JetBlue and other airlines have high fixed financial obligations such as aircraft leases, property leases, secured loan facilities, prepayment for aircraft deliveries, and engine prepayments. It is essential that the company becomes more liquid and lightens up its fixed obligations, especially in a market where demand is unpredictable.

It is unclear whether JetBlue can continue to compete in an increasingly competitive environment. Without the merger, can JetBlue scale up its business to compete with the big four airlines?

Appendix A: JetBlue Financial Statements
Source: JetBlue Annual Report 2023

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share data)

	Years Ended December 31,		
	2023	2022	2021
OPERATING REVENUES			
Passenger	\$ 9,008	\$ 8,586	\$ 5,609
Other	607	572	428
Total operating revenues	9,615	9,158	6,037
OPERATING EXPENSES			
Aircraft fuel and related taxes	2,720	3,105	1,436
Salaries, wages and benefits	3,055	2,747	2,358
Landing fees and other rents	657	544	628
Depreciation and amortization	621	585	540
Aircraft rent	126	114	99
Sales and marketing	316	289	183
Maintenance, materials and repairs	654	591	626
Special items	197	113	(833)
Other operating expenses	1,499	1,368	1,080
Total operating expenses	9,845	9,456	6,117
OPERATING LOSS	(230)	(298)	(80)
OTHER INCOME (EXPENSE)			
Interest expense	(210)	(166)	(192)
Interest income	89	39	17
Gain (loss) on investments, net	9	(9)	47
Other	8	(3)	(55)
Total other expense	(104)	(139)	(183)
LOSS BEFORE INCOME TAXES	(334)	(437)	(263)
Income tax benefit	24	75	81
NET LOSS	\$ (310)	\$ (362)	\$ (182)
LOSS PER COMMON SHARE			
Basic	\$ (0.93)	\$ (1.12)	\$ (0.57)
Diluted	\$ (0.93)	\$ (1.12)	\$ (0.57)

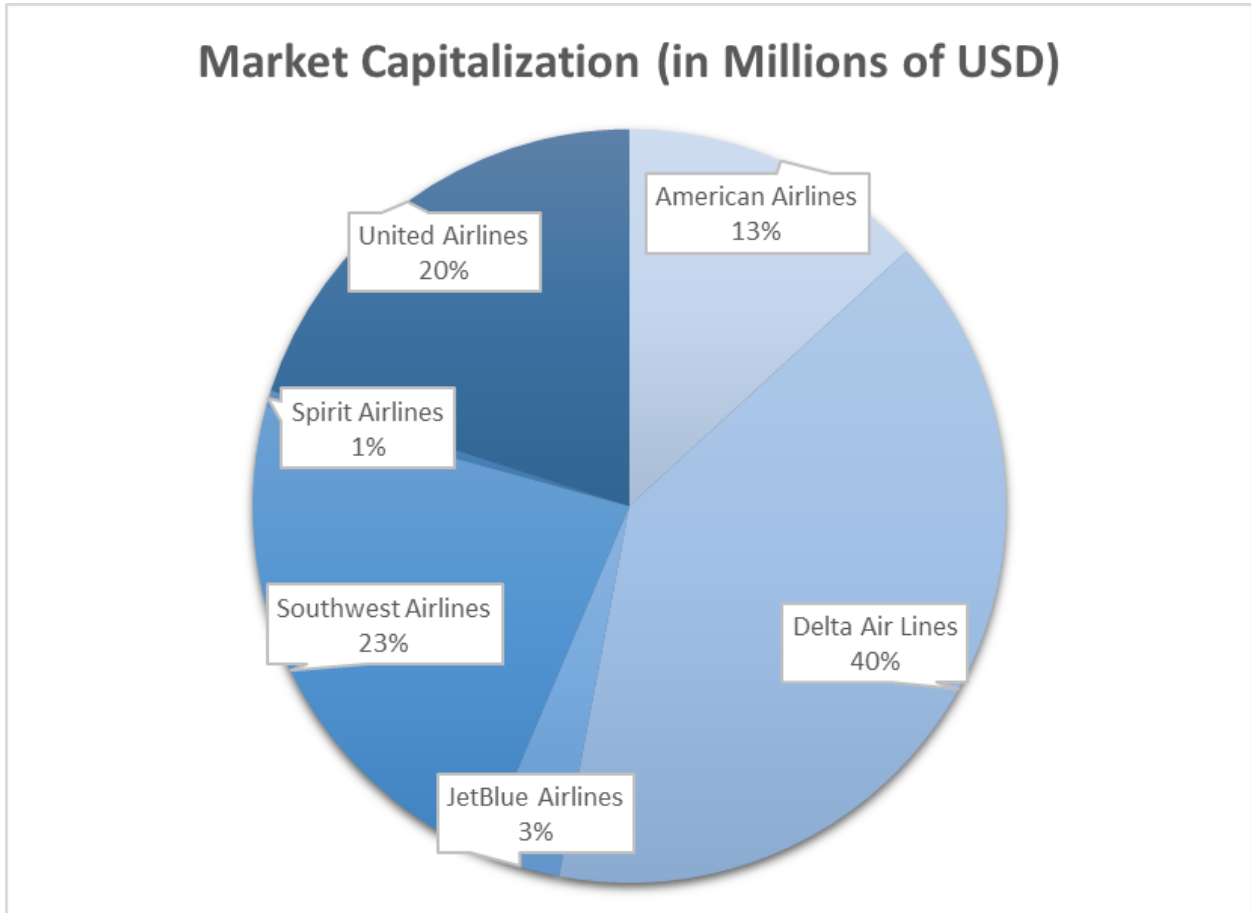
JETBLUE AIRWAYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(in millions, except per share data)

	December 31,	
	2023	2022
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 641	\$ 532
Air traffic liability	1,463	1,581
Accrued salaries, wages and benefits	591	498
Other accrued liabilities	509	486
Current operating lease liabilities	117	97
Current maturities of long-term debt and finance lease obligations	307	554
Total current liabilities	3,628	3,748
LONG-TERM DEBT AND FINANCE LEASE OBLIGATIONS	4,409	3,093
LONG-TERM OPERATING LEASE LIABILITIES	547	639
DEFERRED TAXES AND OTHER LIABILITIES		
Deferred income taxes	743	770
Air traffic liability - non-current	740	738
Other	449	494
Total deferred taxes and other liabilities	1,932	2,002
COMMITMENTS AND CONTINGENCIES (Notes 10 & 11)		
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.01 par value; 25 shares authorized, none issued	—	—
Common stock, \$0.01 par value; 900 shares authorized, 499 and 486 shares issued and, 339 and 327 shares outstanding at 2023 and 2022, respectively	5	5
Treasury stock, at cost; 159 shares at 2023 and 2022, respectively	(1,999)	(1,995)
Additional paid-in capital	3,221	3,129
Retained earnings	2,114	2,424
Accumulated other comprehensive loss	(4)	—
Total stockholders' equity	3,337	3,563
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 13,853	\$ 13,045

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(in millions, except per share data)

	December 31,	
	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,166	\$ 1,042
Investment securities	401	350
Receivables, less allowance (2023 - \$3; 2022 - \$4)	336	317
Inventories, less allowance (2023 - \$35; 2022 - \$29)	109	87
Prepaid expenses and other	148	120
Total current assets	2,160	1,916
PROPERTY AND EQUIPMENT		
Flight equipment	12,796	11,727
Pre-delivery deposits for flight equipment	393	415
Total flight equipment and pre-delivery deposits, gross	13,189	12,142
Less accumulated depreciation	4,021	3,578
Total flight equipment and pre-delivery deposits, net	9,168	8,564
Other property and equipment, gross	1,310	1,314
Less accumulated depreciation	803	731
Total other property and equipment, net	507	583
Total property and equipment, net	9,675	9,147
OPERATING LEASE ASSETS	593	660
OTHER ASSETS		
Investment securities	163	172
Restricted cash	151	146
Intangible assets, net of accumulated amortization (2023 - \$518; 2022 - \$455)	349	298
Other	762	706
Total other assets	1,425	1,322
TOTAL ASSETS	\$ 13,853	\$ 13,045

Appendix B: Market Capitalization by Company



Source: Data from Bloomberg

NOTES

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- ¹ JetBlue Airways Corporation. 2003. JetBlue Airways: 2002 annual report. Forest Hills, NY: JetBlue Airways Corporation.
- ² Raz, Guy (Host) Podcast. (2019, May 27). JetBlue Airways: David Neeleman. How I Built This. NPR. Retrieved from <https://www.npr.org/2021/05/27/1001074076/jetblue-airways-david-neeleman-2019>, accessed February 8, 2024.
- ³ JetBlue. Who We Are. https://careers.jetblue.com/content/Who-We-Are/?locale=en_US#:~:text=When%20JetBlue%20first%20took%20flight,do%20as%20we%20inspire%20humanity, accessed March 28, 2024.
- ⁴ JetBlue Airways Corporation. 2003. JetBlue Airways: 2002 annual report. Forest Hills, NY: JetBlue Airways Corporation.
- ⁵ Departing JetBlue CEO Robin Hayes has little to show for his nine years at the helm. The Cranky Flier, January 22, <https://crankyflier.com/2024/01/22/departing-jetblue-ceo-robin-hayes-has-little-to-show-for-his-nine-years-at-the-helm/#:~:text=JetBlue%20CEO%20Robin%20Hayes%20recently,big%20job%20ahead%20of%20her>, accessed April 12, 2024.
- ⁶ Reed, B. 2024. US Judge Blocks JetBlue from \$3.8bn Spirit Airlines Takeover. The Guardian. January 16.
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