

JETBLUE AIRWAYS CORP
Form 10-Q
May 03, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2016
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 000-49728

JETBLUE AIRWAYS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

87-0617894

(State of Other Jurisdiction of Incorporation)

(I.R.S. Employer Identification No.)

27-01 Queens Plaza North, Long Island City, New York 11101

(Address of principal executive offices) (Zip Code)

(718) 286-7900

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of March 31, 2016, there were 322,154,732 shares outstanding of the registrant's common stock, par value \$.01.

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PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited, in millions, except per share data)

	March 31, 2016	December 31, 2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 757	\$ 318
Investment securities	530	558
Receivables, less allowance (2016-\$6; 2015-\$6)	145	136
Prepaid expenses and other	342	361
Total current assets	1,774	1,373
PROPERTY AND EQUIPMENT		
Flight equipment	7,204	7,079
Predelivery deposits for flight equipment	172	171
Total flight equipment and predelivery deposits, gross	7,376	7,250
Less accumulated depreciation	1,637	1,573
Total flight equipment and predelivery deposits, net	5,739	5,677
Other property and equipment	895	868
Less accumulated depreciation	306	293
Total other property and equipment, net	589	575
Assets constructed for others	561	561
Less accumulated depreciation	167	161
Total assets constructed for others, net	394	400
Total property and equipment	6,722	6,652
OTHER ASSETS		
Investment securities	—	49
Restricted cash	66	63
Other	500	507
Total other assets	566	619
TOTAL ASSETS	\$ 9,062	\$ 8,644

See accompanying notes to condensed consolidated financial statements.

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

	March 31, 2016	December 31, 2015
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 260	\$ 205
Air traffic liability	1,157	1,053
Accrued salaries, wages and benefits	263	302
Other accrued liabilities	346	267
Current maturities of long-term debt and capital leases	448	448
Total current liabilities	2,474	2,275
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS	1,332	1,379
CONSTRUCTION OBLIGATION	469	472
DEFERRED TAXES AND OTHER LIABILITIES		
Deferred income taxes	1,276	1,218
Other	97	90
Total deferred taxes and other liabilities	1,373	1,308
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.01 par value; 25 shares authorized, none issued	—	—
Common stock, \$0.01 par value; 900 shares authorized, 394 and 392 shares issued and 322 and 322 shares outstanding at March 31, 2016 and December 31, 2015, respectively	4	4
Treasury stock, at cost; 72 and 70 shares at March 31, 2016 and December 31, 2015, respectively	(379)	(366)
Additional paid-in capital	1,914	1,896
Retained earnings	1,878	1,679
Accumulated other comprehensive loss	(3)	(3)
Total stockholders' equity	3,414	3,210
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 9,062	\$ 8,644

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2016	2015
OPERATING REVENUES		
Passenger	\$1,478	\$1,408
Other	138	115
Total operating revenues	1,616	1,523
OPERATING EXPENSES		
Aircraft fuel and related taxes	215	335
Salaries, wages and benefits	435	375
Landing fees and other rents	85	83
Depreciation and amortization	91	87
Aircraft rent	28	31
Sales and marketing	64	60
Maintenance materials and repairs	135	113
Other operating expenses	214	186
Total operating expenses	1,267	1,270
OPERATING INCOME	349	253
OTHER INCOME (EXPENSE)		
Interest expense	(29)	(34)
Capitalized interest	2	