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 June 30, 2024

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

JETBLUE AIRWAYS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**87-0617894**
(State or other jurisdiction of incorporation or organization)	(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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.01 par value	**JBLU**	**The NASDAQ Stock Market LLC**

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 every Interactive Data File required to be submitted 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 such files). ☑ Yes ☐ No

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

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 June 30, 2024, there were 346,833,127 shares outstanding of the registrant's common stock, par value $0.01.

JETBLUE AIRWAYS CORPORATION
FORM 10-Q
INDEX

	Page
Forward-Looking Information	3
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	5
Consolidated Balance Sheets - June 30, 2024 and December 31, 2023	5
Consolidated Statements of Operations - Three and Six Months Ended June 30, 2024 and 2023	7
Consolidated Statements of Comprehensive Income and Loss - Three and Six Months Ended June 30, 2024 and 2023	8
Condensed Consolidated Statements of Cash Flows - Six Months Ended June 30, 2024 and 2023	9
Consolidated Statements of Stockholders' Equity - Three and Six Months Ended June 30, 2024 and 2023	10
Notes to Condensed Consolidated Financial Statements	11
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	25
Item 3. Quantitative and Qualitative Disclosures About Market Risk	41
Item 4. Controls and Procedures	41
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	42
Item 1A. Risk Factors	42
Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities	42
Item 5. Other Information	42
Item 6. Exhibits	43
SIGNATURE	44

Forward-Looking Information

This Quarterly Report on Form 10-Q (the "Report") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in 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"). All statements other than statements of historical facts contained in this Report are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "expects," "plans," "intends," "anticipates," "indicates," "remains," "believes," "estimates," "forecast," "guidance," "outlook," "may," "will," "should," "seeks," "goals," "targets" or the negative of these terms or other similar expressions. Additionally, forward-looking statements include statements that do not relate solely to historical facts, such as statements which identify uncertainties or trends, discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed, or assured. Forward-looking statements contained in this Report include, without limitation, statements regarding our outlook and future results of operations and financial position, our business strategy and plans for future operations, our sustainability initiatives, the impact of industry or other macroeconomic trends affecting our business, seasonality, and our expectations regarding the wind-down of our Northeast Alliance with American Airlines Group Inc. (the "NEA") and the related impact on our business, financial condition and results of operations. Forward-looking statements involve risks, uncertainties and assumptions, and are based on information currently available to us. Actual results may differ materially from those expressed in the forward-looking statements due to many factors, including, without limitation, the risk associated with the execution of our strategic operating plans in the near-term and long-term; our extremely competitive industry; risks related to the long-term nature of our fleet order book; volatility in fuel prices and availability of fuel; increased maintenance costs associated with fleet age; costs associated with salaries, wages and benefits; risks associated with a potential material reduction in the rate of interchange reimbursement fees; risks associated with doing business internationally; our reliance on high daily aircraft utilization; our dependence on the New York metropolitan market; risks associated with extended interruptions or disruptions in service at our focus cities; risks associated with airport expenses; risks associated with seasonality and weather; our reliance on a limited number of suppliers for our aircraft, engines, and our Fly-Fi® product; risks related to new or increased tariffs imposed on commercial aircraft and related parts imported from outside the United States; the outcome of legal proceedings with respect to the NEA and our wind-down of the NEA; risks associated with cybersecurity and privacy, including information security breaches; heightened regulatory requirements concerning data security compliance; risks associated with reliance on, and potential failure of, automated systems to operate our business; our inability to attract and retain qualified crewmembers; our being subject to potential unionization, work stoppages, slowdowns or increased labor costs; reputational and business risk from an accident or incident involving our aircraft; risks associated with damage to our reputation and the JetBlue brand name; our significant amount of fixed obligations and the ability to service such obligations; our substantial indebtedness and impact on our ability to meet future financing needs; financial risks associated with credit card processors; risks associated with seeking short-term additional financing liquidity; failure to realize the full value of intangible or long-lived assets, causing us to record impairments; risks associated with disease outbreaks or environmental disasters affecting travel behavior; compliance with environmental laws and regulations, which may cause us to incur substantial costs; the impacts of federal budget constraints or federally imposed furloughs; impact of global climate change and legal, regulatory or market response to such change; increasing attention to, and evolving expectations regarding, environmental, social and governance matters; changes in government regulations in our industry; acts of war or terrorism; and changes in global economic conditions or an economic downturn leading to a continuing or accelerated decrease in demand for air travel. It is routine for our internal projections and expectations to change as the year or each quarter in the year progresses, and therefore it should be clearly understood that the internal projections, beliefs, and assumptions upon which we base our expectations may change prior to the end of each quarter or year.

Given the risks and uncertainties surrounding forward-looking statements, you should not place undue reliance on these statements. You should understand that many important factors, in addition to those discussed or incorporated by reference in this Report, could cause our results to differ materially from those expressed in the forward-looking statements. Further information concerning these and other factors is contained in JetBlue's filings with the U.S. Securities and Exchange Commission (the "SEC"), including but not limited to in our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K"). In light of these risks and uncertainties, the forward-looking events discussed in this Report might not occur. Our forward-looking statements speak only as of the date of this Report. Other than as required by law, we undertake no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise.

Where You Can Find Other Information

Our website is *www.jetblue.com*. Information contained on our website is not part of this Report. Information we furnish or file with the SEC, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to or exhibits included in these reports are available for download, free of charge, on our website soon after such reports are filed with or furnished to the SEC. Our SEC filings, including exhibits filed therewith, are also available at the SEC's website at *www.sec.gov*.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2024	December 31, 2023
	(unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,312	$ 1,166
Investment securities	184	401
Receivables, less allowance (2024 - $8; 2023 - $3)	336	336
Inventories, less allowance (2024 - $39; 2023 - $35)	130	109
Prepaid expenses and other	122	148
Total current assets	2,084	2,160
PROPERTY AND EQUIPMENT		
Flight equipment	13,533	12,796
Pre-delivery deposits for flight equipment	360	393
Total flight equipment and pre-delivery deposits, gross	13,893	13,189
Less accumulated depreciation	4,065	4,021
Total flight equipment and pre-delivery deposits, net	9,828	9,168
Other property and equipment, gross	1,307	1,310
Less accumulated depreciation	839	803
Total other property and equipment, net	468	507
Total property and equipment, net	10,296	9,675
OPERATING LEASE ASSETS	571	593
OTHER ASSETS		
Investment securities	104	163
Restricted cash	134	151
Intangible assets, net of accumulated amortization (2024 - $552; 2023 - $518)	388	349
Other	416	762
Total other assets	1,042	1,425
TOTAL ASSETS	**$ 13,993**	**$ 13,853**

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2024	December 31, 2023
	(unaudited)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 660	$ 641
Air traffic liability	1,614	1,463
Accrued salaries, wages and benefits	586	591
Other accrued liabilities	577	509
Current operating lease liabilities	103	117
Current maturities of long-term debt and finance lease obligations	354	307
Total current liabilities	3,894	3,628
LONG-TERM DEBT AND FINANCE LEASE OBLIGATIONS	5,016	4,409
LONG-TERM OPERATING LEASE LIABILITIES	532	547
DEFERRED TAXES AND OTHER LIABILITIES		
Deferred income taxes	694	743
Air traffic liability - non-current	740	740
Other	420	449
Total deferred taxes and other liabilities	1,854	1,932
COMMITMENTS AND CONTINGENCIES (Note 6)		
STOCKHOLDERS' EQUITY		
Preferred stock, $0.01 par value; 25 shares authorized, none issued	—	—
Common stock, $0.01 par value; 900 shares authorized, 507 and 499 shares issued and 347 and 339 shares outstanding at June 30, 2024 and December 31, 2023, respectively	5	5
Treasury stock, at cost; 160 and 159 shares at June 30, 2024 and December 31, 2023, respectively	(2,004)	(1,999)
Additional paid-in capital	3,274	3,221
Retained earnings	1,423	2,114
Accumulated other comprehensive loss	(1)	(4)
Total stockholders' equity	2,697	3,337
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 13,993**	**$ 13,853**

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
OPERATING REVENUES				
Passenger	$ 2,265	$ 2,460	$ 4,319	$ 4,641
Other	163	150	318	296
Total operating revenues	2,428	2,610	4,637	4,937
OPERATING EXPENSES				
Aircraft fuel	626	621	1,251	1,406
Salaries, wages and benefits	784	772	1,607	1,514
Landing fees and other rents	177	163	341	323
Depreciation and amortization	163	155	322	306
Aircraft rent	25	34	52	66
Sales and marketing	87	82	164	157
Maintenance, materials and repairs	150	170	283	345
Special items	1	24	563	136
Other operating expenses	358	354	717	691
Total operating expenses	2,371	2,375	5,300	4,944
OPERATING INCOME (LOSS)	**57**	**235**	**(663)**	**(7)**
OTHER INCOME (EXPENSE)				
Interest expense	(63)	(47)	(115)	(93)
Interest income	18	18	37	30
Capitalized interest	4	5	8	10
Gain (loss) on investments, net	(2)	4	(23)	7
Other	17	1	20	3
Total other expense	(26)	(19)	(73)	(43)
INCOME (LOSS) BEFORE INCOME TAXES	**31**	**216**	**(736)**	**(50)**
Income tax benefit (expense)	(6)	(78)	45	(4)
NET INCOME (LOSS)	**$ 25**	**$ 138**	**$ (691)**	**$ (54)**
EARNINGS (LOSS) PER COMMON SHARE				
Basic	$ 0.07	$ 0.41	$ (2.02)	$ (0.16)
Diluted	$ 0.07	$ 0.41	$ (2.02)	$ (0.16)

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited, in millions)

	Three Months Ended June 30,	
	2024	**2023**
NET INCOME	**$ 25**	**$ 138**
Changes in fair value of available-for-sale securities and derivative instruments, net of reclassifications into earnings, net of taxes of $1 and $(1) in 2024 and 2023, respectively.	—	(1)
Total other comprehensive income (loss)	—	(1)
COMPREHENSIVE INCOME	**$ 25**	**$ 137**

	Six Months Ended June 30,	
	2024	**2023**
NET LOSS	**$ (691)**	**$ (54)**
Changes in fair value of available-for-sale securities and derivative instruments, net of reclassifications into earnings, net of taxes of $1 and $(2) in 2024 and 2023, respectively.	3	(6)
Total other comprehensive income (loss)	3	(6)
COMPREHENSIVE LOSS	**$ (688)**	**$ (60)**

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in millions)

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (691)	$ (54)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Deferred income taxes	(49)	4
Depreciation and amortization	322	306
Spirit special items, non-cash	450	—
Stock-based compensation	21	22
Changes in certain operating assets and liabilities	134	386
Other, net	3	(1)
Net cash provided by operating activities	190	663
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(854)	(439)
Pre-delivery deposits for flight equipment	(63)	(18)
Purchase of held-to-maturity investments	—	(37)
Proceeds from the maturities of held-to-maturity investments	36	7
Purchase of available-for-sale securities	(1)	(155)
Proceeds from the sale of available-for-sale securities	242	333
Payment for Spirit Airlines acquisition	(22)	(66)
Other, net	(6)	—
Net cash used in investing activities	(668)	(375)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	281	78
Proceeds from sale-leaseback transactions	470	228
Proceeds from issuance of common stock	31	31
Repayment of long-term debt and finance lease obligations	(166)	(200)
Acquisition of treasury stock	(5)	(3)
Other, net	(4)	—
Net cash provided by financing activities	607	134
INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	129	422
Cash, cash equivalents and restricted cash at beginning of period	1,317	1,188
Cash, cash equivalents and restricted cash at end of period [1]	$ 1,446	$ 1,610
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash payments for interest	$ (84)	$ (32)
Cash proceeds (payments) for income taxes, net	(4)	52
NON-CASH TRANSACTIONS		
Operating lease assets acquired under operating leases	$ 32	$ 14
Flight equipment acquired under finance leases	71	—

[1] Reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets.

	June 30, 2024	June 30, 2023
Cash and cash equivalents	$ 1,312	$ 1,462
Restricted cash [2]	134	148
Total cash, cash equivalents and restricted cash	$ 1,446	$ 1,610

[2] Restricted cash primarily consists of funds held in escrow for estimated workers' compensation obligations and other letters of credit.

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited, in millions)

	Common Stock Issued		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount	Shares	Amount				
Balance at March 31, 2024	**500**	**$ 5**	**160**	**$ (2,002)**	**$ 3,233**	**$ 1,398**	**$ (1)**	**$ 2,633**
Net income	—	—	—	—	—	25	—	25
Vesting of restricted stock units	1	—	—	(2)	—	—	—	(2)
Stock compensation expense	—	—	—	—	9	—	—	9
Stock issued under crewmember stock purchase plan	6	—	—	—	32	—	—	32
Balance at June 30, 2024	**507**	**$ 5**	**160**	**$ (2,004)**	**$ 3,274**	**$ 1,423**	**$ (1)**	**$ 2,697**

	Common Stock Issued		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount	Shares	Amount				
Balance at March 31, 2023	**487**	**$ 5**	**159**	**$ (1,998)**	**$ 3,139**	**$ 2,232**	**$ (5)**	**$ 3,373**
Net income	—	—	—	—	—	138	—	138
Other comprehensive loss	—	—	—	—	—	—	(1)	(1)
Vesting of restricted stock units	—	—	—	—	—	—	—	—
Stock compensation expense	—	—	—	—	12	—	—	12
Stock issued under crewmember stock purchase plan	5	—	—	—	32	—	—	32
Balance at June 30, 2023	**492**	**$ 5**	**159**	**$ (1,998)**	**$ 3,183**	**$ 2,370**	**$ (6)**	**$ 3,554**

	Common Stock Issued		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Shares	Amount				
Balance at December 31, 2023	**499**	**$ 5**	**159**	**$ (1,999)**	**$ 3,221**	**$ 2,114**	**$ (4)**	**$ 3,337**
Net loss	—	—	—	—	—	(691)	—	(691)
Other comprehensive income	—	—	—	—	—	—	3	3
Vesting of restricted stock units	2	—	1	(5)	—	—	—	(5)
Stock compensation expense	—	—	—	—	21	—	—	21
Stock issued under crewmember stock purchase plan	6	—	—	—	32	—	—	32
Balance at June 30, 2024	**507**	**$ 5**	**160**	**$ (2,004)**	**$ 3,274**	**$ 1,423**	**$ (1)**	**$ 2,697**

	Common Stock Issued		Treasury Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Shares	Amount				
Balance at December 31, 2022	**486**	**$ 5**	**159**	**$ (1,995)**	**$ 3,129**	**$ 2,424**	**$ —**	**$ 3,563**
Net loss	—	—	—	—	—	(54)	—	(54)
Other comprehensive loss	—	—	—	—	—	—	(6)	(6)
Vesting of restricted stock units	1	—	—	(3)	—	—	—	(3)
Stock compensation expense	—	—	—	—	22	—	—	22
Stock issued under crewmember stock purchase plan	5	—	—	—	32	—	—	32
Balance at June 30, 2023	**492**	**$ 5**	**159**	**$ (1,998)**	**$ 3,183**	**$ 2,370**	**$ (6)**	**$ 3,554**

See accompanying notes to condensed consolidated financial statements.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

JetBlue Airways Corporation ("JetBlue") provides air transportation services across the United States, the Caribbean, Latin America, Canada, and Europe. Our condensed consolidated financial statements include the accounts of JetBlue and our subsidiaries which are collectively referred to as "we" or the "Company." All majority-owned subsidiaries are consolidated on a line-by-line basis, with all intercompany transactions and balances being eliminated. These condensed consolidated financial statements and related notes should be read in conjunction with our 2023 audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K").

These condensed consolidated financial statements are unaudited and have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). In our opinion, they reflect all adjustments, including normal recurring items, that are necessary to present fairly the results for interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States ("GAAP") have been condensed or omitted as permitted by such rules and regulations; however, we believe that the disclosures included herein are adequate to make the information presented not misleading.

We have reclassified certain prior periods to conform to the current period presentation. Unless otherwise noted, all amounts disclosed are stated before consideration of income taxes.

Note 2 - Revenue Recognition

The Company categorizes revenue recognized from contracts with its customers by revenue source as we believe it best depicts the nature, amount, timing, and uncertainty of our revenue and cash flow. The following table provides revenue recognized by revenue source for the three and six months ended June 30, 2024 and 2023 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Passenger revenue				
Passenger travel	$ 2,085	$ 2,289	$ 3,972	$ 4,315
Loyalty revenue - air transportation	180	171	347	326
Other revenue				
Loyalty revenue	114	104	221	204
Other revenue	49	46	97	92
Total operating revenue	**$ 2,428**	**$ 2,610**	**$ 4,637**	**$ 4,937**

TrueBlue® is our customer loyalty program designed to reward and recognize our customers. TrueBlue® points earned from ticket purchases are recorded as a reduction to *Passenger travel* within passenger revenue. Amounts presented in *Loyalty revenue - air transportation* represent revenue recognized when TrueBlue® points have been redeemed and travel has occurred. *Loyalty revenue* within other revenue is primarily comprised of the non-air transportation elements from the sale of TrueBlue® points.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Contract Liabilities

Our contract liabilities primarily consist of ticket sales for which transportation has not yet been provided, unused credits available to customers, and outstanding loyalty points available for redemption (in millions):

	June 30, 2024		December 31, 2023	
Air traffic liability - passenger travel	$	1,248	$	1,099
Air traffic liability - loyalty program (air transportation)		1,072		1,072
Deferred revenue [(1)]		452		487
Total	**$**	**2,772**	**$**	**2,658**

[(1)] Deferred revenue is included within other accrued liabilities and other liabilities on our consolidated balance sheets.

We recognized passenger revenue of $1.1 billion for each of the six months ended June 30, 2024 and 2023, which was included in passenger travel liability at the beginning of the respective periods.

The Company elected the practical expedient that allows entities to not disclose the amount of the remaining transaction price and its expected timing of recognition for passenger tickets if the contract has an original expected duration of one year or less or if certain other conditions are met. We elected to apply this practical expedient to our contract liabilities relating to passenger travel and ancillary services as our tickets or any related passenger credits expire generally one year from the date of booking.

TrueBlue® points are combined into one homogeneous pool and are not separately identifiable. As such, the revenue is comprised of points that were part of the air traffic liability balance at the beginning of the period as well as points that were issued during the period.

The table below presents the activity of the current and non-current air traffic liability for our loyalty program, and includes points earned and sold to participating companies for the six months ended June 30, 2024 and 2023 (in millions):

Balance at December 31, 2023	**$**	**1,072**
TrueBlue® points redeemed passenger		(347)
TrueBlue® points redeemed other		(14)
TrueBlue® points earned and sold		361
Balance at June 30, 2024	**$**	**1,072**
Balance at December 31, 2022	**$**	**1,000**
TrueBlue® points redeemed passenger		(327)
TrueBlue® points redeemed other		(10)
TrueBlue® points earned and sold		327
Balance at June 30, 2023	**$**	**990**

The timing of our TrueBlue® point redemptions can vary; however, the majority of points are redeemed within approximately three years of the date of issuance.

Note 3 - Long-term Debt, Short-term Borrowings and Finance Lease Obligations

During the six months ended June 30, 2024, we made principal payments of $166 million on our outstanding debt and finance lease obligations.

At June 30, 2024, we had pledged aircraft, engines, other equipment, and facilities with a net book value of $6.8 billion as security under various financing arrangements.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

At June 30, 2024, scheduled maturities of our long-term debt and finance lease obligations were as follows (in millions):

Year	Total
Remainder of 2024	$ 173
2025	333
2026	1,080
2027	335
2028	436
Thereafter	3,013
Total	**$ 5,370**

The carrying amounts and estimated fair values of our long-term debt, net of debt acquisition costs, at June 30, 2024 and December 31, 2023 were as follows (in millions):

	June 30, 2024		December 31, 2023	
	Carrying Value	Estimated Fair Value [1]	Carrying Value	Estimated Fair Value [1]
Public Debt				
Fixed rate special facility bonds, due through 2036	$ 42	$ 43	$ 42	$ 43
Fixed rate enhanced equipment notes:				
2019-1 Series AA, due through 2032	463	474	476	474
2019-1 Series A, due through 2028	144	148	149	150
2019-1 Series B, due through 2027	63	78	70	86
2020-1 Series A, due through 2032	485	587	506	597
2020-1 Series B, due through 2028	108	138	117	150
Non-Public Debt				
Fixed rate equipment notes, due through 2028	267	258	322	305
Floating rate equipment notes, due through 2036 [2]	375	435	109	113
Aircraft sale-leaseback transactions, due through 2036	2,075	2,274	1,648	1,738
Unsecured CARES Act Payroll Support Program loan, due through 2030	259	194	259	184
Unsecured Consolidated Appropriations Act Payroll Support Program Extension loan, due through 2031	144	107	144	101
Unsecured American Rescue Plan Act of 2021 Payroll Support loan, due through 2031	132	98	132	93
0.50% convertible senior notes due through 2026	744	682	742	657
Total [3]	**$ 5,301**	**$ 5,516**	**$ 4,716**	**$ 4,691**

[1] The estimated fair values of our publicly held long-term debt are classified as Level 2 in the fair value hierarchy. The fair values of our non-public debt are estimated using a discounted cash flow analysis based on our borrowing rates for instruments with similar terms and therefore classified as Level 3 in the fair value hierarchy. The fair values of our other financial instruments approximate their carrying values. Refer to Note 7 for an explanation of the fair value hierarchy structure.

[2] Debt bears interest at a floating rate equal to Secured Overnight Financing Rate ("SOFR"), plus a margin.

[3] Total excludes finance lease obligations of $69 million at June 30, 2024 and an immaterial amount at December 31, 2023.

We have financed certain aircraft with Enhanced Equipment Trust Certificates ("EETCs"). One of the benefits of this structure is being able to finance several aircraft at one time, rather than individually. The structure of EETC financing is that we create pass-through trusts in order to issue pass-through certificates. The proceeds from the issuance of these certificates are then used to purchase equipment notes which are issued by us and are secured by our aircraft. These trusts meet the definition of a variable interest entity ("VIE"), as defined in Topic 810, *Consolidation* of the Financial Accounting Standards Board ("FASB") Codification, and must be considered for consolidation in our financial statements. Our assessment of our EETCs considers both quantitative and qualitative factors including the purpose for which these trusts were established and the nature of the risks in each. The main purpose of the trust structure is to enhance the creditworthiness of our debt obligation through certain bankruptcy protection provisions and liquidity facilities, and also to lower our total borrowing cost. We concluded that we are not the primary beneficiary in these trusts because our involvement in them is limited to principal and interest payments on the related notes, the trusts were not set up to pass along variability created by credit risk to us, and the likelihood of our defaulting on the notes. Therefore, we have not consolidated these trusts in our financial statements.

2024 Floating Rate Equipment Notes

In May 2024, JetBlue entered into an agreement to finance certain aircraft for an aggregate principal amount of $281 million, bearing interest at a floating rate of SOFR plus a margin. Debt incurred matures on an aircraft-by-aircraft basis from December 2027 to June 2036, with principal and interest payable quarterly in arrears.

2024 Sale-Leaseback Transactions

During the six months ended June 30, 2024, we entered into $470 million of sale-leaseback transactions. These transactions did not qualify as sales for accounting purposes. The assets associated with these transactions remain on our consolidated balance sheets within property and equipment and the related liabilities under the lease are classified within debt and finance leases obligations. These transactions are treated as cash from financing activities on our condensed consolidated statements of cash flows.

Short-term Borrowings

Citibank Line of Credit

As previously disclosed, on October 21, 2022, JetBlue entered into the $600 million Second Amended and Restated Credit and Guaranty Agreement (the "Facility"), among JetBlue, Citibank N.A., as administrative agent, and the lenders party thereto.

On July 29, 2024, the Company entered into the Second Amendment to the Second Amended and Restated Credit and Guaranty Agreement, which modifies the Facility to, among other things, (i) extend the final maturity of the Facility to October 21, 2029; provided that if the Company's convertible senior notes due 2026 are not extended, refinanced or paid off, subject to a specified minimum outstanding principal amount thereof, then the Facility expiration will be automatically shortened to December 31, 2025; (ii) adjust the margin and the minimum liquidity requirements of the Company; (iii) replace the sustainability adjustment mechanism; (iv) allow for certain additions of eligible collateral; and (v) remove provisions relating to the terminated merger agreement with Spirit Airlines, Inc.

As of and for the periods ended June 30, 2024 and December 31, 2023, we did not have a balance outstanding or any borrowings under the Facility.

Morgan Stanley Line of Credit

We have a revolving line of credit with Morgan Stanley for up to approximately $200 million. This line of credit is secured by a portion of our investment securities held by Morgan Stanley and the amount available to us under this line of credit may vary accordingly. This line of credit bears interest at a floating rate based upon LIBOR (or such replacement index as the bank shall determine from time to time in accordance with the terms of the agreement), plus a margin. As of and for the periods ended June 30, 2024 and December 31, 2023, we did not have a balance outstanding or any borrowings under this line of credit.

2022 $3.5 Billion Senior Secured Bridge Facility

JetBlue entered into a Second Amended and Restated Commitment Letter (the "Commitment Letter"), dated July 28, 2022, with Goldman Sachs Bank USA; BofA Securities, Inc.; Bank of America, N.A.; BNP Paribas; Credit Suisse AG, New York Branch; Credit Suisse Loan Funding LLC; Credit Agricole Corporate and Investment Bank; Natixis, New York Branch;

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Sumitomo Mitsui Banking Corporation; and MUFG Bank, Ltd. (collectively, the "Commitment Parties"), pursuant to which the Commitment Parties committed to provide a senior secured bridge facility in an aggregate principal amount of up to $3.5 billion to finance the acquisition of Spirit Airlines, Inc. ("Spirit") under the Agreement and Plan of Merger (the "Merger Agreement"). The Commitment Letter was terminated on March 4, 2024. Prior to its termination, we did not have a balance outstanding or any borrowings under this facility. Please refer to Note 12 for additional details on the termination of the Merger Agreement.

Note 4 - Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of shares outstanding. Diluted earnings (loss) per share is calculated similarly but includes potential dilution from restricted stock units, the crewmember stock purchase plan, convertible notes, warrants issued under various federal payroll support programs, and any other potentially dilutive instruments using the treasury stock and if-converted method. There were no anti-dilutive common stock equivalents excluded from the computation of diluted earnings per share amounts for the three months ended June 30, 2024 and June 30, 2023, respectively. Anti-dilutive common stock equivalents excluded from the computation of diluted earnings (loss) per share amounts were 3.6 million and 1.7 million for the six months ended June 30, 2024 and June 30, 2023, respectively.

The following table shows how we computed earnings (loss) per common share for the three and six months ended June 30, 2024 and 2023 (dollars and share data in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)	**$ 25**	**$ 138**	**$ (691)**	**$ (54)**
Weighted average basic shares	**345.1**	**331.9**	**342.7**	**330.0**
Effect of dilutive securities	3.8	1.7	—	—
Weighted average diluted shares	**$ 348.9**	**$ 333.6**	**$ 342.7**	**$ 330.0**
Earnings (loss) per common share				
Basic	$ 0.07	$ 0.41	$ (2.02)	$ (0.16)
Diluted	$ 0.07	$ 0.41	$ (2.02)	$ (0.16)

Note 5 - Crewmember Retirement Plan

We sponsor a retirement savings 401(k) defined contribution plan (the "Plan"), covering our U.S. and Puerto Rico crewmembers, where we match 100% of our eligible crewmember's contributions up to 5% of their eligible wages. Employer contributions vest after three years of service and are measured from a crewmember's hire date. Crewmembers are vested immediately in their voluntary contributions.

Certain Federal Aviation Administration ("FAA") licensed crewmembers received a discretionary contribution of 3% of eligible compensation, which we refer to as *Retirement Advantage.* As of January 2024, the *Retirement Advantag*e program ended and these licensed Crewmembers now receive a discretionary contribution of 8% of eligible compensation, which we refer to as *Retirement Non-elective Licensed Crewmember* contributions. System Controllers also receive a Company discretionary contribution of 5% of eligible compensation, referred to as *Retirement Non-elective Crewmember* contributions. The Company’s non-elective contributions vests after three years of service.

Our Pilots receive a non-elective Company contribution of 16% of eligible compensation per the terms of the finalized collective bargaining agreement between JetBlue and the Air Line Pilots Association ("ALPA"), in lieu of the above 401(k) Company matching contribution, *Retirement Non-elective*, and *Retirement Advantage* contributions. The Company's non-elective contribution of eligible Pilot compensation vests after three years of service.

Total 401(k) company match and non-elective crewmember contribution expense for the three months ended June 30, 2024 and 2023 was $61 million and $72 million, respectively and for the six months ended June 30, 2024 and 2023 was $127 million and $138 million, respectively.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 6 - Commitments and Contingencies

Flight Equipment Commitments

Our committed expenditures for aircraft and related flight equipment, including estimated amounts for contractual price escalations and pre-delivery deposits, are set forth in the table below (in millions):

Flight Equipment Commitments [(1)]

Year	Total
Remainder of 2024	$ 483
2025	982
2026	716
2027	192
2028	262
Thereafter	3,910
Total	**$ 6,545**

[(1)] On July 26, 2024, JetBlue and Airbus S.A.S. ("Airbus") entered into an amended delivery schedule pursuant to which we agreed to defer 44 Airbus A321neo aircraft originally scheduled for delivery from 2025 through 2029 to revised delivery dates of 2030 and beyond. The table above and the Firm Aircraft Orders table below reflect our aircraft purchase commitments after giving effect to this revised delivery schedule.

Our firm aircraft orders include the following aircraft:

Firm Aircraft Orders [(1)]

Year	Airbus A220	Airbus A321neo	Total
Remainder of 2024	12	1	13
2025	20	4	24
2026	20	—	20
2027	5	—	5
2028	7	—	7
Thereafter	4	44	48
Total [(2)]	**68**	**49**	**117**

[(1)] Refer to the Flight Equipment Commitments table above for additional information on the amended Airbus delivery schedule.

[(2)] In addition, we have options to purchase 20 A220-300 aircraft between 2027 and 2028.

Other Commitments and Contingencies

We utilize several credit card processors to process our ticket sales. Our agreements with these processors do not contain covenants, but do generally allow the processor to withhold cash reserves to protect the processor from potential liability for tickets purchased, but not yet used for travel. While we currently do not have any collateral requirements related to our credit card processors, we may be required to issue collateral to our credit card processors, or other key business partners, in the future.

As of June 30, 2024, we had $57 million in restricted cash assets serving as collateral for letters of credit relating to a certain number of our leases, which will expire at the end of the related lease terms. We also had a $65 million letter of credit relating to our 5% ownership in JFK Millennium Partner LLC, a private entity that will finance, develop, and operate John F. Kennedy International Airport ("JFK") Terminal 6. The letters of credit are included in restricted cash on the consolidated balance sheets. Additionally, we had $9 million cash pledged primarily related to other business partner agreements, which will expire according to the terms of the related agreements.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Labor Unions and Non-Unionized Crewmembers

As of June 30, 2024, 51% of our full-time equivalent crewmembers were represented by labor unions. The pilot group, which represents 22% of our full-time equivalent crewmembers, is covered by a collective bargaining agreement ("CBA"). Negotiations for an amended CBA began in May 2024. Our pilots are represented by ALPA. Our inflight crewmembers and flight instructors are represented by the Transport Workers Union of America ("TWU"); our other frontline crewmembers do not have third party representation.

ALPA

In January 2023, JetBlue pilots ratified a two-year contract extension effective March 1, 2023, which included a ratification payment and adjustments to paid-time-off accruals resulting from the pay rate increases of $95 million. This expense is included within special items.

TWU

On July 14, 2022, TWU filed a representation application with the National Mediation Board ("NMB") seeking an election among the 35 pilot instructors (called "Flight Instructors"). JetBlue disputed TWU’s application alleging that "Flight Instructors" do not constitute a craft or class. On October 26, 2023, the NMB notified the participants that it rejected JetBlue’s argument and ordered an election. The Flight Instructors voted for TWU representation. Contract negotiations for an initial CBA began in April 2024.

Non-Unionized Crewmembers

We enter into individual employment agreements with each of our non-unionized FAA-licensed crewmembers, which include dispatchers, technicians, inspectors, and air traffic controllers. Each employment agreement is for a term of five years and automatically renews for an additional five years unless either the crewmember or we elect not to renew it by giving at least 90 days' notice before the end of the relevant term. Pursuant to these agreements, these crewmembers can only be terminated for cause. In the event of a downturn in our business that would require a reduction in work hours, we are obligated to pay these crewmembers a guaranteed level of income and to continue their benefits if they do not obtain other aviation employment.

Legal Matters

Occasionally, we are involved in various claims, lawsuits, regulatory examinations, investigations, and other legal matters involving suppliers, crewmembers, customers, and governmental agencies, arising, for the most part, in the ordinary course of business. The outcome of litigation and other legal matters is always uncertain. The Company believes it has valid defenses to the legal matters currently pending against it, is defending itself vigorously, and has recorded accruals determined in accordance with GAAP, where appropriate. In making a determination regarding accruals, using available information, we evaluate the likelihood of an unfavorable outcome in legal or regulatory proceedings to which we are a party and record a loss contingency when it is probable a liability has been incurred and the amount of the loss can be reasonably estimated. These subjective determinations are based on the status of such legal or regulatory proceedings, the merits of our defenses, and consultation with legal counsel. Actual outcomes of these legal and regulatory proceedings may materially differ from our current estimates. It is possible that resolution of one or more of the legal matters currently pending or threatened could result in losses material to our condensed consolidated results of operations, liquidity, or financial condition.

To date, none of these types of litigation matters, most of which are typically covered by insurance, has had a material impact on our operations or financial condition. We have insured and continue to insure against most of these types of claims. A judgment on any claim not covered by, or in excess of, our insurance coverage could materially adversely affect our condensed consolidated results of operations, liquidity, or financial condition.

As previously disclosed, in July 2020, JetBlue and American Airlines Group Inc. ("American") entered into the Northeast Alliance (the "NEA"), which was designed to optimize our respective networks at JFK Airport, LaGuardia Airport, Newark Liberty International Airport, and Boston Logan International Airport. On September 21, 2021, the United States Department of Justice, along with the Attorneys General of six states and the District of Columbia filed suit against JetBlue and American seeking to enjoin the NEA, alleging that it violated Section 1 of the Sherman Act. The court issued a decision on May 19, 2023, permanently enjoining the NEA, and shortly thereafter we initiated a wind down of the NEA. On July 28, 2023, the court issued its Final Judgement and Order Entering Permanent Injunction, which took effect on August 18, 2023 (the "Final Injunction"). The wind down of the NEA is substantially complete, but remaining impacts could require us to incur additional costs and therefore have an impact on our financial condition and results of operations.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

In December 2022 and February 2023, four putative class actions lawsuits were filed in the United States District Court for the Eastern District of New York and the United States District Court for the District of Massachusetts, respectively, alleging that the NEA violates Sections 1 and 2 of the Sherman Act. Among other things, plaintiffs seek monetary damages on behalf of a putative class of direct purchasers of airline tickets from JetBlue and American and, depending on the specific case, other airlines on flights to or from NEA airports from July 16, 2020 through the present. Plaintiffs in these actions also seek to enjoin the NEA. JetBlue believes these lawsuits are without merit and has moved to dismiss the claims.

For information on legal proceedings related to our previously planned acquisition of Spirit, see Note 12.

Note 7 - Fair Value

Under Topic 820, *Fair Value Measurement* of the FASB Accounting Standards Codification, (the "Codification"), disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

Level 1 - observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - quoted prices in active markets for similar assets and liabilities, and other inputs that are observable directly or indirectly for the asset or liability; or

Level 3 - unobservable inputs for the asset or liability, such as discounted cash flow models or valuations.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a listing of our assets required to be measured at fair value on a recurring basis and where they are classified within the fair value hierarchy as of June 30, 2024 and December 31, 2023 (in millions):

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	$ 995	$ —	$ —	$ 995
Available-for-sale investment securities	—	74	16	90
Aircraft fuel derivatives	—	3	—	3

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	$ 724	$ —	$ —	$ 724
Available-for-sale investment securities	—	314	16	330
Aircraft fuel derivatives	—	4	—	4

Refer to Note 3 for fair value information related to our outstanding debt obligations as of June 30, 2024 and December 31, 2023.

Cash Equivalents

Our cash equivalents include money market securities and time deposits which are readily convertible into cash, have maturities of three months or less when purchased, and are considered to be highly liquid and easily tradable. The money market securities are valued using inputs observable in active markets for identical securities and are therefore classified as Level 1 within our fair value hierarchy and recorded within cash and cash equivalents on our consolidated balance sheets.

Available-for-Sale Investment Securities

Our available-for-sale investment securities include investments such as time deposits, commercial paper, and convertible debt securities. The fair value of time deposits and commercial paper is based on observable inputs in non-active markets, which are therefore classified as Level 2 in the hierarchy. The fair value of convertible debt securities is based on unobservable inputs and is classified as Level 3 in the hierarchy.

Aircraft Fuel Derivatives

Our aircraft fuel derivatives include call spread options which are not traded on public exchanges. Their fair values are determined using a market approach based on inputs that are readily available from public markets for commodities and energy trading activities; therefore, they are classified as Level 2 inputs. The data inputs are combined into qualitative models and processes to generate forward curves and volatility related to the specific terms of the underlying hedge contracts. Aircraft fuel derivatives are included in prepaid expenses and other within current assets of our consolidated balance sheets.

Held-to-Maturity Investment Securities

Our held-to-maturity investment securities consist of corporate bonds, which are stated at amortized cost. If the corporate bonds were measured at fair value, they would be classified as Level 2 in the fair value hierarchy, based on quoted prices in active markets for similar securities.

We do not intend to sell these investment securities. The carrying value and estimated fair value of our held-to-maturity investment securities were as follows (in millions):

	June 30, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Held-to-maturity investment securities	$ 198	$ 195	$ 234	$ 231

Note 8 - Investments

Investments in Debt Securities

Investments in debt securities consist of available-for-sale and held-to-maturity investment securities. The carrying amount is recorded within investment securities in the current assets section of our consolidated balance sheets if the remaining maturity is less than twelve months. Maturities greater than twelve months are recorded within investment securities in the other assets section of our consolidated balance sheets. The aggregate carrying values of our short-term and long-term debt investment securities consisted of the following at June 30, 2024 and December 31, 2023 (in millions):

	June 30, 2024	December 31, 2023
Available-for-sale investment securities		
Time deposits	$ 55	$ 290
Commercial paper	19	24
Debt securities	16	16
Total available-for-sale investment securities	90	330
Held-to-maturity investment securities		
Corporate bonds	198	234
Total held-to-maturity investment securities	198	234
Total investments in debt securities	**$ 288**	**$ 564**

When sold, we use a specific identification method to determine the cost of the securities. Refer to Note 7 for an explanation of the fair value hierarchy structure.

We did not record any material gains or losses on available-for-sale or held-to-maturity investment securities during the three or six months ended June 30, 2024 and 2023.

Equity Investments

The aggregate carrying values of our equity investments are recorded in other assets on the consolidated balance sheets and consist of the following at June 30, 2024 and December 31, 2023 (in millions):

	June 30, 2024	December 31, 2023
Equity method investments [1]	$ 64	$ 43
JetBlue Ventures equity investments [2]	80	96
TWA Flight Center [3]	13	14
Total equity investments [4]	**$ 157**	**$ 153**

[1] We have the ability to exercise significant influence over these investments and therefore they are accounted for using the equity method in accordance with Topic 323, *Investments - Equity Method and Joint Ventures* of the FASB Codification. Our share of our equity method investees' financial results is included in other income on our consolidated statement of operations.

[2] Our wholly owned subsidiary JetBlue Technology Ventures LLC ("JBV") has equity investments are in emerging companies which do not have readily determinable fair values. In accordance with Topic 321, *Investments - Equity Securities* of the FASB Codification, we account for these investments using a measurement alternative which allows entities to measure these investments at cost, less any impairment, adjusted for changes from observable price changes in orderly transactions for identifiable or similar investments of the same issuer. Refer to the table below for investment gain (loss) activity during the three or six months ended June 30, 2024 and 2023.

[3] We have an approximate 10% ownership interest in the TWA Flight Center Hotel at JFK, which is accounted for under the measurement alternative described above. We did not record any material gains or losses on our TWA Flight Center Hotel during the three or six months ended June 30, 2024 and 2023.

[4] As of June 30, 2024 and December 31, 2023, we had an immaterial amount of equity securities recorded within investment securities in the current asset section of our consolidated balance sheets. Our equity securities include investments in common stocks of publicly traded companies which are stated at fair value. Refer to the table below for investment gain (loss) activity during the three or six months ended June 30, 2024 and 2023 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
JBV Equity Investments				
Realized loss recognized in gain (loss) on investments, net	$ (2)	$ —	$ (2)	$ —
Unrealized loss recognized in gain (loss) on investments, net [1]	—	—	(21)	—
Equity Securities				
Realized gain recognized in gain (loss) on investments, net		4		4
Unrealized gain recognized in gain (loss) on investments, net	—	—	—	2

[1] The net unrealized loss primarily relates to a mark-to-market adjustment on our preferred shares of one of our JBV equity investments.

Note 9 - Financial Derivative Instruments and Risk Management

As part of our risk management techniques, we periodically purchase over the counter energy derivative instruments to manage our exposure to the effect of changes in the price of aircraft fuel. Prices for the underlying commodities have historically been highly correlated to aircraft fuel, making derivatives of them effective at providing short-term protection against sharp increases in average fuel prices. We do not hold or issue any derivative financial instruments for trading purposes.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Aircraft Fuel Derivatives

We attempt to obtain cash flow hedge accounting treatment for each fuel derivative that we enter into. This treatment is provided for under the *Derivatives and Hedging* topic of the FASB Codification which allows for gains and losses on the effective portion of qualifying hedges to be deferred until the underlying planned aircraft fuel consumption occurs, rather than recognizing the gains and losses on these instruments into earnings during each period they are outstanding.

For the effective portion of hedges, when aircraft fuel is consumed and the related derivative contract settles, any gain or loss previously recorded in other comprehensive income (loss) is recognized in aircraft fuel expense. All cash flows related to our fuel hedging derivatives are classified as operating cash flows.

Ineffectiveness occurs, in certain circumstances, when the change in the total fair value of the derivative instrument differs from the change in value of our expected future cash outlays for the purchase of aircraft fuel. If a hedge does not qualify for hedge accounting, the periodic changes in its fair value are recognized in other income (expense).

Our current approach to fuel hedging is to enter into hedges on a discretionary basis. We view our hedge portfolio as a form of insurance to help mitigate the impact of price volatility and protect us against severe spikes in oil prices, when possible.

The following table illustrates the approximate hedged percentages of our projected fuel usage by quarter as of June 30, 2024 related to our outstanding fuel hedging contracts that were designated as cash flow hedges for accounting purposes.

	Aircraft fuel call option spread agreements
Third quarter 2024	20 %
Fourth quarter 2024	5 %

The table below reflects quantitative information related to our derivative instruments and where these amounts are recorded in our financial statements (dollar amounts in millions):

	June 30, 2024	December 31, 2023
Fuel derivatives		
Asset fair value recorded in prepaid expenses and other current assets [1]	$ 3	$ 4
Longest remaining term (months)	3	3
Hedged volume (barrels, in thousands)	1,272	2,706
Estimated amount of existing gains (losses) expected to be reclassified into earnings in the next 12 months	$ 2	$ (3)

[1] Gross asset or liability of each contract prior to consideration of offsetting positions with each counterparty and prior to impact of collateral paid.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Fuel derivatives				
Hedge effectiveness gains (losses) recognized in aircraft fuel expense	$ (3)	$ (4)	$ (5)	$ (3)
Hedge gains (losses) on derivatives recognized in comprehensive income	$ (2)	$ (6)	$ (1)	$ (11)
Percentage of actual consumption economically hedged	27 %	30 %	28 %	20 %

Any outstanding derivative instrument exposes us to credit loss in connection with our fuel contracts in the event of nonperformance by the counterparties to our agreements; however, we do not expect that any of our counterparties will fail to

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

meet their obligations. The amount of such credit exposure is generally the fair value of our outstanding contracts for which we are in a receivable position. To manage credit risks we select counterparties based on credit assessments, limit our overall exposure to any single counterparty, and monitor the market position with each counterparty. Some of our agreements require cash deposits from either JetBlue or our counterparty if market risk exposure exceeds a specified threshold amount.

We have master netting arrangements with our counterparties allowing us the right of offset to mitigate credit risk in derivative transactions. The financial derivative instrument agreements we have with our counterparties may require us to fund all, or a portion of, outstanding loss positions related to these contracts prior to their scheduled maturities. The amount of collateral posted, if any, is periodically adjusted based on the fair value of the hedge contracts. Our policy is to offset the liabilities represented by these contracts with any cash collateral paid to the counterparties.

There were no offsetting derivative instruments as of June 30, 2024 and December 31, 2023.

Note 10 - Accumulated Other Comprehensive Income (Loss)

Comprehensive income (loss) includes changes in fair value of our aircraft fuel derivatives which qualify for hedge accounting and unrealized gain (loss) on available-for-sale securities. A rollforward of the amounts included in accumulated other comprehensive income (loss), net of taxes for the three months ended June 30, 2024 and 2023 is as follows (in millions):

	Aircraft fuel derivatives [1]	Available-for-sale securities	Total
Balance of accumulated loss, at March 31, 2024	**$ —**	**$ (1)**	**$ (1)**
Reclassifications into earnings, net of taxes of $1	2	—	2
Change in fair value, net of taxes of $0	(2)		(2)
Balance of accumulated loss, at June 30, 2024	**$ —**	**$ (1)**	**$ (1)**
Balance of accumulated loss, at March 31, 2023	**$ (4)**	**$ (1)**	**$ (5)**
Reclassifications into earnings, net of taxes of $1	3	—	3
Change in fair value, net of taxes of $(2)	(4)	—	(4)
Balance of accumulated loss, at June 30, 2023	**$ (5)**	**$ (1)**	**$ (6)**

[1] Reclassified to aircraft fuel expense.

A rollforward of the amounts included in accumulated other comprehensive income (loss), net of taxes for the six months ended June 30, 2024 and 2023 is as follows (in millions):

	Aircraft fuel derivatives [1]	Available-for-sale securities	Total
Balance of accumulated loss, at December 31, 2023	**$ (3)**	**$ (1)**	**$ (4)**
Reclassifications into earnings, net of taxes of $1	4	—	4
Change in fair value, net of taxes of $0	(1)		(1)
Balance of accumulated income (loss), at June 30, 2024	**$ —**	**$ (1)**	**$ (1)**
Balance of accumulated income (loss), at December 31, 2022	**$ 1**	**$ (1)**	**$ —**
Reclassifications into earnings, net of taxes of $1	2	—	2
Change in fair value, net of taxes of $(3)	(8)	—	(8)
Balance of accumulated loss, at June 30, 2023	**$ (5)**	**$ (1)**	**$ (6)**

[1] Reclassified to aircraft fuel expense.

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 11 - Special Items

The following is a listing of special items presented on our consolidated statements of operations for the three and six months ended June 30, 2024 and 2023 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Special items				
Voluntary opt-out costs [1]	$ 1	$ —	$ 16	$ —
Spirit-related costs [2]	—	24	532	41
Embraer E190 fleet transition costs [3]	—	—	15	—
Union contract costs [4]	—	—	—	95
Total special items	**$ 1**	**$ 24**	**$ 563**	**$ 136**

[1] Voluntary opt-out costs relate to severance and benefit costs associated with the Company's opt-out program for eligible crewmembers in the airports, customer support, JetBlue Travel Products and support center workgroups.

[2] As a result of the termination of the Merger Agreement in March 2024, we wrote off the Spirit prepayment and breakup fee discussed in Note 12. These costs include Spirit-related consulting, professional, and legal fees. Spirit costs in 2023 primarily relate to consulting, professional and legal fees.

[3] Embraer E190 fleet transition costs relate to the early termination of a flight-hour engine services agreement.

[4] Union contract costs primarily relate to pilot ratification payments and adjustments to paid-time-off accruals resulting from pay rate increases. See Note 6 for further discussion.

Note 12 - Termination of Merger Agreement with Spirit

The Merger Agreement

As previously disclosed, on July 28, 2022, JetBlue entered into the Merger Agreement with Spirit and Sundown Acquisition Corp., formerly a Delaware corporation and a direct wholly owned subsidiary of JetBlue ("Merger Sub"), pursuant to which and subject to the terms and conditions therein, Merger Sub would merge with and into Spirit, with Spirit continuing as the surviving corporation (the "Merger").

On March 1, 2024, JetBlue, Spirit and Merger Sub entered into a Termination Agreement (the "Termination Agreement"), pursuant to which the parties agreed to terminate the Merger Agreement, effective immediately, subject to limited exceptions related to JetBlue’s previously agreed indemnification obligations. Pursuant to the Termination Agreement, JetBlue agreed to pay the $69 million breakup fee on March 5, 2024, which was recorded in special items on the consolidated statement of operations. The parties also agreed to release each other from claims, demands, damages, actions, causes of action and liability relating to or arising out of the Merger Agreement and the transactions contemplated therein or thereby.

In accordance with the terms of the Merger Agreement, on a monthly basis between January 2023 and February 2024, JetBlue paid to the holders of record of outstanding Spirit shares an amount in cash equal to $0.10 per Spirit share (such amount, the "Additional Prepayment Amount", and each such monthly payment, an "Additional Prepayment"). In 2024, JetBlue made an aggregate of $22 million in Additional Prepayments to Spirit shareholders resulting in a total prepayment of $425 million. These Additional Prepayments were written off in March 2024, in addition to the $25 million reimbursement payment to Spirit in connection with the Frontier transaction costs as a result of the termination of the Merger Agreement. The write off is recorded in special items on the consolidated statement of operations.

In March 2024, the Company recorded a valuation allowance of $134 million related to the tax impact of the Spirit transaction costs.

Refer to Note 3 for further detail of the $3.5 billion Senior Secured Bridge Facility commitment to fund the purchase of

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Spirit, which was terminated concurrently with the termination of the Merger Agreement.

Legal Proceedings Related to the Merger

As previously disclosed, in March 2023, the U.S. Department of Justice, along with the Attorneys General of six states and the District of Columbia, filed suit in the U.S. District Court for the District of Massachusetts against JetBlue and Spirit, seeking a permanent injunction preventing the Merger (the "Government Merger Lawsuit"). The trial commenced on October 31, 2023 and on January 17, 2024, the Court issued its Final Judgment and Order granting the plaintiffs' request for a permanent injunction of the Merger. On January 19, 2024, JetBlue and Spirit filed a Notice of Appeal with respect to the January 17, 2024 Final Judgment and Order and the Court's corresponding January 16, 2024 Findings of Facts and Conclusion of Law, which the parties then moved to dismiss following their entrance into the Termination Agreement. On March 5, 2024, the Court approved JetBlue and Spirit's voluntary dismissal of the appeal.

As also previously disclosed, on November 3, 2022, 25 individual consumers filed suit in the U.S. District Court for the Northern District of California against JetBlue and Spirit seeking to enjoin the Merger, alleging that it violates Section 7 of the Clayton Act (the "Private Merger Lawsuit"). On March 29, 2023, the Private Merger Lawsuit was transferred to the U.S. District Court for the District of Massachusetts. The trial in the Private Merger Lawsuit was stayed pending resolution of the Government Merger Lawsuit. Following the execution of the Termination Agreement, JetBlue and Spirit moved to dismiss all proceedings related to the Private Merger Lawsuit in the U.S. District Court for the District of Massachusetts and The United States Court of Appeals for the First Circuit. The motions were granted by the United States Court of Appeals for the First Circuit and the U.S. District Court for the District of Massachusetts on April 29, 2024 and June 18, 2024, respectively.

PART I. FINANCIAL INFORMATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Part I, Item 2 of this Report should be read together with our condensed consolidated financial statements and related notes included elsewhere in this Report and our audited consolidated financial statements and related notes included in our 2023 Form 10-K. This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in Part I, Item 1A "Risk Factors" of our 2023 Form 10-K and in Part II, Item 1A "Risk Factors" and other parts of this Report.

OVERVIEW

Second Quarter 2024 Results

In the second quarter of 2024, we generated $25 million in net income. Despite summer challenges from weather and air traffic controller shortages, improvements in our operational metrics drove positive results. In addition, we saw revenue strength in our premium product offerings, with Even More Space seat unit revenue higher than the 2023 period, as well as continued progress on our revenue initiatives. Fuel prices moderated over the quarter and we continued to make progress on our cost savings programs, allowing us to maintain low costs for the quarter.

Our second quarter 2024 highlights include the following:

- Second quarter 2024 system capacity decreased by 2.7% compared to the second quarter of 2023.
- Systemwide on-time performance for the second quarter 2024 was 74.8% compared to 67.4% for the same period in 2023.
- Completion factor increased to 98.8% in the second quarter of 2024 from 97.8% in the same period in 2023.
- Operating Revenue for the second quarter of 2024 decreased by $182 million year-over-year to $2.4 billion, a 6.9% decrease compared to the second quarter of 2023.
- Operating expense for the second quarter of 2024 was $2.4 billion, a 0.1% decrease year-over-year.
- Operating expense, excluding special items, for the second quarter of 2024 increased 0.9%[(1)] year-over-year.
- Operating expense per available seat mile ("CASM") for the second quarter of 2024 increased by 2.6% year-over-year to 14.04 cents compared to the second quarter of 2023.
- Our operating expense for the second quarter of 2024 and 2023 included the effects of special items. Excluding aircraft fuel, special items, and operating expenses related to our non-airline businesses, our operating expense [(1)] was $1.7 billion, an increase of 1.0% year-over-year.
- Excluding fuel, special items, and operating expenses related to our non-airline businesses, our cost per available seat mile ("CASM ex-fuel") [(1)] increased by 3.7% to 10.24 cents in the second quarter of 2024 compared to the second quarter of 2023.
- For the second quarter of 2024 and 2023, our reported earnings per share was $0.07 and $0.41, respectively. Excluding special items, our adjusted earnings per share [(1)] for the second quarter of 2024 and 2023 was $0.08 and $0.45, respectively.

Recent Developments

JetBlue announced JetForward, our strategic framework focused on four priority moves: delivering reliable and caring service, building the best east coast leisure network, offering products and perks customers value, and providing a secure financial future.

The sections below highlight some of the changes made to support these priority moves.

[(1)] Refer to "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

Network

We are committed to refocusing our network in 2024 to high-performing leisure, visiting-friends-and-relatives and transcontinental routes in core geographies like New York, New England, Florida, and Puerto Rico.

In the first half of 2024, we announced a number of network changes, which included 15 station closures and over 50 market closures and redeploys. Highlights are included below.

Reinvesting in the Northeast & Florida

We announced new or increased service to a number of Northeast and Florida routes in the second quarter of 2024, such as new service to Presque Isle, Maine and Manchester, New Hampshire to Florida. We also announced increased service from Providence, Rhode Island to Fort Meyers, Florida; Tampa, Florida; and San Juan, Puerto Rico. We also announced additional New York routes from Buffalo, Albany, and Syracuse to Florida.

Puerto Rico Growth and New Caribbean Cities

We announced plans to open a pilot and flight attendant crewbase in San Juan, Puerto Rico. We also announced the expansion of service into six new cities from San Juan, Puerto Rico: Providence, Rhode Island; Westchester County, New York; Santiago, Dominican Republic; Medellín, Colombia; Cancún, Mexico; and St. Croix, U.S. Virgin Islands.

We announced the launch of two new BlueCities - Bonaire and also St. Vincent and the Grenadines starting in Fall 2024. We also announced the return to St. Croix, U.S. Virgin Islands.

Customer Experience and Products

We continue to make enhancements to our customer experience through increased value of our product offerings. During the quarter, we announced a handful of new products and partnerships such as a new partnership with Viator for our vacations packages, a loyalty partnership with Etihad Airways, and product enhancements to our inflight entertainment experience.

In the second quarter, we also announced that the Blue Basic fare will now include free carry-on bag for customers traveling beginning September 6, 2024, regardless of purchase date. Previously, a free carry-on bag was only available to customers who purchased one of our other fare options or purchased an Even-More space seat.

Airbus Deferral

On July 26, 2024, JetBlue and Airbus S.A.S. ("Airbus") entered into an amended delivery schedule pursuant to which we agreed to defer 44 Airbus A321neo aircraft originally scheduled for delivery from 2025 through 2029 to revised delivery dates of 2030 and beyond.

The Company is pursuing capital-light growth through extending the lives of approximately 30 A320 aircraft.

Pratt & Whitney

In July 2023, Pratt & Whitney, a division of Raytheon Technologies, announced the requirement, mandated by the Federal Aviation Administration ("FAA"), for removal of certain engines for inspection due to a rare condition in powdered metal used to manufacture certain engine parts on the PW1100G and PW1500G engine types. These engines power our Airbus A220 and Airbus A321neo fleets. The rare condition powdered metal affects engines manufactured between October 2015 and September 2021. Engines are now required to be inspected after they have reached a reduced number of cycles dependent on the fleet type. As a result of these required inspections and other engine reliability deficiencies, as of June 30, 2024, we had 10 aircraft grounded due to lack of engine availability. The Company currently expects each removed engine to take up to 360 days to complete a shop visit and return to a serviceable condition. The Company has had an average of 11 aircraft grounded through June 30, 2024 and we expect this to remain consistent for the balance of the year. We currently expect aircraft out of service in 2025 to be in the mid-to-high teens.

Given that we expect to have a certain number of aircraft groundings into 2024 and beyond, we will continue to assess the resulting impact on our future capacity plans. We are currently working with Pratt & Whitney on compensation arrangements.

While we are working with Pratt & Whitney to secure compensation for 2024, the full impact of the removal and any potential remediation steps remains uncertain. The effect of aircraft groundings due to lack of engine availability, including but not limited to a reduction in capacity, could adversely impact our operations and financial results.

[1] Refer to "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

RESULTS OF OPERATIONS

Three Months Ended June 30, 2024 vs. 2023

Overview

We reported net income of $25 million, operating income of $57 million and an operating margin of 2.3% for the three months ended June 30, 2024. This compares to net income of $138 million, an operating income of $235 million and an operating margin of 9.0% for the three months ended June 30, 2023. Our earnings per share was $0.07 for the second quarter of 2024 compared to a earnings per share of $0.41 for the same period in 2023. Net income decreased $113 million year-over-year primarily due to lower revenue driven by lower capacity.

Our reported results for the three months ended June 30, 2024 included the effects of special items. Adjusting for these one-time items, our adjusted net income [(1)] was $26 million, adjusted operating income [(1)] was $58 million, adjusted operating margin [(1)] was 2.4%, and adjusted earnings per share [(1)] was $0.08 for the three months ended June 30, 2024.

Our reported results for the three months ended June 30, 2023 included the effects of special items. Adjusting for these one-time items, our adjusted net income [(1)] was $152 million, adjusted operating income [(1)] was $259 million, adjusted operating margin [(1)] was 9.9%, and adjusted earnings per share [(1)] was $0.45 for the three months ended June 30, 2023.

On-time performance, as defined by the DOT, is arrival within 14 minutes of scheduled arrival time. In the second quarter of 2024, our systemwide on-time performance was 74.8% compared to 67.4% for the same period in 2023. Our completion factor increased to 98.8% in the second quarter of 2024 from 97.8% in the same period in 2023.

Operating Revenues

(Revenues in millions; percent changes based on unrounded numbers)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Year-over-Year Change $	Year-over-Year Change %
Passenger revenue	$ 2,265	$ 2,460	$ (195)	(7.9) %
Other revenue	163	150	13	9.1 %
Total operating revenues	**$ 2,428**	**$ 2,610**	**$ (182)**	**(6.9)%**
Average fare	$ 218.27	$ 219.47	$ (1.20)	(0.5) %
Yield per passenger mile (cents)	15.96	16.62	(0.66)	(4.0)
Passenger revenue per ASM (cents)	13.41	14.17	(0.76)	(5.4)
Operating revenue per ASM (cents)	14.38	15.04	(0.66)	(4.4)
Average stage length (miles)	1,293	1,218	75	6.2
Revenue passengers (thousands)	10,375	11,207	(832)	(7.4)
Revenue passenger miles (millions)	14,192	14,798	(606)	(4.1)
Available seat miles (ASMs) (millions)	16,887	17,353	(466)	(2.7)
Load factor	84.0 %	85.3 %		(1.3) pts.

Passenger revenue is our primary source of revenue, which includes seat revenue and baggage fees, as well as revenue from our ancillary product offerings such as Even More® Space. The decrease in passenger revenue of $195 million, or 7.9%, for the three months ended June 30, 2024, compared to the same period in 2023, was due to both a 7.4% decrease in revenue passengers and a 4.0% decrease in yield per passenger mile.

Other revenue is primarily comprised of the marketing component of the sales of our TrueBlue® points. It also includes revenue from the sale of vacation packages, airport concessions and advertising revenue. The year-over-year increase in other revenue of $13 million, or 9.1%, was principally driven by an increase in TrueBlue® marketing revenue due to higher customer spend as well as an increase in vacation bookings.

[(1)] Refer to "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

Operating Expenses

In detail, our operating costs per ASM, were as follows:

(in millions; per ASM data in cents; percent changes based on unrounded numbers)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Year-over-Year Change $	Year-over-Year Change %	Cents per ASM 2024	Cents per ASM 2023	Cents per ASM % Change
Aircraft fuel	$ 626	$ 621	$ 5	0.7 %	3.71	3.58	3.5 %
Salaries, wages and benefits	784	772	12	1.6	4.64	4.44	4.4
Landing fees and other rents	177	163	14	8.6	1.05	0.94	11.6
Depreciation and amortization	163	155	8	5.3	0.97	0.89	8.2
Aircraft rent	25	34	(9)	(25.2)	0.15	0.20	(23.1)
Sales and marketing	87	82	5	6.6	0.51	0.47	9.6
Maintenance, materials and repairs	150	170	(20)	(11.5)	0.89	0.98	(9.1)
Special items	1	24	(23)	(97.3)	—	0.14	NM [2]
Other operating expenses	358	354	4	1.2	2.12	2.04	4.0
Total operating expenses	**$ 2,371**	**$ 2,375**	**$ (4)**	**(0.1)%**	**14.04**	**13.68**	**2.6 %**
Total operating expenses excluding special items [1]	**$ 2,370**	**$ 2,351**	**$ 19**	**0.9 %**	**14.04**	**13.54**	**3.7 %**

[2] Not meaningful or greater than 100% change.

Landing Fees and Other Rents

Landing fees and other rents increased by $14 million, or 8.6%, for the three months ended June 30, 2024 compared to the same period in 2023, primarily due to rate increases in certain blue cities and a decrease in airport rent credits received.

Depreciation and Amortization

Depreciation and amortization increased by $8 million, or 5.3%, for the three months ended June 30, 2024 compared to the same period in 2023. This increase was primarily driven by the induction of new aircraft.

Aircraft Rent

Aircraft rent decreased $9 million, or 25.2%, in the three months ended June 30, 2024 compared to the same period in 2023, as a result of fewer leases for the Airbus A320 aircraft and Embraer E190 aircraft. The Company purchased certain A320 aircraft off lease and certain Embraer E190 aircraft leases reached their lease expiration and were subject to return to the lessor as part of the Company's fleet transition plan.

Maintenance, Materials and Repairs

Maintenance, materials and repairs decreased $20 million, or 11.5%, for the three months ended June 30, 2024 compared to the same period in 2023 primarily due to the termination of the Embraer E190 flight-hour engine services agreement and timing of the A320 engine repair expense.

Special Items

For the three months ended June 30, 2024, special items included $1 million relating to voluntary opt-out costs.

For the three months ended June 30, 2023, special items included $24 million relating to Spirit-related costs.

[1] Refer to "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

RESULTS OF OPERATIONS

Six Months Ended June 30, 2024 vs. 2023

Overview

We reported a net loss of $691 million, an operating loss of $663 million and an operating margin of (14.3)% for the six months ended June 30, 2024. This compares to a net loss of $54 million, an operating loss of $7 million and an operating margin of (0.1)% for the six months ended June 30, 2023. Loss per share was $2.02 for the six months ended June 30, 2024 compared to a loss per share of $0.16 for the same period in 2023.

Our reported results for the six months ended June 30, 2024 included the effects of special items and certain gains and losses on investments. Adjusted for these items, our adjusted net loss [(1)] was $119 million, adjusted operating loss [(1)] was $100 million, adjusted operating margin [(1)] was (2.2)%, and adjusted loss per share [(1)] was $0.35 for the six months ended June 30, 2024.

Our reported results for the six months ended June 30, 2023 included the effects of special items and certain gains and losses on investments. Adjusting for these items, our adjusted net income [(1)] was $29 million, adjusted operating income[(1)] was $129 million, adjusted operating margin [(1)] was 2.6%, and adjusted earnings per share [(1)] was $0.10 for the six months ended June 30, 2023.

Operating Revenues

	Six Months Ended June 30,		Year-over-Year Change	
(Revenues in millions; percent changes based on unrounded numbers)	**2024**	**2023**	**$**	**%**
Passenger revenue	$ 4,319	$ 4,641	$ (322)	(6.9) %
Other revenue	318	296	22	7.3
Total operating revenues	**$ 4,637**	**$ 4,937**	**$ (300)**	**(6.1)%**
Average fare	$ 216.41	$ 216.90	$ (0.49)	(0.2) %
Yield per passenger mile (cents)	15.88	16.47	(0.59)	(3.6)
Passenger revenue per ASM (cents)	13.01	13.60	(0.59)	(4.3)
Operating revenue per ASM (cents)	13.97	14.47	(0.50)	(3.5)
Average stage length (miles)	1,286	1,208	78	6.5
Revenue passengers (thousands)	19,960	21,398	(1,438)	(6.7)
Revenue passenger miles (millions)	27,194	28,173	(979)	(3.5)
Available seat miles (ASMs) (millions)	33,200	34,122	(922)	(2.7)
Load factor	81.9 %	82.6 %		(0.7) pts.

Passenger revenue is our primary source of revenue, which includes seat revenue and baggage fees, as well as revenue from our ancillary product offerings such as Even More® Space. The decrease in passenger revenue of $322 million, or 6.9%, for the six months ended June 30, 2024 was due to both a 6.7% decrease in revenue passengers and a 3.6% decrease in yield per passenger mile compared to the same period in 2023.

Other revenue is primarily comprised of the marketing component of the sales of our TrueBlue® points. It also includes revenue from the sale of vacation packages, airport concessions and advertising revenue. The year-over-year increase in other revenue of $22 million, or 7.3%, was principally driven by an increase in TrueBlue® marketing revenue due to higher customer spend as well as an increase in our vacation bookings.

[(1)] Refer to "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

Operating Expenses

In detail, our operating costs per ASM, were as follows:

	Six Months Ended June 30,		Year-over-Year Change		Cents per ASM		
(in millions; per ASM data in cents; percent changes based on unrounded numbers)	2024	2023	$	%	2024	2023	% Change
Aircraft fuel	$ 1,251	$ 1,406	$ (155)	(11.0) %	3.77	4.12	(8.6) %
Salaries, wages and benefits	1,607	1,514	93	6.2	4.84	4.43	9.1
Landing fees and other rents	341	323	18	5.8	1.03	0.95	8.8
Depreciation and amortization	322	306	16	5.0	0.97	0.90	7.9
Aircraft rent	52	66	(14)	(20.8)	0.16	0.19	(18.6)
Sales and marketing	164	157	7	4.3	0.49	0.46	7.2
Maintenance, materials and repairs	283	345	(62)	(18.0)	0.85	1.01	(15.7)
Special items	563	136	427	NM [2]	1.69	0.40	NM
Other operating expenses	717	691	26	3.7	2.16	2.03	6.6
Total operating expenses	**$ 5,300**	**$ 4,944**	**$ 356**	**7.2 %**	**15.96**	**14.49**	**10.2 %**
Total operating expenses excluding special items [1]	**$ 4,737**	**$ 4,808**	**$ (71)**	**(1.5)%**	**14.27**	**14.09**	**1.3 %**

[2] Not meaningful or greater than 100% change.

Aircraft Fuel

Aircraft fuel decreased by $155 million, or 11.0%, for the six months ended June 30, 2024 compared to the same period in 2023. The average fuel price for the six months ended June 30, 2024 decreased by 7.3% to $2.92 per gallon and fuel consumption decreased by 4.0%, or 17 million gallons.

Salaries, Wages and Benefits

Salaries, wages and benefits increased by $93 million, or 6.2%, for the six months ended June 30, 2024 compared to the same period in 2023, driven primarily by wage rate increases. The wage rate increases were primarily due to the new pilot union contract effective March 1, 2023, which included an initial pay rate increase of 14% and an additional 3% pay rate increase in August 2023.

Landing Fees and Other Rents

Landing fees and other rents increased by $18 million, or 5.8%, for the six months ended June 30, 2024 compared to the same period in 2023, primarily due to rate increases in certain blue cities and a decrease in airport rent credits received.

Depreciation and Amortization

Depreciation and amortization increased by $16 million, or 5.0%, for the six months ended June 30, 2024 compared to the same period in 2023. This increase was primarily driven by the induction of new aircraft.

Aircraft Rent

Aircraft rent decreased $14 million, or 20.8%, in the six months ended June 30, 2024 compared to the same period in 2023 as a result of fewer leases for the Airbus A320 aircraft and the Embraer E190 aircraft. The Company purchased certain Airbus A320 aircraft off lease and certain Embraer E190 aircraft leases reached their lease expiration and were subject to return to the lessor as part of the Company's fleet transition plan.

[1] Refer to "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

Maintenance, Materials and Repairs

Maintenance, materials and repairs decreased $62 million, or 18.0%, for the six months ended June 30, 2024 compared to the same period in 2023 primarily due to a lower volume of Airbus A320 engine repairs and the termination of the Embraer E190 flight-hour engine services agreement.

Special Items

For the six months ended June 30, 2024, special items included the following:

- $532 million relating to Spirit-related costs;
- $16 million relating to voluntary opt-out costs; and
- $15 million relating to Embraer E190 fleet transition costs.

For the six months ended June 30, 2023, special items included the following:

- $95 million relating to union contract costs; and
- $41 million relating to Spirit-related costs.

[1] Refer to "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

Operational Statistics

The following table sets forth our operating statistics for the three and six months ended June 30, 2024 and 2023:

	Three Months Ended June 30,		Year-over-Year Change	Six Months Ended June 30,		Year-over-Year Change
(percent changes based on unrounded numbers)	**2024**	**2023**	**%**	**2024**	**2023**	**%**
Operational Statistics						
Revenue passengers (thousands)	10,375	11,207	(7.4)	19,960	21,398	(6.7)
Revenue passenger miles (RPMs) (millions)	14,192	14,798	(4.1)	27,194	28,173	(3.5)
Available seat miles (ASMs) (millions)	16,887	17,353	(2.7)	33,200	34,122	(2.7)
Load factor	84.0 %	85.3 %	(1.3) pts	81.9 %	82.6 %	(0.7) pts
Aircraft utilization (hours per day) [2]	10.4	11.3	(8.0)	10.3	11.2	(8.0)
Average fare	$ 218.27	$ 219.47	(0.5)	$ 216.41	$ 216.90	(0.2)
Yield per passenger mile (cents)	15.96	16.62	(4.0)	15.88	16.47	(3.6)
Passenger revenue per ASM (cents)	13.41	14.17	(5.4)	13.01	13.60	(4.3)
Operating revenue per ASM (cents)	14.38	15.04	(4.4)	13.97	14.47	(3.5)
Operating expense per ASM (cents)	14.04	13.68	2.6	15.96	14.49	10.2
Operating expense per ASM, excluding fuel [1]	10.24	9.87	3.7	10.40	9.87	5.4
Departures	81,424	89,036	(8.5)	161,124	176,517	(8.7)
Average stage length (miles)	1,293	1,218	6.2	1,286	1,208	6.5
Average number of operating aircraft during period	285	282	1.2	285	284	0.4
Average fuel cost per gallon	$ 2.87	$ 2.73	5.1	$ 2.92	$ 3.15	(7.3)
Fuel gallons consumed (millions)	218	228	(4.2)	429	446	(4.0)
Average number of full-time equivalent crewmembers	20,097	20,921	(3.9)	20,160	20,729	(2.7)

[2] Includes aircraft temporarily removed from service, including aircraft impacted by the Pratt & Whitney engine groundings and lack of engine availability.

We expect our operating results to significantly fluctuate from quarter-to-quarter in the future as a result of various factors, many of which are outside of our control. For example, air traffic controller shortages in the Northeast and Florida continue to cause disruptions in the industry, resulting in the FAA waiving the minimum usage requirement and permitting us to voluntarily turn in up to 10% of our slots in the New York area to help protect our operations. Even with a reduced number of flights, we experienced and continue to expect challenges in the operating environment. Consequently, we believe quarter-to-quarter comparisons of our operating results may not necessarily be meaningful; you should not rely on our results for any one quarter as an indication of our future performance. Except for uncertainty related to the cost of aircraft fuel, we expect our expenses to continue to increase as we acquire additional aircraft and as our fleet ages.

Operational challenges have had an impact on our business in the second quarter of 2024. Additionally, reliability challenges with some of our aircraft engines using new technology have led to grounded aircraft events. These challenges have resulted - and are expected to continue to result - in flight delays and cancellations.

LIQUIDITY AND CAPITAL RESOURCES

The airline business is capital intensive. Our ability to successfully execute our growth plans is largely dependent on the continued availability of capital on attractive terms. In addition, our ability to successfully operate our business depends on maintaining sufficient liquidity. We believe we have adequate resources from a combination of cash and cash equivalents, investment securities on hand, and available lines of credit. Additionally, our unencumbered assets could be an additional source of liquidity, if necessary.

[1] Refer to "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

On July 29, 2024, the Company entered into an amendment to the Second Amended and Restated Credit and Guaranty Agreement (the "Facility"), among JetBlue, Citibank N.A., as administrative agent, and the lenders party thereto (the "Second Amendment"), which modifies the Facility to, among other things, (i) extend the final maturity of the Facility to October 21, 2029; provided that if the Company's convertible senior notes due 2026 are not extended, refinanced or paid off, subject to a specified minimum outstanding principal amount thereof, then the Facility expiration will be automatically shortened to December 31, 2025; (ii) adjust the margin and the minimum liquidity requirements of the Company; (iii) replace the sustainability adjustment mechanism; (iv) allow for certain additions of eligible collateral; and (v) remove provisions relating to the terminated merger agreement with Spirit Airlines, Inc.

In the future, we may decide to seek additional financing or to further increase our capital resources by issuing shares of our capital stock, offering debt or other equity securities or refinancing outstanding debt or securities, including our convertible senior notes due 2026, as contemplated under the Second Amendment. Issuing additional shares of our capital stock, other equity securities or additional securities convertible into equity may dilute the economic and voting rights of our existing stockholders, reduce the market price of our common stock, or both. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing, or nature of our future offerings. As a result, holders of our common stock bear the risk that our future offerings may reduce the market price of our common stock and dilute their percentage ownership.

At June 30, 2024, we had unrestricted cash, cash equivalents, short-term investments, and long-term marketable securities of $1.6 billion, which we believe will be sufficient to satisfy our liquidity needs for at least the next twelve months from the date of this Report, and we expect to meet our long-term liquidity needs with our projected cash from operations, available lines of credit and debt financing.

We believe a healthy liquidity position is a crucial element of our ability to weather any part of the economic cycle while continuing to execute on our plans for profitable growth and increased returns. Our goal is to continue to be diligent with our liquidity, maintain financial flexibility, and be prudent with capital spending.

Analysis of Cash Flows

Operating Activities

We rely primarily on operating cash flows to provide working capital for current and future operations. Cash flows from operating activities were $190 million and $663 million for the six months ended June 30, 2024 and 2023, respectively. The decrease in operating cash flow is driven by the change in working capital and Spirit merger termination.

Investing Activities

During the six months ended June 30, 2024, flight equipment capital expenditures included $766 million related to the purchase of aircraft and spare engines as well as aircraft interior modifications. Flight capital expenditures also included $45 million in spare part purchases. Other property and equipment capital expenditures included ground equipment purchases and facilities improvements for $43 million. Investing activities for the current year period also included $277 million in net proceeds from investment securities, $63 million in pre-delivery deposit payments for future aircraft deliveries and $22 million in Spirit shareholder payments.

During the six months ended June 30, 2023, flight equipment capital expenditures included $351 million related to the purchase of aircraft and spare engines as well as aircraft interior modifications. Flight capital expenditures also included $24 million in spare part purchases. Other property and equipment capital expenditures included ground equipment purchases and facilities improvements for $64 million. Investing activities also included $148 million in net proceeds from investment securities, $66 million in Spirit shareholder payments and $18 million in pre-delivery deposit payments.

Financing Activities

Financing activities for the six months ended June 30, 2024 primarily consisted of proceeds from sale-leaseback transactions of $470 million, issuance of $281 million in equipment notes to finance certain aircraft and issuance of common stock of $31 million related to our crewmember stock purchase plan. These proceeds were partially offset by $166 million in payments on our outstanding debt and finance lease obligations.

Financing activities for the six months ended June 30, 2023 primarily consisted of proceeds from sale-leaseback transactions of $228 million, issuance of $78 million in equipment notes to finance certain aircraft and issuance of common stock of $31 million related to our crewmember stock purchase plan. These proceeds were partially offset by $200 million in payments on our outstanding debt and finance lease obligations.

Working Capital

We had a working capital deficit of $1.8 billion and $1.5 billion at June 30, 2024 and December 31, 2023, respectively. Our working capital deficit increased by $342 million due to several factors, including an increase in air traffic liability and other accrued liabilities as well as a decrease in investment securities.

We expect to meet our obligations as they become due through available cash, investment securities, and internally generated funds, supplemented, as necessary, by financing activities which may be available to us. However, we cannot predict what the effect on our business might be from future developments related to the extremely competitive environment in which we operate, or from events beyond our control, such as volatile fuel prices, economic conditions, weather-related disruptions, airport infrastructure challenges, the spread of infectious diseases, the impact of other airline bankruptcies, restructurings or consolidations, U.S. or international military actions, acts of terrorism, or other external geopolitical events and conditions. We believe there is sufficient liquidity available to us to meet our cash requirements for at least the next 12 months.

Contractual Obligations

Our material cash requirements for known contractual and other obligations includes the following (in millions):

	Remainder of 2024	2025	2026	2027	2028	Thereafter	Total
Debt and finance lease obligations [1]	$ 299	$ 572	$ 1,306	$ 541	$ 621	$ 3,621	$ 6,960
Operating lease obligations	68	112	91	91	79	367	808
Flight equipment purchase obligations [2]	483	982	716	192	262	3,910	6,545
Other obligations [3]	175	332	324	334	404	—	1,569
Total	**$ 1,025**	**$ 1,998**	**$ 2,437**	**$ 1,158**	**$ 1,366**	**$ 7,898**	**$ 15,882**

The amounts stated above do not include additional obligations incurred as a result of financing activities executed after June 30, 2024, except as otherwise noted.

(1) Includes actual interest and estimated interest for floating-rate debt. Estimated floating rate is equal to Secured Overnight Financing Rate ("SOFR") plus a margin based on June 30, 2024 rates.

(2) On July 26, 2024, JetBlue and Airbus entered into an amended delivery schedule pursuant to which we agreed to defer 44 Airbus A321neo aircraft originally scheduled for delivery from 2025 through 2029 to revised delivery dates of 2030 and beyond. The table above and the Firm Aircraft Orders table below reflect our aircraft purchase commitments after giving effect to this revised delivery schedule.

(3) Amounts primarily include non-cancelable commitments for flight equipment maintenance, construction and information technology.

As of June 30, 2024, we were in compliance with the material covenants of our debt and lease agreements. We have approximately $57 million of restricted cash pledged under standby letters of credit related to certain leases that will expire at the end of the related lease terms. Approximately 63% of our owned property and equipment and intangible assets at net book value were pledged or committed to be pledged as security under various loan agreements.

Aircraft

As of June 30, 2024, our operating fleet consisted of [(1)]:

Aircraft Type	Aircraft Count
Airbus A220	32
Airbus A320	11
Airbus A320 Restyled	119
Airbus A321	28
Airbus A321 with Mint®	35
Airbus A321neo	16
Airbus A321neo with Mint®	9
Airbus A321neoLR with Mint®	11
Embraer E190 [(2)]	23
Total	**284**

[(1)] This table includes aircraft that have been temporarily removed from service, including 10 aircraft grounded as of June 30, 2024, due to the required removal of certain Pratt & Whitney engines for inspection and lack of engine availability. All aircraft temporarily removed from service are expected to return to operation in the future.

[(2)] Embraer E190 excludes 13 permanently parked owned aircraft and 8 parked aircraft awaiting lease return.

Of our fleet, 253 are owned by us, 31 are leased under operating leases, and none are leased under finance leases. Our owned aircraft include aircraft associated with sale-leaseback transactions that did not qualify as sales for accounting purposes. As of June 30, 2024, the average age of our operating fleet was 12.2 years.

Firm Aircraft Orders

Our firm aircraft orders include the following aircraft: [(1)]:

Year	Airbus A220	Airbus A321neo	Total
Remainder of 2024	12	1	13
2025	20	4	24
2026	20	—	20
2027	5	—	5
2028	7	—	7
Thereafter	4	44	48
Total [(2)]	**68**	**49**	**117**

[(1)] Refer to the Contractual Obligations table above for additional information on the amended Airbus delivery schedule.

[(2)] In addition, we have options to purchase 20 A220-300 aircraft between 2027 and 2028.

Committed expenditures for our aircraft and spare engines include estimated amounts for contractual price escalations and pre-delivery deposits. We expect to meet our pre-delivery deposit requirements for our aircraft by paying cash or by using short-term borrowing facilities for deposits generally required six to 24 months prior to delivery. Any pre-delivery deposits paid by the issuance of notes are fully repaid at the time of delivery of the related aircraft.

Depending on market conditions, we anticipate using a mix of cash and debt financing for aircraft scheduled for delivery in 2024. Although we believe debt and/or lease financing should be available to us, we cannot give any assurance that we will be able to secure financing on attractive terms, if at all. To the extent we cannot secure financing on terms we deem attractive, we may be required to pay in cash, further modify our aircraft acquisition plans, or incur higher than anticipated financing costs.

Off-Balance Sheet Arrangements

There have been no material changes to off-balance sheet arrangements from the information provided in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations-Off Balance Sheet Arrangements included in our 2023 Form 10-K.

Critical Accounting Policies and Estimates

There have been no material changes to our critical accounting policies and estimates from the information provided in Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies and Estimates included in our 2023 Form 10-K.

REGULATION G RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

We report our financial results in accordance with GAAP; however, we present certain non-GAAP financial measures in this Report. Non-GAAP financial measures are financial measures that are derived from the condensed consolidated financial statements, but that are not presented in accordance with GAAP. We present these non-GAAP financial measures because we believe they provide useful supplemental information that enables a meaningful comparison of our results to others in the airline industry and our prior year results. Investors should consider these non-GAAP financial measures in addition to, and not as a substitute for, our financial measures prepared in accordance with GAAP. Further, our non-GAAP information may be different from the non-GAAP information provided by other companies. The information below provides an explanation of each non-GAAP financial measure presented in this Report and shows a reconciliation of each such non-GAAP financial measure to its most directly comparable GAAP financial measure.

Operating Expenses, excluding Fuel, Other Non-Airline Operating Expenses, and Special Items ("Operating Expenses ex-fuel") and Operating Expense ex-fuel per Available Seat Mile ("CASM ex-fuel")

Operating Expense per Available Seat Mile ("CASM") is a common metric used in the airline industry. Our CASM for the relevant periods are summarized in the table below. We exclude aircraft fuel, operating expenses related to other non-airline businesses, such as JetBlue Ventures and JetBlue Travel Products, and special items from total operating expenses to determine Operating Expenses ex-fuel, which is a non-GAAP financial measure, and we exclude the same items from CASM to determine CASM ex-fuel, which is also a non-GAAP financial measure. We believe the impact of these special items distorts our overall trends and that our metrics are more comparable with the presentation of our results excluding such impact.

We believe that Operating Expenses ex-fuel and CASM ex-fuel are useful for investors because they provide investors the ability to measure our financial performance excluding items that are beyond our control, such as fuel costs, which are subject to many economic and political factors, as well as items that are not related to the generation of an available seat mile, such as operating expense related to certain non-airline businesses and special items. We believe these non-GAAP measures are more indicative of our ability to manage airline costs and are more comparable to measures reported by other major airlines.

For the three months ended June 30, 2024, special items included voluntary opt-out costs. For the six months ended June 30, 2024, special items included Spirit-related costs, voluntary opt-out costs, and Embraer E190 fleet transition costs.

For the three months ended June 30, 2023 special items included Spirit-related costs. For the six months ended June 30, 2023, special items included union contract costs and Spirit-related costs.

The table below provides a reconciliation of our total operating expenses (GAAP measure) to Operating Expenses ex-fuel, and our CASM to CASM ex-fuel for the periods presented.

NON-GAAP FINANCIAL MEASURE
RECONCILIATION OF OPERATING EXPENSE AND OPERATING EXPENSE PER ASM (CASM), EXCLUDING FUEL

	Three Months Ended June 30,					
	$			Cents per ASM		
($ in millions; per ASM data in cents; percent changes based on unrounded numbers)	2024	2023	Percent Change	2024	2023	Percent Change
Total operating expenses	**$ 2,371**	**$ 2,375**	**(0.1)**	**14.04**	**13.68**	**2.6**
Less:						
Aircraft fuel	626	621	0.7	3.71	3.58	3.5
Other non-airline expenses	15	16	(2.1)	0.09	0.09	0.6
Special items	1	24	(97.3)	—	0.14	(97.2)
Operating expenses, excluding fuel	**$ 1,729**	**$ 1,714**	**1.0**	**10.24**	**9.87**	**3.7**

NON-GAAP FINANCIAL MEASURE
RECONCILIATION OF OPERATING EXPENSE AND OPERATING EXPENSE PER ASM (CASM), EXCLUDING FUEL

	Six Months Ended June 30,					
	$			Cents per ASM		
($ in millions; per ASM data in cents; percent changes based on unrounded numbers)	2024	2023	Percent Change	2024	2023	Percent Change
Total operating expenses	**$ 5,300**	**$ 4,944**	**7.2**	**15.96**	**14.49**	**10.2**
Less:						
Aircraft fuel	1,251	1,406	(11.0)	3.77	4.12	(8.6)
Other non-airline expenses	32	33	(3.3)	0.10	0.10	(0.7)
Special items	563	136	NM [1]	1.69	0.40	NM
Operating expenses, excluding fuel	**$ 3,454**	**$ 3,369**	**2.5**	**10.40**	**9.87**	**5.4**

[1] Not meaningful or greater than 100% change.

Operating Expense, Operating Income (Loss), Adjusted Operating Margin, Pre-tax Income (Loss), Adjusted Pre-tax Margin, Net Income (Loss) and Earnings (Loss) per Share, excluding Special Items and Gain (Loss) on Investments

Our GAAP results in the applicable periods were impacted by credits and charges that were deemed special items.

For the three months ended June 30, 2024, special items included voluntary opt-out costs. For the six months ended June 30, 2024, special items included Spirit-related costs, voluntary opt-out costs, and Embraer E190 fleet transition costs.

For the three months ended June 30, 2023 special items included Spirit-related costs. For the six months ended June 30, 2023, special items included union contract costs and Spirit-related costs.

Certain net gains and losses on our investments were also excluded from our June 30, 2024 and 2023 non-GAAP results.

We believe the impact of these items distort our overall trends and that our metrics are more comparable with the presentation of our results excluding the impact of these items. The table below provides a reconciliation of our GAAP reported amounts to the non-GAAP amounts excluding the impact of these items for the periods presented.

NON-GAAP FINANCIAL MEASURE

RECONCILIATION OF OPERATING EXPENSE, OPERATING INCOME (LOSS), ADJUSTED OPERATING MARGIN, PRE-TAX INCOME (LOSS), ADJUSTED PRE-TAX MARGIN, NET INCOME (LOSS), EARNINGS (LOSS) PER SHARE, EXCLUDING SPECIAL ITEMS AND GAIN (LOSS) ON INVESTMENTS

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions except percentages)	**2024**	**2023**	**2024**	**2023**
Total operating revenues	$ 2,428	$ 2,610	$ 4,637	$ 4,937
RECONCILIATION OF OPERATING EXPENSE				
Total operating expenses	$ 2,371	$ 2,375	$ 5,300	$ 4,944
Less: Special items	1	24	563	136
Total operating expenses excluding special items	$ 2,370	$ 2,351	$ 4,737	$ 4,808
Percent change	0.9 %		(1.5)%	
RECONCILIATION OF OPERATING INCOME (LOSS)				
Operating income (loss)	$ 57	$ 235	$ (663)	$ (7)
Add back: Special items	1	24	563	136
Operating income (loss) excluding special items	$ 58	$ 259	$ (100)	$ 129
RECONCILIATION OF ADJUSTED OPERATING MARGIN				
Operating margin	2.3 %	9.0 %	(14.3)%	(0.1)%
Operating income (loss) excluding special items	$ 58	$ 259	$ (100)	$ 129
Total operating revenues	2,428	2,610	4,637	4,937
Adjusted operating margin	2.4 %	9.9 %	(2.2)%	2.6 %
RECONCILIATION OF PRE-TAX INCOME (LOSS)				
Income (loss) before income taxes	$ 31	$ 216	$ (736)	$ (50)
Add back: Special items	1	24	563	136
Less: Gain (loss) on investments, net	(2)	4	(23)	7
Income (loss) before income taxes excluding special items and gain (loss) on investments, net	$ 34	$ 236	$ (150)	$ 79
RECONCILIATION OF ADJUSTED PRE-TAX MARGIN				
Pre-tax margin	1.3 %	8.3 %	(15.9)%	(1.0)%
Income (loss) before income taxes excluding special items	$ 34	$ 236	$ (150)	$ 79
Total operating revenues	2,428	2,610	4,637	4,937
Adjusted pre-tax margin	1.4 %	9.1 %	(3.2)%	1.6 %
RECONCILIATION OF NET INCOME (LOSS)				
Net income (loss)	$ 25	$ 138	$ (691)	$ (54)
Add back: Special items	1	24	563	136
Less: Income tax benefit related to special items	1	7	8	48
Less: Gain (loss) on investments, net	(2)	4	(23)	7
Less: Income tax benefit (expense) related to gain (loss) on investments, net	1	(1)	6	(2)
Net income (loss) excluding special items and gain (loss) on investments, net	$ 26	$ 152	$ (119)	$ 29

NON-GAAP FINANCIAL MEASURE

RECONCILIATION OF OPERATING EXPENSE, OPERATING INCOME (LOSS), ADJUSTED OPERATING MARGIN, PRE-TAX INCOME (LOSS), ADJUSTED PRE-TAX MARGIN, NET INCOME (LOSS), EARNINGS (LOSS) PER SHARE, EXCLUDING SPECIAL ITEMS AND GAIN (LOSS) ON INVESTMENTS (CONTINUED)

	Three Months Ended June 30,		Six Months Ended June 30,	
CALCULATION OF EARNINGS (LOSS) PER SHARE	**2024**	**2023**	**2024**	**2023**
Earnings (Loss) per common share				
Basic	$ 0.07	$ 0.41	$ (2.02)	$ (0.16)
Add back: Special items	—	0.07	1.64	0.42
Less: Income tax benefit related to special items	—	0.02	0.02	0.15
Less: Gain (loss) on investments, net	(0.01)	0.01	(0.07)	0.02
Less: Income tax benefit (expense) related to gain (loss) on investments, net	—	—	0.02	(0.01)
Basic excluding special items and gain (loss) on investments, net	$ 0.08	$ 0.45	$ (0.35)	$ 0.10
Diluted	$ 0.07	$ 0.41	$ (2.02)	$ (0.16)
Add back: Special items	—	0.07	1.64	0.42
Less: Income tax benefit related to special items	—	0.02	0.02	0.15
Less: Gain (loss) on investments, net	(0.01)	0.01	(0.07)	0.02
Less: Income tax benefit (expense) related to gain (loss) on investments, net	—	—	0.02	(0.01)
Diluted excluding special items and gain (loss) on investments, net	$ 0.08	$ 0.45	$ (0.35)	$ 0.10

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Except as described below, there have been no material changes in market risks from the information provided in Item 7A. Quantitative and Qualitative Disclosures About Market Risk included in our 2023 Form 10-K.

Aircraft Fuel

Our results of operations are affected by changes in the price and availability of aircraft fuel. Market risk is estimated as a hypothetical 10% increase in the June 30, 2024 cost per gallon of fuel. Based on projected fuel consumption for the next 12 months, including the impact of our hedging position, such an increase would result in an increase to aircraft fuel expense of approximately $234 million. As of June 30, 2024, we have hedged approximately 20% of our projected fuel requirement for the third quarter of 2024, and 5% for the fourth quarter of 2024.

Interest

Our earnings are affected by changes in interest rates due to the impact those changes have on interest expense from variable-rate debt instruments and on interest income generated from our cash and investment balances. The interest rate is fixed for $4.7 billion of our debt and finance lease obligations, with the remaining $661 million having floating interest rates. As of June 30, 2024, if interest rates were on average 100 basis points higher year-over-year, our annual interest expense would increase by approximately $7 million. This amount is determined by considering the impact of the hypothetical change in interest rates on our variable rate debt.

If interest rates were to average 100 basis points lower in 2024 than they were during 2023, our interest income from cash and investment balances would decrease by approximately $8 million. This amount is determined by considering the impact of the hypothetical change in interest rates on the balances of our money market funds and short-term, interest-bearing investments for the trailing twelve-month period.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and Rule 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed by us in reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer ("CEO"), and our Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. Management, with the participation of our CEO and CFO, performed an evaluation of the effectiveness of our disclosure controls and procedures as of June 30, 2024. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of June 30, 2024.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of our business, we are party to various legal proceedings and claims which we believe are incidental to the operation of our business. Refer to Note 6 to our condensed consolidated financial statements included in Part I, Item 1 of this Report for additional information.

ITEM 1A. RISK FACTORS

Part I, Item 1A "Risk Factors" of our 2023 Form 10-K includes a discussion of our risk factors which are incorporated herein. For information on the termination of our planned merger with Spirit, refer to Note 12 to our condensed consolidated financial statements included in Part I, Item 1 of this Report. There have been no other material changes from the risk factors associated with our business previously disclosed in our 2023 Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

None.

ITEM 5. OTHER INFORMATION

(a) On July 29, 2024, the Company entered into the Second Amendment (the "Amendment") to the Facility, which modifies the Facility to, among other things, (i) extend the final maturity of the Facility to October 21, 2029; provided that if the Company's convertible senior notes due 2026 are not extended, refinanced, paid off or otherwise satisfied by December 30, 2025, subject to a specified minimum outstanding principal amount thereof, then the Facility expiration will automatically occur on December 31, 2025; (ii) adjust the applicable margin and the minimum liquidity requirements of the Company; (iii) replace the sustainability adjustment mechanism; and (iv) allow for certain additional types of eligible collateral.

The foregoing information is included for the purpose of providing the disclosures required under "Item 1.01 – Entry Into a Material Definitive Agreement" of Form 8-K.

(b) None.

(c) During the three months ended June 30, 2024, no director or "officer" (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit
10.1	Amendment to the JetBlue Airways Corporation 2020 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated May 17, 2024 and filed on May 23, 2024)
10.2	Amendment to the JetBlue Airways Corporation 2020 Crewmember Stock Purchase Plan (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K dated May 17, 2024 and filed on May 23, 2024).
31.1*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer
31.2*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer
32**	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)
*	Filed herewith.
**	Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JETBLUE AIRWAYS CORPORATION
(Registrant)

Date:	July 30, 2024	By:	/s/ Dawn Southerton
			Dawn Southerton
			Vice President, Controller
			(Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION

I, Joanna Geraghty, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of JetBlue Airways Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2024

/s/ Joanna Geraghty
Joanna Geraghty
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Ursula L. Hurley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of JetBlue Airways Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2024

By: /s/ Ursula L. Hurley
Ursula L. Hurley
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

JetBlue Airways Corporation

CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of JetBlue Airways Corporation on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission on July 30, 2024 (the "Report"), the undersigned, in the capacities and on the dates indicated below, each hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of JetBlue Airways Corporation.

Date: July 30, 2024

By: /s/ Joanna Geraghty
Joanna Geraghty
Chief Executive Officer
(Principal Executive Officer)

Date: July 30, 2024

By: /s/ Ursula L. Hurley
Ursula L. Hurley
Chief Financial Officer
(Principal Financial Officer)