

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 18, 2019**



SOUTHWEST AIRLINES CO.

(Exact name of registrant as specified in its charter)

Texas

1-7259

74-1563240

(State or other jurisdiction
of incorporation)

(Commission
File Number)

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

**P. O. Box 36611
Dallas, Texas**

75235-1611

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(214) 792-4000**

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 (\$1.00 par value)	LUV	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

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. ☐

Item 7.01 Regulation FD Disclosure.

Southwest Airlines Co. (the "Company") is providing guidance regarding its third quarter 2019 financial and operational trends.

On March 13, 2019, the Federal Aviation Administration issued an emergency order for all U.S. airlines to ground all Boeing 737 MAX aircraft. The Company immediately complied with the order and grounded all 34 737 MAX 8 aircraft (MAX) in its fleet. As previously disclosed in its second quarter 2019 earnings release on July 25, 2019, the Company adjusted its flight schedule to remove all MAX flights through January 5, 2020.

The Company has continued to experience solid demand and strong passenger yield trends year-over-year during third quarter 2019. Based on current revenue trends, the Company continues to expect its third quarter 2019 operating revenue per available seat mile (RASM, or unit revenues) to increase in the range of 3 to 5 percent, year-over-year.

Based on current cost trends, the Company now expects its third quarter 2019 operating costs per available seat mile (CASM, or unit costs), excluding fuel and oil expense and profitsharing expense, to increase in the range of 8 to 10 percent, year-over-year, as compared with its previous guidance of a year-over-year increase in the range of 9 to 11 percent, primarily due to the shifting of maintenance and technology expenses from third quarter into fourth quarter 2019, and continued cost control. The majority of the Company's year-over-year unit cost increase in third quarter 2019 is driven by lower third quarter 2019 capacity as a result of the MAX groundings.

Based on the Company's fuel derivatives contracts and market prices as of September 16, 2019, the Company continues to expect its third quarter 2019 fuel costs to be in the range of \$2.05 to \$2.15 per gallon, including \$.04 per gallon in premium expense, with no cash settlements from fuel derivative contracts. The Company continues to expect its third quarter 2019 available seat miles (ASMs) per gallon, or fuel efficiency, to decrease in the range of 1 to 2 percent, year-over-year, primarily due to the removal of the Company's most fuel-efficient aircraft from its schedule as a result of the MAX groundings.

The Company now expects its third quarter 2019 year-over-year ASMs, or capacity, to decrease approximately 3 percent, as compared with its previous guidance of a year-over-year decrease in the range of 2 to 3 percent. The Company canceled a total of approximately 600 flights in September 2019 due to Hurricane Dorian, which the Company expects will have an immaterial impact on its third quarter 2019 financial results.

The information furnished in this Item 7.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Cautionary Statement Regarding Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Specific forward-looking statements include, without limitation, statements related to (i) the Company's financial outlook and projected results of operations, including assumptions underlying the Company's projections; (ii) the Company's capacity plans and expectations, including factors underlying the Company's plans and expectations; and (iii) the Company's expectations with respect to fuel efficiency and fuel costs and the Company's related management of risk associated with changing jet fuel prices. Forward-looking statements involve risks, uncertainties, assumptions, and other factors that are difficult to predict and that could cause actual results to vary materially from those expressed in or indicated by them. Factors include, among others, (i) the impact of governmental actions and governmental regulations related to the Company's operations, in particular with respect to the grounding of the Company's 737 MAX 8 fleet; (ii) the Company's dependence on third parties, in particular with respect to its fleet plans and initiatives, and the impact on the Company's operations and results of operations of any related third party delays or non-performance; (iii) the impact of changes in consumer behavior, economic conditions, actions of competitors (including without limitation pricing, scheduling, capacity, and network decisions, and consolidation and alliance activities), extreme or severe weather and natural disasters, fears of terrorism or war, and other factors beyond the Company's control, on the Company's business decisions, plans, strategies, and results; (iv) the impact of fuel price changes and fuel price volatility on the Company's business plans and results of operations; and (v) other factors, as described in the Company's filings with the Securities and Exchange Commission, including the detailed factors discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2019. Caution should be taken not to place undue reliance on the Company's forward-looking statements, which represent the Company's views only as of the date this report is filed. The Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

101 Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

104 The cover page from this Current Report on Form 8-K, formatted as Inline XBRL.

SIGNATURES

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 hereunto duly authorized.

SOUTHWEST AIRLINES CO.

September 18, 2019

By: /s/ Tammy Romo

Tammy Romo

Executive Vice President & Chief Financial Officer

(Principal Financial and Accounting Officer)