

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2025

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 No. **1-7259**



**SOUTHWEST AIRLINES CO.**

(Exact name of registrant as specified in its charter)

**Texas**

(State or other jurisdiction of  
incorporation or organization)

**P.O. Box 36611**

**Dallas, Texas**

(Address of principal executive offices)

**74-1563240**

(IRS Employer  
Identification No.)

**75235-1611**

(Zip Code)

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

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 (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 ☒

Number of shares of Common Stock outstanding as of the close of business on October 22, 2025: 517,155,080

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SOUTHWEST AIRLINES CO.  
FORM 10-Q  
PART I – FINANCIAL INFORMATION

**Item 1. Financial Statements**

**Southwest Airlines Co.**  
**Condensed Consolidated Balance Sheet**  
(in millions)  
(unaudited)

|                                                  | September 30, 2025 | December 31, 2024 |
|--------------------------------------------------|--------------------|-------------------|
| <b>ASSETS</b>                                    |                    |                   |
| Current assets:                                  |                    |                   |
| Cash and cash equivalents                        | \$ 2,902           | \$ 7,509          |
| Short-term investments                           | 116                | 1,216             |
| Accounts and other receivables                   | 1,118              | 1,110             |
| Inventories of parts and supplies, at cost       | 792                | 800               |
| Prepaid expenses and other current assets        | 467                | 639               |
| Total current assets                             | 5,395              | 11,274            |
| Property and equipment, at cost:                 |                    |                   |
| Flight equipment                                 | 26,009             | 25,202            |
| Ground property and equipment                    | 8,776              | 8,244             |
| Deposits on flight equipment purchase contracts  | 402                | 413               |
| Assets constructed for others                    | 88                 | 88                |
|                                                  | 35,275             | 33,947            |
| Less allowance for depreciation and amortization | 15,570             | 14,891            |
|                                                  | 19,705             | 19,056            |
| Goodwill                                         | 970                | 970               |
| Operating lease right-of-use assets              | 1,169              | 1,369             |
| Other assets                                     | 1,073              | 1,081             |
|                                                  | \$ 28,312          | \$ 33,750         |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>      |                    |                   |
| Current liabilities:                             |                    |                   |
| Accounts payable                                 | \$ 1,708           | \$ 1,818          |
| Accrued liabilities                              | 2,091              | 2,206             |
| Current operating lease liabilities              | 310                | 328               |
| Air traffic liability                            | 6,862              | 6,294             |
| Current maturities of long-term debt             | 23                 | 1,630             |
| Total current liabilities                        | 10,994             | 12,276            |
| Long-term debt less current maturities           | 4,079              | 5,069             |
| Air traffic liability - noncurrent               | 1,263              | 1,948             |
| Deferred income taxes                            | 2,210              | 2,167             |
| Noncurrent operating lease liabilities           | 846                | 1,031             |
| Other noncurrent liabilities                     | 1,144              | 909               |
| Stockholders' equity:                            |                    |                   |
| Common stock                                     | 888                | 888               |
| Capital in excess of par value                   | 4,283              | 4,199             |
| Retained earnings                                | 16,158             | 16,332            |
| Accumulated other comprehensive loss             | (6)                | (25)              |
| Treasury stock, at cost                          | (13,547)           | (11,044)          |
| Total stockholders' equity                       | 7,776              | 10,350            |
|                                                  | \$ 28,312          | \$ 33,750         |

See accompanying notes.

**Southwest Airlines Co.**  
**Condensed Consolidated Statement of Comprehensive Income**  
(in millions, except per share amounts)  
(unaudited)

|                                            | Three months ended September 30, |          | Nine months ended September 30, |           |
|--------------------------------------------|----------------------------------|----------|---------------------------------|-----------|
|                                            | 2025                             | 2024     | 2025                            | 2024      |
| <b>OPERATING REVENUES:</b>                 |                                  |          |                                 |           |
| Passenger                                  | \$ 6,313                         | \$ 6,250 | \$ 18,751                       | \$ 18,673 |
| Freight                                    | 42                               | 43       | 127                             | 131       |
| Other                                      | 594                              | 577      | 1,743                           | 1,749     |
| Total operating revenues                   | 6,949                            | 6,870    | 20,621                          | 20,553    |
| <b>OPERATING EXPENSES:</b>                 |                                  |          |                                 |           |
| Salaries, wages, and benefits              | 3,219                            | 3,070    | 9,583                           | 9,010     |
| Fuel and oil                               | 1,331                            | 1,417    | 3,907                           | 4,548     |
| Maintenance materials and repairs          | 299                              | 335      | 921                             | 1,046     |
| Landing fees and airport rentals           | 548                              | 493      | 1,638                           | 1,468     |
| Depreciation and amortization              | 394                              | 438      | 1,189                           | 1,250     |
| Other operating expenses                   | 1,123                            | 1,079    | 3,346                           | 3,188     |
| Total operating expenses                   | 6,914                            | 6,832    | 20,584                          | 20,510    |
| <b>OPERATING INCOME</b>                    | 35                               | 38       | 37                              | 43        |
| <b>NON-OPERATING EXPENSES (INCOME):</b>    |                                  |          |                                 |           |
| Interest expense                           | 35                               | 63       | 120                             | 191       |
| Capitalized interest                       | (13)                             | (9)      | (38)                            | (24)      |
| Interest income                            | (34)                             | (121)    | (172)                           | (392)     |
| Other (gains) losses, net                  | (21)                             | 16       | (28)                            | (1)       |
| Total non-operating income                 | (33)                             | (51)     | (118)                           | (226)     |
| <b>INCOME BEFORE INCOME TAXES</b>          | 68                               | 89       | 155                             | 269       |
| <b>PROVISION FOR INCOME TAXES</b>          | 14                               | 22       | 37                              | 65        |
| <b>NET INCOME</b>                          | \$ 54                            | \$ 67    | \$ 118                          | \$ 204    |
| <b>NET INCOME PER SHARE, BASIC</b>         | \$ 0.10                          | \$ 0.11  | \$ 0.21                         | \$ 0.34   |
| <b>NET INCOME PER SHARE, DILUTED</b>       | \$ 0.10                          | \$ 0.11  | \$ 0.21                         | \$ 0.34   |
| <b>COMPREHENSIVE INCOME</b>                | \$ 83                            | \$ 19    | \$ 137                          | \$ 167    |
| <b>WEIGHTED AVERAGE SHARES OUTSTANDING</b> |                                  |          |                                 |           |
| Basic                                      | 523                              | 599      | 548                             | 598       |
| Diluted                                    | 526                              | 601      | 551                             | 643       |

See accompanying notes.

**Southwest Airlines Co.**  
**Condensed Consolidated Statement of Stockholders' Equity**  
(in millions, except per share amounts)  
(unaudited)

|                                                                           | Common Stock | Capital in excess of<br>par value | Retained earnings | Accumulated other<br>comprehensive income<br>(loss) | Treasury stock | Total     |
|---------------------------------------------------------------------------|--------------|-----------------------------------|-------------------|-----------------------------------------------------|----------------|-----------|
| Balance at December 31, 2024                                              | \$ 888       | \$ 4,199                          | \$ 16,332         | \$ (25)                                             | \$ (11,044)    | \$ 10,350 |
| Repurchase of common stock                                                | —            | —                                 | —                 | —                                                   | (758) (a)      | (758)     |
| Issuance of common and treasury stock pursuant to<br>Employee stock plans | —            | (10)                              | —                 | —                                                   | 13             | 3         |
| Share-based compensation                                                  | —            | 21                                | —                 | —                                                   | —              | 21        |
| Cash dividends, \$0.18 per share                                          | —            | —                                 | (103)             | —                                                   | —              | (103)     |
| Comprehensive income (loss)                                               | —            | —                                 | (149)             | 1                                                   | —              | (148)     |
| Balance at March 31, 2025                                                 | \$ 888       | \$ 4,210                          | \$ 16,080         | \$ (24)                                             | \$ (11,789)    | \$ 9,365  |
| Repurchase of common stock                                                | —            | —                                 | —                 | —                                                   | (1,515) (a)    | (1,515)   |
| Issuance of common and treasury stock pursuant to<br>Employee stock plans | —            | 12                                | —                 | —                                                   | 5              | 17        |
| Share-based compensation                                                  | —            | 25                                | —                 | —                                                   | —              | 25        |
| Cash dividends, \$0.18 per share                                          | —            | —                                 | (94)              | —                                                   | —              | (94)      |
| Comprehensive income (loss)                                               | —            | —                                 | 213               | (11)                                                | —              | 202       |
| Balance at June 30, 2025                                                  | \$ 888       | \$ 4,247                          | \$ 16,199         | \$ (35)                                             | \$ (13,299)    | \$ 8,000  |
| Repurchase of common stock                                                | —            | —                                 | —                 | —                                                   | (252) (a)      | (252)     |
| Issuance of common and treasury stock pursuant to<br>Employee stock plans | —            | 10                                | —                 | —                                                   | 4              | 14        |
| Share-based compensation                                                  | —            | 26                                | —                 | —                                                   | —              | 26        |
| Cash dividends, \$0.18 per share                                          | —            | —                                 | (95)              | —                                                   | —              | (95)      |
| Comprehensive income                                                      | —            | —                                 | 54                | 29                                                  | —              | 83        |
| Balance at September 30, 2025                                             | \$ 888       | \$ 4,283                          | \$ 16,158         | \$ (6)                                              | \$ (13,547)    | \$ 7,776  |

(a) Includes excise tax incurred on share repurchases, net of issuances.

|                                                                           | Common Stock | Capital in excess of<br>par value | Retained earnings | Accumulated other<br>comprehensive income<br>(loss) | Treasury stock | Total     |
|---------------------------------------------------------------------------|--------------|-----------------------------------|-------------------|-----------------------------------------------------|----------------|-----------|
| Balance at December 31, 2023                                              | \$ 888       | \$ 4,153                          | \$ 16,297         | \$ —                                                | \$ (10,823)    | \$ 10,515 |
| Issuance of common and treasury stock pursuant to<br>Employee stock plans | —            | (25)                              | —                 | —                                                   | 15             | (10)      |
| Share-based compensation                                                  | —            | 10                                | —                 | —                                                   | —              | 10        |
| Cash dividends, \$0.18 per share                                          | —            | —                                 | (107)             | —                                                   | —              | (107)     |
| Comprehensive income (loss)                                               | —            | —                                 | (231)             | 19                                                  | —              | (212)     |
| Balance at March 31, 2024                                                 | \$ 888       | \$ 4,138                          | \$ 15,959         | \$ 19                                               | \$ (10,808)    | \$ 10,196 |
| Issuance of common and treasury stock pursuant to<br>Employee stock plans | —            | 12                                | —                 | —                                                   | 5              | 17        |
| Share-based compensation                                                  | —            | 7                                 | —                 | —                                                   | —              | 7         |
| Cash dividends, \$0.18 per share                                          | —            | —                                 | (108)             | —                                                   | —              | (108)     |
| Stock warrants repurchase                                                 | —            | (6)                               | —                 | —                                                   | —              | (6)       |
| Comprehensive income (loss)                                               | —            | —                                 | 367               | (8)                                                 | —              | 359       |
| Balance at June 30, 2024                                                  | \$ 888       | \$ 4,151                          | \$ 16,218         | \$ 11                                               | \$ (10,803)    | \$ 10,465 |
| Issuance of common and treasury stock pursuant to<br>Employee stock plans | —            | 10                                | —                 | —                                                   | 5              | 15        |
| Share-based compensation                                                  | —            | 19                                | —                 | —                                                   | —              | 19        |
| Cash dividends, \$0.18 per share                                          | —            | —                                 | (107)             | —                                                   | —              | (107)     |
| Comprehensive income (loss)                                               | —            | —                                 | 67                | (48)                                                | —              | 19        |
| Balance at September 30, 2024                                             | \$ 888       | \$ 4,180                          | \$ 16,178         | \$ (37)                                             | \$ (10,798)    | \$ 10,411 |

See accompanying notes.

**Southwest Airlines Co.**  
**Condensed Consolidated Statement of Cash Flows**  
(in millions)  
(unaudited)

|                                                                                             | Three months ended<br>September 30, |                 | Nine months ended<br>September 30, |                 |
|---------------------------------------------------------------------------------------------|-------------------------------------|-----------------|------------------------------------|-----------------|
|                                                                                             | 2025                                | 2024            | 2025                               | 2024            |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                                |                                     |                 |                                    |                 |
| Net income                                                                                  | \$ 54                               | \$ 67           | \$ 118                             | \$ 204          |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: |                                     |                 |                                    |                 |
| Depreciation and amortization                                                               | 394                                 | 438             | 1,189                              | 1,250           |
| Impairment of long-lived assets                                                             | —                                   | —               | 8                                  | —               |
| Unrealized/realized loss on fuel derivative instruments                                     | —                                   | 15              | —                                  | 17              |
| Deferred income taxes                                                                       | 14                                  | 19              | 37                                 | 62              |
| Gain on sale-leaseback transactions                                                         | —                                   | —               | (3)                                | —               |
| Changes in certain assets and liabilities:                                                  |                                     |                 |                                    |                 |
| Accounts and other receivables                                                              | (83)                                | 193             | 64                                 | (80)            |
| Other assets                                                                                | 3                                   | (13)            | 359                                | 4               |
| Accounts payable and accrued liabilities                                                    | 11                                  | (196)           | (209)                              | (1,668)         |
| Air traffic liability                                                                       | (172)                               | (377)           | (117)                              | 421             |
| Other liabilities                                                                           | 16                                  | (18)            | (19)                               | (136)           |
| Cash collateral provided to derivative counterparties                                       | —                                   | (8)             | (22)                               | (28)            |
| Other, net                                                                                  | 50                                  | (7)             | 142                                | (60)            |
| Net cash provided by (used in) operating activities                                         | 287                                 | 113             | 1,547                              | (14)            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                                |                                     |                 |                                    |                 |
| Capital expenditures                                                                        | (678)                               | (517)           | (1,814)                            | (1,594)         |
| Assets constructed for others                                                               | —                                   | (10)            | —                                  | (26)            |
| Proceeds from sale-leaseback transactions                                                   | —                                   | —               | 23                                 | —               |
| Purchases of short-term investments                                                         | (100)                               | (636)           | (470)                              | (3,845)         |
| Proceeds from sales of short-term and other investments                                     | 350                                 | 1,621           | 1,577                              | 5,160           |
| Other, net                                                                                  | —                                   | —               | (3)                                | (29)            |
| Net cash provided by (used in) investing activities                                         | (428)                               | 458             | (687)                              | (334)           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                                |                                     |                 |                                    |                 |
| Payroll Support Program stock warrants repurchase                                           | —                                   | —               | —                                  | (6)             |
| Proceeds from Employee stock plans                                                          | 14                                  | 15              | 46                                 | 46              |
| Repurchase of common stock                                                                  | (250)                               | —               | (2,500)                            | —               |
| Payments of long-term debt and finance lease obligations                                    | (6)                                 | (11)            | (2,603)                            | (27)            |
| Payments of cash dividends                                                                  | (189)                               | (216)           | (399)                              | (431)           |
| Other, net                                                                                  | (1)                                 | 2               | (11)                               | (19)            |
| Net cash used in financing activities                                                       | (432)                               | (210)           | (5,467)                            | (437)           |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                                              | (573)                               | 361             | (4,607)                            | (785)           |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>                                     | 3,475                               | 8,142           | 7,509                              | 9,288           |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>                                           | <u>\$ 2,902</u>                     | <u>\$ 8,503</u> | <u>\$ 2,902</u>                    | <u>\$ 8,503</u> |
| <b>CASH PAYMENTS FOR:</b>                                                                   |                                     |                 |                                    |                 |
| Interest, net of amount capitalized                                                         | \$ 3                                | \$ 14           | \$ 67                              | \$ 124          |
| Income taxes                                                                                | \$ —                                | \$ —            | \$ 5                               | \$ 7            |
| <b>SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:</b>                                    |                                     |                 |                                    |                 |
| Right-of-use assets acquired or modified under operating leases                             | \$ 4                                | \$ 23           | \$ 38                              | \$ 42           |
| Flight and ground equipment acquired or modified under finance leases                       | \$ 6                                | \$ 17           | \$ 6                               | \$ 16           |

See accompanying notes.

**Southwest Airlines Co.**  
**Notes to Condensed Consolidated Financial Statements**  
(unaudited)

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## 1. BASIS OF PRESENTATION

### ***Basis of Presentation***

Southwest Airlines Co. (the "Company" or "Southwest") operates Southwest Airlines, a major passenger airline that provides scheduled air transportation in the United States and near-international markets. The unaudited Condensed Consolidated Financial Statements include accounts of the Company and its wholly owned subsidiaries.

The accompanying unaudited Condensed Consolidated Financial Statements of the Company and its subsidiaries have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles in the United States ("GAAP") for complete financial statements as required in Form 10-K. The unaudited Condensed Consolidated Financial Statements for the interim periods ended September 30, 2025 and 2024 include all adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods. This includes all normal and recurring adjustments and elimination of significant intercompany transactions. Financial results for the Company and airlines in general can be seasonal in nature. For example, absent other factors, travel demand is generally higher during the summer period, or the Company's second and third fiscal quarters. However, air travel is also significantly impacted by general economic conditions, the amount of disposable income available to consumers and changes in consumer behavior, unemployment levels, corporate travel budgets, global pandemics, extreme or severe weather and natural disasters, fears of terrorism or war, governmental actions, and other factors beyond the Company's control. These and other factors, such as the price of jet fuel in some periods, have created, and may continue to create, significant volatility in the Company's financial results. Operating results for the three and nine months ended September 30, 2025, are not necessarily indicative of the results that may be expected for future quarters or for the year ended December 31, 2025. For further information, refer to the Consolidated Financial Statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

On July 4, 2025, the One Big Beautiful Bill Act, was signed into law. The legislation did not have a material impact on the Company's income tax expense for the quarter ending September 30, 2025, nor is it expected to materially change the Company's effective income tax rate for 2025.

During third quarter 2025, the Company completed an annual review of the estimated residual values of its long-lived assets. As a result of this review, the Company increased the estimated residual values for its Boeing 737-700 ("-700") airframe and -700, Boeing 737-800 ("-800"), and Boeing 737-8 ("-8") engine assets. This change took into consideration third party valuation data and recent market transactions. As this is considered a change in estimate, it has been accounted for on a prospective basis in accordance with Accounting Standards Codification ("ASC") 205, "Accounting Changes and Error Corrections" and thus the Company will record less depreciation expense over the remainder of the useful lives for each related asset. The effect of this change in estimate was an immaterial change to depreciation expense for the three and nine months ended September 30, 2025.

### ***Operating Segments and Related Disclosures***

The Company's chief operating decision maker, the Company's President, Chief Executive Officer, & Vice Chairman of the Board of Directors, assesses performance for the Company's single reportable segment and decides how to allocate resources based on its Net income or loss (see the unaudited Condensed Consolidated Statement of Comprehensive Income).

For single reportable segment-level financial information, total assets, revenues from external customers, depreciation and amortization expense, interest income and interest expense, provision for income taxes, other non-operating expenses, and significant non-cash transactions, see Item 1. Financial Statements.

## 2. NEW ACCOUNTING PRONOUNCEMENTS

On September 18, 2025, the Financial Accounting Standards Board (the "FASB") issued ASU 2025-06, Accounting for and Disclosure of Software Costs. The new standard modernizes the guidance to reflect the software development approaches currently being used by removing all references to "development stages" from ASC 350-40 Intangibles—Goodwill and Other - Internal-Use Software. Under ASU 2025-06, only the following criteria in ASC 350-40-25-12(b) and (c) must be met for entities to begin capitalizing software costs: (i) management, with the relevant authority, implicitly or explicitly authorizes and commits to funding a computer software project and (ii) it is probable that the project will be completed and the software will be used to perform the function intended (referred to as the "probable-to-complete recognition threshold"). This standard is effective for all entities for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods, with early adoption permitted. Entities may apply the guidance prospectively, retrospectively, or via a modified prospective transition method. The Company is evaluating this new standard, but does not expect it to have a significant impact on its financial statement presentation or results.

On November 4, 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This standard responds to investor input by requiring public companies to disclose, in interim and annual reporting periods, additional information about certain expenses in the notes to the financial statements. This standard is effective for all entities that are subject to Subtopic 220-40, for annual periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, but early adoption is permitted. The Company is evaluating this new standard but does not expect it to have a significant impact on its financial statement disclosures.

On December 14, 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This standard increases transparency and decision usefulness of income tax disclosures for investors by requiring information to better assess how an entity's operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. This standard requires entities to provide enhanced disclosures related to the income tax rate reconciliation and income taxes paid. This standard is effective for all entities that are subject to Topic 740, Income Taxes for annual periods beginning after December 15, 2024, but early adoption is permitted. The Company has evaluated this new standard and does not expect it to have a significant impact on its financial statement disclosures. The Company will include all required disclosures within its Form 10-K for the year ended December 31, 2025, utilizing the retrospective application as permitted in the standard.

## 3. FINANCIAL DERIVATIVE INSTRUMENTS

### **Fuel Contracts**

Airline operators are inherently dependent upon energy to operate and, therefore, are impacted by changes in jet fuel prices. Furthermore, jet fuel typically represents one of the largest operating expenses for airlines. The Company has historically aimed to reduce volatility in operating expenses through its fuel hedging program. However, based on higher fuel hedging premium costs over time and other factors, the Company discontinued its fuel hedging program in 2025 and does not intend to add additional fuel derivatives at this time.

During second quarter 2025, the Company terminated its remaining portfolio of fuel hedging contracts, which were scheduled to settle through 2027, to effectively close its fuel hedging portfolio. This resulted in the derecognition of all remaining related hedge assets in the unaudited Condensed Consolidated Balance Sheet. The cash proceeds from this transaction totaled approximately \$40 million, which will reduce future premium costs. Approximately \$36 million that was previously expended on hedge positions in prior periods was reclassified from Accumulated Other Comprehensive Income ("AOCI") and recognized as an increase to Fuel and oil expense within the unaudited Condensed Consolidated Statement of Comprehensive Income during third quarter 2025, all of which is characterized as premium expense from terminated fuel hedging positions. As of September 30, 2025,

approximately \$173 million remained in AOCI related to these closed positions. This balance in AOCI, which does not include any tax impact, will also be characterized as premium expense and similarly reclassified as an increase to Fuel and oil expense in future periods when the originally forecasted transactions occur (through the end of 2027), and is net of the impact of the cash proceeds from the hedge terminations. See Note 4 for additional information on AOCI.

All cash flows associated with purchasing and selling fuel derivatives (including terminations) are classified as Other operating cash flows in the unaudited Condensed Consolidated Statement of Cash Flows. The following table presents the location of all assets and liabilities associated with the Company's derivative instruments within the unaudited Condensed Consolidated Balance Sheet:

| (in millions)                          | Balance Sheet location                    | Asset derivatives       |                          |
|----------------------------------------|-------------------------------------------|-------------------------|--------------------------|
|                                        |                                           | Fair value at 9/30/2025 | Fair value at 12/31/2024 |
| Derivatives designated as hedges (a)   |                                           |                         |                          |
| Fuel derivative contracts (gross)      | Prepaid expenses and other current assets | \$ —                    | \$ 22                    |
| Fuel derivative contracts (gross)      | Other assets                              | —                       | 108                      |
| Total derivatives designated as hedges |                                           | \$ —                    | \$ 130                   |

(a) Represents the position of each trade before consideration of offsetting positions with each counterparty and does not include the impact of cash collateral deposits provided to or received from counterparties.

In addition, the Company had the following amounts associated with fuel derivative instruments and hedging activities in its unaudited Condensed Consolidated Balance Sheet:

| (in millions)                                                                     | Balance Sheet<br>location                                | September 30,<br>2025 | December 31,<br>2024 |
|-----------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------|----------------------|
| Cash collateral deposits held from counterparties for fuel contracts - current    | Offset against Prepaid expenses and other current assets | \$ —                  | \$ 4                 |
| Cash collateral deposits held from counterparties for fuel contracts - noncurrent | Offset against Other assets                              | —                     | 18                   |
| Receivable from third parties for fuel contracts                                  | Accounts and other receivables                           | —                     | 1                    |

All of the Company's prior period fuel derivative instruments were subject to agreements that follow the netting guidance in the applicable accounting standards for derivatives and hedging. The types of derivative instruments the Company determined were subject to netting requirements in the accompanying unaudited Condensed Consolidated Balance Sheet are those in which the Company paid or received cash for transactions with the same counterparty and in the same currency via one net payment or receipt. For cash collateral held by the Company or provided to counterparties, the Company netted such amounts against the fair value of the Company's derivative portfolio by each counterparty. The Company elected to utilize netting for its prior period fuel derivative instruments and also classified such amounts as either current or noncurrent, based on the net fair value position with each of the Company's counterparties in the unaudited Condensed Consolidated Balance Sheet.

The Company had the following recognized financial assets and financial liabilities resulting from those transactions that meet the scope of the disclosure requirements as necessitated by applicable accounting guidance for balance sheet offsetting:

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**Offsetting of derivative assets**  
**(in millions)**

| Description               | Balance Sheet location                    | September 30, 2025                 |                                           |                                                      | December 31, 2024                  |                                           |                                                      |
|---------------------------|-------------------------------------------|------------------------------------|-------------------------------------------|------------------------------------------------------|------------------------------------|-------------------------------------------|------------------------------------------------------|
|                           |                                           | (i)                                | (ii)                                      | (iii) = (i) + (ii)                                   | (i)                                | (ii)                                      | (iii) = (i) + (ii)                                   |
|                           |                                           | Gross amounts of recognized assets | Gross amounts offset in the Balance Sheet | Net amounts of assets presented in the Balance Sheet | Gross amounts of recognized assets | Gross amounts offset in the Balance Sheet | Net amounts of assets presented in the Balance Sheet |
| Fuel derivative contracts | Prepaid expenses and other current assets | \$ —                               | \$ —                                      | \$ —                                                 | \$ 22                              | \$ (4)                                    | \$ 18                                                |
| Fuel derivative contracts | Other assets                              | \$ —                               | \$ —                                      | \$ —                                                 | \$ 108                             | \$ (18)                                   | \$ 90 (a)                                            |

(a) The net amounts of derivative assets and liabilities are reconciled to the individual line item amounts presented in the unaudited Condensed Consolidated Balance Sheet in Note 8.

**Offsetting of derivative liabilities**  
**(in millions)**

| Description               | Balance Sheet location                    | September 30, 2025                      |                                           |                                                           | December 31, 2024                       |                                           |                                                           |
|---------------------------|-------------------------------------------|-----------------------------------------|-------------------------------------------|-----------------------------------------------------------|-----------------------------------------|-------------------------------------------|-----------------------------------------------------------|
|                           |                                           | (i)                                     | (ii)                                      | (iii) = (i) + (ii)                                        | (i)                                     | (ii)                                      | (iii) = (i) + (ii)                                        |
|                           |                                           | Gross amounts of recognized liabilities | Gross amounts offset in the Balance Sheet | Net amounts of liabilities presented in the Balance Sheet | Gross amounts of recognized liabilities | Gross amounts offset in the Balance Sheet | Net amounts of liabilities presented in the Balance Sheet |
| Fuel derivative contracts | Prepaid expenses and other current assets | \$ —                                    | \$ —                                      | \$ —                                                      | \$ 4                                    | \$ (4)                                    | \$ —                                                      |
| Fuel derivative contracts | Other assets                              | \$ —                                    | \$ —                                      | \$ —                                                      | \$ 18                                   | \$ (18)                                   | \$ — (a)                                                  |

(a) The net amounts of derivative assets and liabilities are reconciled to the individual line item amounts presented in the unaudited Condensed Consolidated Balance Sheet in Note 8.

The following tables present the impact of derivative instruments, including terminations, within the unaudited Condensed Consolidated Statement of Comprehensive Income for the three and nine months ended September 30, 2025 and 2024:

**Location and amount recognized in income on cash flow hedging relationships**

| (in millions)                                     | Three months ended September 30, 2025 |                          | Three months ended September 30, 2024 |                          |
|---------------------------------------------------|---------------------------------------|--------------------------|---------------------------------------|--------------------------|
|                                                   | Fuel and oil                          | Other operating expenses | Fuel and oil                          | Other operating expenses |
| Total                                             | \$ 36                                 | \$ 2                     | \$ 15                                 | \$ 2                     |
| Loss on cash flow hedging relationships           |                                       |                          |                                       |                          |
| Commodity contracts:                              |                                       |                          |                                       |                          |
| Amount of loss reclassified from AOCI into income | 36 (a)                                |                          | 15                                    |                          |
| Other:                                            |                                       |                          |                                       |                          |
| Amount of loss reclassified from AOCI into income | —                                     | 2                        |                                       | 2                        |

(a) Includes amounts reclassified from Accumulated Other Comprehensive Income associated with hedges previously terminated.

**Location and amount recognized in income on cash flow hedging relationships**

|                      | Nine months ended September 30,<br>2025 |                          | Nine months ended September 30,<br>2024 |                          |
|----------------------|-----------------------------------------|--------------------------|-----------------------------------------|--------------------------|
|                      | Fuel and oil                            | Other operating expenses | Fuel and oil                            | Other operating expenses |
| <b>(in millions)</b> |                                         |                          |                                         |                          |
| Total                | \$ 110                                  | \$ 5                     | \$ 54                                   | \$ 6                     |

**Loss on cash flow hedging relationships**

|                                                   |     |     |    |   |
|---------------------------------------------------|-----|-----|----|---|
| Commodity contracts:                              |     |     |    |   |
| Amount of loss reclassified from AOCI into income | 110 | (a) | 54 |   |
| Other:                                            |     |     |    |   |
| Amount of loss reclassified from AOCI into income | —   | 5   |    | 6 |

(a) Includes amounts reclassified from Accumulated Other Comprehensive Income associated with hedges previously terminated.

**Derivatives designated and qualified in cash flow hedging relationships**

| <b>(in millions)</b>      | (Gain) loss recognized in AOCI on derivatives,<br>net of tax |       |
|---------------------------|--------------------------------------------------------------|-------|
|                           | Three months ended                                           |       |
|                           | September 30,                                                |       |
|                           | 2025                                                         | 2024  |
| Fuel derivative contracts | \$ —                                                         | \$ 61 |

**Derivatives designated and qualified in cash flow hedging relationships**

| <b>(in millions)</b>      | (Gain) loss recognized in AOCI on derivatives,<br>net of tax |       |
|---------------------------|--------------------------------------------------------------|-------|
|                           | Nine months ended                                            |       |
|                           | September 30,                                                |       |
|                           | 2025                                                         | 2024  |
| Fuel derivative contracts | \$ 69                                                        | \$ 83 |

**Derivatives not designated as hedges**

| (in millions).            | (Gain) loss recognized in income on derivatives |       | Location of (gain) loss recognized in income on derivatives |
|---------------------------|-------------------------------------------------|-------|-------------------------------------------------------------|
|                           | Three months ended                              |       |                                                             |
|                           | September 30,                                   |       |                                                             |
|                           | 2025                                            | 2024  |                                                             |
| Fuel derivative contracts | \$ —                                            | \$ 29 | Other (gains) losses, net                                   |

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**Derivatives not designated as hedges**

| (in millions)             | (Gain) loss recognized in income on derivatives |       | Location of (gain) loss recognized in income on derivatives |
|---------------------------|-------------------------------------------------|-------|-------------------------------------------------------------|
|                           | Nine months ended                               |       |                                                             |
|                           | September 30,                                   |       |                                                             |
|                           | 2025                                            | 2024  |                                                             |
| Fuel derivative contracts | \$ —                                            | \$ 31 | Other (gains) losses, net                                   |

The Company also recorded expenses associated with net premiums paid for fuel derivative contracts that settled/expired and/or terminated during the three and nine months ended September 30, 2025 and 2024. Gains and/or losses associated with fuel derivatives that qualified for hedge accounting were ultimately recorded to Fuel and oil expense. Gains and/or losses associated with fuel derivatives that did not qualify for hedge accounting were recorded to Other (gains) losses, net. The following tables present the expense impacts and their locations within the unaudited Condensed Consolidated Statement of Comprehensive Income during the periods the contracts settled or were scheduled to settle:

| (in millions)                                      | Expense (benefit) recognized in income on derivatives |    |      |    | Location of expense (benefit) recognized in income on derivatives |
|----------------------------------------------------|-------------------------------------------------------|----|------|----|-------------------------------------------------------------------|
|                                                    | Three months ended                                    |    |      |    |                                                                   |
|                                                    | September 30,                                         |    |      |    |                                                                   |
|                                                    | 2025                                                  |    | 2024 |    |                                                                   |
| Fuel derivative contracts designated as hedges     | \$                                                    | 36 | \$   | 34 | Fuel and oil                                                      |
| Fuel derivative contracts not designated as hedges |                                                       | —  |      | 5  | Other (gains) losses, net                                         |

| (in millions)                                      | Expense (benefit) recognized in income on derivatives |        | Location of expense (benefit) recognized in income on derivatives |
|----------------------------------------------------|-------------------------------------------------------|--------|-------------------------------------------------------------------|
|                                                    | Nine months ended                                     |        |                                                                   |
|                                                    | September 30,                                         |        |                                                                   |
|                                                    | 2025                                                  | 2024   |                                                                   |
| Fuel derivative contracts designated as hedges     | \$ 110                                                | \$ 114 | Fuel and oil                                                      |
| Fuel derivative contracts not designated as hedges | —                                                     | 5      | Other (gains) losses, net                                         |

**Interest Rate Swaps**

The Company is at times party to certain interest rate swap agreements that are accounted for as cash flow hedges, but had none in place as of September 30, 2025, or as of December 31, 2024. The Company also did not have any interest rate swap agreements designated as fair value hedges, as defined, during the periods presented.

**Credit Risk and Collateral**

The Company had no cash collateral posted or received as of September 30, 2025.

#### 4. COMPREHENSIVE INCOME

Comprehensive income (loss) includes changes in the fair value of certain financial derivative instruments that qualify for hedge accounting and actuarial gains/losses arising from the Company's postretirement benefit obligation. During second quarter 2025, the Company terminated its remaining portfolio of fuel hedging contracts, which were scheduled to settle through 2027, to effectively close its fuel hedging portfolio. See Note 3. The differences between Net income and Comprehensive income for the three and nine months ended September 30, 2025 and 2024 were as follows:

| (in millions)                                                                                  | Three months ended September 30, |              |
|------------------------------------------------------------------------------------------------|----------------------------------|--------------|
|                                                                                                | 2025                             | 2024         |
| <b>NET INCOME</b>                                                                              | \$ 54                            | \$ 67        |
| Unrealized gain (loss) on fuel derivative instruments, net of deferred taxes of \$8 and (\$14) | 28 (a)                           | (50)         |
| Other, net of deferred taxes of \$1 and \$—                                                    | 1                                | 2            |
| Total other comprehensive income (loss)                                                        | \$ 29                            | \$ (48)      |
| <b>COMPREHENSIVE INCOME</b>                                                                    | <u>\$ 83</u>                     | <u>\$ 19</u> |

(a) Includes reclassification adjustments from Accumulated Other Comprehensive Income into Fuel and oil expense associated with hedges previously terminated.

| (in millions)                                                                                  | Nine months ended September 30, |               |
|------------------------------------------------------------------------------------------------|---------------------------------|---------------|
|                                                                                                | 2025                            | 2024          |
| <b>NET INCOME</b>                                                                              | \$ 118                          | \$ 204        |
| Unrealized gain (loss) on fuel derivative instruments, net of deferred taxes of \$5 and (\$12) | 15 (a)                          | (42)          |
| Other, net of deferred taxes of \$1 and \$1                                                    | 4                               | 5             |
| Total other comprehensive income (loss)                                                        | \$ 19                           | \$ (37)       |
| <b>COMPREHENSIVE INCOME</b>                                                                    | <u>\$ 137</u>                   | <u>\$ 167</u> |

(a) Includes reclassification adjustments from Accumulated Other Comprehensive Income into Fuel and oil expense associated with hedges previously terminated.

A rollforward of the amounts included in AOCI, net of taxes, is shown below for the three and nine months ended September 30, 2025:

| (in millions)                 | Fuel derivatives | Defined benefit plan items | Other         | Deferred tax impact | Accumulated other comprehensive income (loss) |
|-------------------------------|------------------|----------------------------|---------------|---------------------|-----------------------------------------------|
| Balance at June 30, 2025      | \$ (209)         | \$ 167                     | \$ (4)        | \$ 11               | \$ (35)                                       |
| Changes in fair value         | —                | —                          | —             | —                   | —                                             |
| Reclassification to earnings  | 36               | —                          | 2             | (9)                 | 29                                            |
| Balance at September 30, 2025 | <u>\$ (173)</u>  | <u>\$ 167</u>              | <u>\$ (2)</u> | <u>\$ 2</u>         | <u>\$ (6)</u>                                 |

| (in millions)                 | Fuel derivatives | Defined benefit plan items | Other         | Deferred tax impact | Accumulated other comprehensive income (loss) |
|-------------------------------|------------------|----------------------------|---------------|---------------------|-----------------------------------------------|
| Balance at December 31, 2024  | \$ (193)         | \$ 167                     | \$ (7)        | \$ 8                | \$ (25)                                       |
| Changes in fair value         | (90)             | —                          | —             | 21                  | (69)                                          |
| Reclassification to earnings  | 110              | —                          | 5             | (27)                | 88                                            |
| Balance at September 30, 2025 | <u>\$ (173)</u>  | <u>\$ 167</u>              | <u>\$ (2)</u> | <u>\$ 2</u>         | <u>\$ (6)</u>                                 |

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The following tables illustrate the significant amounts reclassified out of each component of AOCI for the three and nine months ended September 30, 2025:

| <b>Three months ended September 30, 2025</b>   |                                       |    |                                                                                                     |
|------------------------------------------------|---------------------------------------|----|-----------------------------------------------------------------------------------------------------|
| <b>(in millions)</b>                           |                                       |    |                                                                                                     |
| <b>AOCI components</b>                         | <b>Amounts reclassified from AOCI</b> |    | <b>Affected line item in the unaudited Condensed Consolidated Statement of Comprehensive Income</b> |
| Unrealized loss on fuel derivative instruments | \$                                    | 36 | Fuel and oil expense                                                                                |
|                                                |                                       | 8  | Less: Tax expense                                                                                   |
|                                                | \$                                    | 28 | Net of tax                                                                                          |
| Other                                          | \$                                    | 2  | Other operating expenses                                                                            |
|                                                |                                       | 1  | Less: Tax expense                                                                                   |
|                                                | \$                                    | 1  | Net of tax                                                                                          |
| Total reclassifications for the period         | \$                                    | 29 | Net of tax                                                                                          |

| <b>Nine months ended September 30, 2025</b>    |                                       |     |                                                                                                     |
|------------------------------------------------|---------------------------------------|-----|-----------------------------------------------------------------------------------------------------|
| <b>(in millions)</b>                           |                                       |     |                                                                                                     |
| <b>AOCI components</b>                         | <b>Amounts reclassified from AOCI</b> |     | <b>Affected line item in the unaudited Condensed Consolidated Statement of Comprehensive Income</b> |
| Unrealized loss on fuel derivative instruments | \$                                    | 110 | Fuel and oil expense                                                                                |
|                                                |                                       | 26  | Less: Tax expense                                                                                   |
|                                                | \$                                    | 84  | Net of tax                                                                                          |
| Other                                          | \$                                    | 5   | Other operating expenses                                                                            |
|                                                |                                       | 1   | Less: Tax expense                                                                                   |
|                                                | \$                                    | 4   | Net of tax                                                                                          |
| Total reclassifications for the period         | \$                                    | 88  | Net of tax                                                                                          |

## 5. REVENUE

### Passenger Revenues

The Company's contracts with its Customers primarily consist of its tickets sold, which are initially deferred as Air traffic liability. Passenger revenue associated with tickets is recognized when the performance obligation to the Customer is satisfied, which is primarily when travel is provided. For air travel on Southwest, the amount of tickets (which includes flight credits—also referred to as partial tickets) that will go unused, referred to as breakage, is estimated and recognized in Passenger revenue once the scheduled flight date has passed.

Revenue is categorized by revenue source as the Company believes it best depicts the nature, amount, timing, and uncertainty of revenue and cash flow. The following table provides the components of Passenger revenue recognized for the three and nine months ended September 30, 2025 and 2024:

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| (in millions)                          | Three months ended September 30, |                 | Nine months ended September 30, |                  |
|----------------------------------------|----------------------------------|-----------------|---------------------------------|------------------|
|                                        | 2025                             | 2024            | 2025                            | 2024             |
| Passenger non-loyalty                  | \$ 4,896                         | \$ 5,092        | \$ 15,110                       | \$ 15,316        |
| Passenger loyalty - air transportation | 805                              | 896             | 2,475                           | 2,589            |
| Passenger ancillary sold separately    | 612                              | 262             | 1,166                           | 768              |
| <b>Total passenger revenues</b>        | <b>\$ 6,313</b>                  | <b>\$ 6,250</b> | <b>\$ 18,751</b>                | <b>\$ 18,673</b> |

As of September 30, 2025, and December 31, 2024, the components of Air traffic liability, including contract liabilities based on tickets sold and unused flight credits available to the Customer, both of which are net of recorded breakage, and loyalty points available for redemption, within the unaudited Condensed Consolidated Balance Sheet were as follows:

| (in millions)                                                             | Balance as of      |                   |
|---------------------------------------------------------------------------|--------------------|-------------------|
|                                                                           | September 30, 2025 | December 31, 2024 |
| Air traffic liability - passenger travel and ancillary passenger services | \$ 3,620           | \$ 3,393          |
| Air traffic liability - loyalty program                                   | 4,505              | 4,849             |
| <b>Total Air traffic liability</b>                                        | <b>\$ 8,125</b>    | <b>\$ 8,242</b>   |

The balance in Air traffic liability - passenger travel and ancillary passenger services also includes flight credits not currently associated with a ticket that can be applied by Customers towards the purchase of future travel. These flight credits are typically created as a result of a prior ticket cancellation or exchange, and are recorded net of associated breakage. Rollforwards of the Company's Air traffic liability - loyalty program for the three and nine months ended September 30, 2025 and 2024 were as follows:

| (in millions)                                                   | Three months ended September 30, |                 | Nine months ended September 30, |                 |
|-----------------------------------------------------------------|----------------------------------|-----------------|---------------------------------|-----------------|
|                                                                 | 2025                             | 2024            | 2025                            | 2024            |
| Air traffic liability - loyalty program - beginning balance     | \$ 4,693                         | \$ 4,962        | 4,849                           | \$ 4,916        |
| Amounts deferred associated with points awarded                 | 649                              | 851             | 2,214                           | 2,645           |
| Revenue recognized from points redeemed - Passenger             | (805)                            | (896)           | (2,475)                         | (2,589)         |
| Revenue recognized from points redeemed - Other                 | (32)                             | (31)            | (83)                            | (86)            |
| <b>Air traffic liability - loyalty program - ending balance</b> | <b>\$ 4,505</b>                  | <b>\$ 4,886</b> | <b>\$ 4,505</b>                 | <b>\$ 4,886</b> |

Air traffic liability includes consideration received for ticket and loyalty related performance obligations which have not been satisfied as of a given date. Rollforwards of the amounts included in Air traffic liability as of September 30, 2025 and 2024 were as follows:

| (in millions)                                                        | Nine months ended September 30, |                 |
|----------------------------------------------------------------------|---------------------------------|-----------------|
|                                                                      | 2025                            | 2024            |
| Air traffic liability - beginning balance                            | \$ 8,242                        | \$ 8,279        |
| Current period sales (a)                                             | 18,496                          | 19,181          |
| Revenue from amounts included in contract liability opening balances | (4,634)                         | (4,593)         |
| Revenue from current period sales                                    | (13,979)                        | (14,167)        |
| <b>Air traffic liability - ending balance</b>                        | <b>\$ 8,125</b>                 | <b>\$ 8,700</b> |

(a) Current period sales include passenger travel, ancillary services, flight loyalty, and partner loyalty

On May 28, 2025, the Company implemented a change to its flight credit policy. Flight credits created from reservations booked and ticketed or voluntarily changed on or after May 28, 2025, have a specified expiration date of one year or less, depending on the type of fare purchased. Flight credits issued between July 28, 2022, and May 28, 2025, including any future issuances associated with bookings made prior to the policy change on May 28, 2025, do not have an expiration date. With the launch of the new Getaways by Southwest™ ("Getaways") product, the Company has begun to issue vacation travel credits for cancelled bookings, with an 18-month expiration period from the original booking date. As the Company believes that a portion of Customer travel credits (both flight credits and Getaways travel credits) issued will not be redeemed, it estimates and records breakage associated with such amounts. Customer travel credits represent approximately 5 percent and 8 percent of the total Air traffic liability balance as of September 30, 2025, and December 31, 2024, respectively.

Through the Company's co-branded credit card agreement with JPMorgan Chase Bank, N.A. ("Chase"), the Company sells loyalty points, certain marketing benefits, which consist of the use of the Southwest Airlines brand and access to Rapid Rewards Member lists, licensing and advertising elements, the use of the Company's resource team, and other airline benefits. The Company allocates consideration received to performance obligations based on the relative fair value of those obligations. In 2025, the Company and Chase amended the co-brand credit card agreement—in the first quarter to extend the term of the agreement and add enhanced airline benefits for Cardmembers associated with the Company's planned assigned seating and premium seating initiative, and again in the second quarter to add benefits to Cardmembers related to the Company's changes in its checked bag policy that went into effect on May 28, 2025. For each change to the agreement, the Company estimated the selling prices and volumes over the term of the amended agreement in order to determine the allocation of proceeds to each of the three performance obligations identified in the agreement, which have been characterized as a transportation component, a marketing component, and an airline benefits component. The Company defers revenue for points earned by Customers through the Chase agreement, and subsequently records Passenger revenue related to loyalty point redemptions for air travel when the travel is delivered, the marketing elements are recognized as Other revenue when the performance obligations related to those services are satisfied, which is generally the same period consideration is received from Chase, and the airline benefits are recognized as Passenger revenue when they are provided. As a result of the amended co-brand agreement, a larger portion of the Company's co-brand credit card benefits from Chase are now being classified within Passenger revenues during 2025.

The Company recognizes revenue related to the marketing, advertising, and other travel-related benefits of the cash receipts associated with various loyalty partner agreements including, but not limited to, its co-branded credit card agreement with Chase. For the three months ended September 30, 2025 and 2024, the Company recognized \$723 million and \$538 million of such revenue, respectively, the majority of which is within Other operating revenues. For the nine months ended September 30, 2025 and 2024, the Company recognized revenues of \$1.9 billion and \$1.6 billion, respectively.

#### 6. NET INCOME PER SHARE

The following table sets forth the computation of basic and diluted net income per share (in millions, except per share amounts). Basic net income per share is calculated by dividing net income by the weighted average of shares outstanding during the period. Diluted net income per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. During second quarter 2025, the Company's remaining balance of 1.25 percent Convertible Senior Notes due 2025 (the "Convertible Notes") of \$1.6 billion was repaid, settling both principal and accrued interest. Due to this maturity, the Convertible Notes did not have a dilutive impact on the net income per share calculation and interest expense was not added back to the numerator for the three months ended September 30, 2025.

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|                                                         | Three months ended September 30, |                | Nine months ended September 30, |                |
|---------------------------------------------------------|----------------------------------|----------------|---------------------------------|----------------|
|                                                         | 2025                             | 2024           | 2025                            | 2024           |
| <b>NUMERATOR:</b>                                       |                                  |                |                                 |                |
| Net income                                              | \$ 54                            | \$ 67          | \$ 118                          | \$ 204         |
| Add: Interest expense                                   | —                                | — (a)          | — (a)                           | 15             |
| Net income attributable to common stockholders          | <u>\$ 54</u>                     | <u>\$ 67</u>   | <u>\$ 118</u>                   | <u>\$ 219</u>  |
| <b>DENOMINATOR:</b>                                     |                                  |                |                                 |                |
| Weighted-average shares outstanding, basic              | 523                              | 599            | 548                             | 598            |
| Dilutive effects of Convertible Notes                   | —                                | —              | —                               | 43             |
| Dilutive effect of restricted stock units               | 3                                | 2              | 3                               | 2              |
| Weighted-average shares outstanding, diluted            | <u>526</u>                       | <u>601</u>     | <u>551</u>                      | <u>643</u>     |
| <b>NET INCOME PER SHARE:</b>                            |                                  |                |                                 |                |
| Basic                                                   | <u>\$ 0.10</u>                   | <u>\$ 0.11</u> | <u>\$ 0.21</u>                  | <u>\$ 0.34</u> |
| Diluted                                                 | <u>\$ 0.10</u>                   | <u>\$ 0.11</u> | <u>\$ 0.21</u>                  | <u>\$ 0.34</u> |
| <b>Antidilutive amounts excluded from calculations:</b> |                                  |                |                                 |                |
| Convertible debt                                        | —                                | 44             | 20 (b)                          | —              |
| Restricted stock units                                  | —                                | —              | —                               | 1              |

(a) For the nine months ended September 30, 2025 and the three months ended September 30, 2024, Interest expense is not added back to the numerator due to the impact of the Convertible Notes being anti-dilutive.

(b) For the nine months ended September 30, 2025, the Convertible Notes were outstanding for a portion of the period and were anti-dilutive. See Note 10 for further information on the Convertible Notes.

## 7. FAIR VALUE MEASUREMENTS

Accounting standards pertaining to fair value measurements establish a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of September 30, 2025, the Company held certain items that are required to be measured at fair value on a recurring basis. These included cash equivalents, short-term investments, and available-for-sale securities. The majority of the Company's cash equivalents and short-term investments consist of instruments classified as Level 1. However, the Company has certificates of deposit and time deposits that are classified as Level 2, due to the fact that the fair value for these instruments is determined utilizing observable inputs in non-active markets. Equity securities primarily consist of investments with readily determinable market values associated with the Company's excess benefit plan.

During second quarter 2025, the Company terminated its remaining portfolio of fuel hedging contracts, which were scheduled to settle through 2027, to effectively close its fuel hedging portfolio. See Note 3 for further information on the Company's derivative instruments and hedging activities. The Company's derivative instruments held in prior periods consisted of over-the-counter contracts, which were not traded on a public exchange. Fuel derivative instruments historically consisted solely of option contracts, whereas interest rate derivatives have historically

consisted solely of swap agreements. The Company determined the value of option contracts utilizing an option pricing model based on inputs that are either readily available in public markets, can be derived from information available in publicly quoted markets, or are provided by financial institutions that trade these contracts. The option pricing model historically used by the Company is an industry standard model for valuing options and is a similar model used by the broker/dealer community (i.e., the Company's counterparties). The inputs to this option pricing model are the option strike price, underlying price, risk free rate of interest, time to expiration, and volatility. Because certain inputs used to determine the fair value of option contracts are unobservable (principally implied volatility), the Company categorized these option contracts as Level 3. Volatility information was obtained from external sources, but was analyzed by the Company for reasonableness and compared to similar information received from other external sources. Holding other inputs constant, an increase (decrease) in implied volatility would have resulted in a higher (lower) fair value measurement, respectively, for the Company's derivative option contracts in prior periods. The fair value of option contracts considered both the intrinsic value and any remaining time value associated with those derivatives that had not yet settled. The Company also considered counterparty credit risk and its own credit risk in its determination of all estimated fair values. To validate the reasonableness of the Company's option pricing model, on a monthly basis, the Company compared its option valuations to third party valuations. Any significant differences noted were researched in order to determine the reason. However, historically, no significant differences were noted. The Company consistently applied these valuation techniques in prior periods presented and believes it obtained the most accurate information available for the types of derivative contracts it held.

Included in Equity securities are the Company's investments primarily associated with its deferred compensation plans, which consist of mutual funds that are publicly traded and for which market prices are readily available. These plans are non-qualified deferred compensation plans designed to hold contributions in excess of limits established by the Internal Revenue Code of 1986, as amended. The distribution timing and payment amounts under these plans are made based on the participant's distribution election and plan balance. Assets related to the funded portions of the deferred compensation plans are held in a rabbi trust, and the Company remains liable to these participants for the unfunded portion of the plans. The Company records changes in the fair value of plan obligations and plan assets, which net to zero, within the Salaries, wages, and benefits line and Other (gains) losses, net line, respectively, of the unaudited Condensed Consolidated Statement of Comprehensive Income.

The following tables present the Company's assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2025, and December 31, 2024:

| Description             | September 30, 2025 | Fair value measurements at reporting date using:                     |                                                     |
|-------------------------|--------------------|----------------------------------------------------------------------|-----------------------------------------------------|
|                         |                    | Quoted prices in active<br>markets for identical assets<br>(Level 1) | Significant other<br>observable inputs<br>(Level 2) |
| <b>Assets</b>           |                    | <b>(in millions)</b>                                                 |                                                     |
| Cash equivalents:       |                    |                                                                      |                                                     |
| Cash equivalents (a)    | \$ 2,552           | \$ 2,552                                                             | \$ —                                                |
| Time deposits           | 350                | —                                                                    | 350                                                 |
| Short-term investments: |                    |                                                                      |                                                     |
| Certificates of deposit | 16                 | —                                                                    | 16                                                  |
| Time deposits           | 100                | —                                                                    | 100                                                 |
| Equity Securities       | 433                | 433                                                                  | —                                                   |
| <b>Total assets</b>     | <b>\$ 3,451</b>    | <b>\$ 2,985</b>                                                      | <b>\$ 466</b>                                       |

(a) Cash equivalents are primarily composed of money market investments.

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| Description             | December 31, 2024 | Fair value measurements at reporting date using:                     |                                                     |                                                 |
|-------------------------|-------------------|----------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|
|                         |                   | Quoted prices in active<br>markets for identical assets<br>(Level 1) | Significant other<br>observable inputs<br>(Level 2) | Significant<br>unobservable inputs<br>(Level 3) |
| <b>Assets</b>           |                   | <b>(in millions)</b>                                                 |                                                     |                                                 |
| Cash equivalents:       |                   |                                                                      |                                                     |                                                 |
| Cash equivalents (a)    | \$ 7,209          | \$ 7,209                                                             | \$ —                                                | \$ —                                            |
| Time deposits           | 300               | —                                                                    | 300                                                 | —                                               |
| Short-term investments: |                   |                                                                      |                                                     |                                                 |
| Treasury bills          | 1,094             | 1,094                                                                | —                                                   | —                                               |
| Certificates of deposit | 122               | —                                                                    | 122                                                 | —                                               |
| Fuel derivatives:       |                   |                                                                      |                                                     |                                                 |
| Option contracts (b)    | 130               | —                                                                    | —                                                   | 130                                             |
| Equity Securities       | 367               | 367                                                                  | —                                                   | —                                               |
| <b>Total assets</b>     | <b>\$ 9,222</b>   | <b>\$ 8,670</b>                                                      | <b>\$ 422</b>                                       | <b>\$ 130</b>                                   |

(a) Cash equivalents are primarily composed of money market investments and treasury bills.

(b) In the unaudited Condensed Consolidated Balance Sheet amounts are presented as an asset. See Note 3.

The Company did not have any material assets or liabilities measured at fair value on a nonrecurring basis during the nine months ended September 30, 2025, or the year ended December 31, 2024. The following table presents the Company's activity for items measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the nine months ended September 30, 2025. There was no activity for the three months ended September 30, 2025.

| Fair value measurements using significant unobservable inputs (Level 3) |                  |
|-------------------------------------------------------------------------|------------------|
| (in millions)                                                           | Fuel derivatives |
| Balance at December 31, 2024                                            | \$ 130           |
| Total loss for the period                                               |                  |
| Included in other comprehensive income                                  | (90)             |
| Proceeds from portfolio termination                                     | (40)             |
| Balance at September 30, 2025                                           | \$ —             |

The carrying amounts and estimated fair values of the Company's short-term and long-term debt (including current maturities), as well as the applicable fair value hierarchy tier, as of September 30, 2025, are presented in the table below. The fair values of the Company's publicly held debt are determined based on inputs that are readily available in public markets or can be derived from information available in publicly quoted markets; therefore, the Company has categorized these agreements as Level 2. All privately held debt agreements are categorized as Level 3. The Company has determined the estimated fair value of this debt to be Level 3, as certain inputs used to determine the fair value of these agreements are unobservable. The Company utilizes indicative pricing from counterparties and a discounted cash flow method to estimate the fair value of the Level 3 items.

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| <b>(in millions)</b>                    | <b>Maturity Date</b> | <b>Carrying value</b> | <b>Estimated fair value</b> | <b>Fair value level hierarchy</b> |
|-----------------------------------------|----------------------|-----------------------|-----------------------------|-----------------------------------|
| 3.00% Notes                             | 2026                 | \$ 300                | \$ 296                      | Level 2                           |
| 7.375% Debentures                       | 2027                 | 105                   | 109                         | Level 2                           |
| 3.45% Notes                             | 2027                 | 300                   | 295                         | Level 2                           |
| 5.125% Notes                            | 2027                 | 1,727                 | 1,749                       | Level 2                           |
| 2.625% Notes                            | 2030                 | 500                   | 461                         | Level 2                           |
| 1.000% Payroll Support Program Loan (a) | 2031                 | 566                   | 573                         | Level 3                           |
| 1.000% Payroll Support Program Loan (b) | 2031                 | 526                   | 524                         | Level 3                           |

(a) The interest rate will change to Secured Overnight Financing Rate plus two percent in January 2026. See Note 10 for further information.

(b) The interest rate will change to Secured Overnight Financing Rate plus two percent in April 2026. See Note 10 for further information.

**8. SUPPLEMENTAL FINANCIAL INFORMATION**

| <b>(in millions)</b>                          | <b>September 30, 2025</b> | <b>December 31, 2024</b> |
|-----------------------------------------------|---------------------------|--------------------------|
| Trade receivables                             | \$ 52                     | \$ 47                    |
| Credit card receivables                       | 199                       | 143                      |
| Business partners                             | 736                       | 573                      |
| Taxes receivable                              | 10                        | 11                       |
| Fuel hedging and receivables                  | —                         | 1                        |
| Reinsurance receivable and losses recoverable | 97                        | 168                      |
| Other                                         | 24                        | 167                      |
| Accounts and other receivables                | <u>\$ 1,118</u>           | <u>\$ 1,110</u>          |

| <b>(in millions)</b>   | <b>September 30, 2025</b> | <b>December 31, 2024</b> |
|------------------------|---------------------------|--------------------------|
| Derivative contracts   | \$ —                      | \$ 90                    |
| Intangible assets, net | 295                       | 300                      |
| Equity securities      | 433                       | 367                      |
| Prepaid maintenance    | 282                       | 263                      |
| Other                  | 63                        | 61                       |
| Other assets           | <u>\$ 1,073</u>           | <u>\$ 1,081</u>          |

| <b>(in millions)</b>                     | <b>September 30, 2025</b> | <b>December 31, 2024</b> |
|------------------------------------------|---------------------------|--------------------------|
| Accounts payable trade                   | \$ 503                    | \$ 339                   |
| Salaries, withholdings and payroll taxes | 452                       | 536                      |
| Ticket taxes and fees                    | 302                       | 318                      |
| Aircraft maintenance payable             | 43                        | 33                       |
| Fuel payable                             | 65                        | 86                       |
| Dividends payable                        | —                         | 107                      |
| Third party services                     | 177                       | 176                      |
| Other payable                            | 166                       | 223                      |
| Accounts payable                         | <u>\$ 1,708</u>           | <u>\$ 1,818</u>          |

| (in millions)                                  | September 30, 2025 | December 31, 2024 |
|------------------------------------------------|--------------------|-------------------|
| Voluntary Separation Program and severance pay | \$ 2               | \$ 48             |
| Profit-sharing and savings plans               | 44                 | 151               |
| Vacation pay                                   | 682                | 657               |
| Health                                         | 218                | 192               |
| Workers compensation                           | 225                | 178               |
| Property and income taxes                      | 69                 | 53                |
| Interest                                       | 36                 | 23                |
| Deferred supplier credits                      | 12                 | —                 |
| Bonus pay                                      | 112                | 208               |
| Reinsurance payable and losses payable         | 181                | 249               |
| Aircraft maintenance                           | 138                | 92                |
| Other                                          | 372                | 355               |
| Accrued liabilities                            | <u>\$ 2,091</u>    | <u>\$ 2,206</u>   |
| (in millions)                                  | September 30, 2025 | December 31, 2024 |
| Postretirement obligation                      | \$ 261             | \$ 256            |
| Other deferred compensation                    | 487                | 412               |
| Other                                          | 396                | 241               |
| Other noncurrent liabilities                   | <u>\$ 1,144</u>    | <u>\$ 909</u>     |

For further information on derivative instruments, see Note 3.

#### Other Operating Expenses

Other operating expenses consist of aircraft rentals, distribution costs, advertising expenses, personnel expenses, professional fees, and certain technology-related costs, among other operating costs, none of which individually exceeded 10 percent of Total operating expenses.

## 9. COMMITMENTS AND CONTINGENCIES

### Commitments

The Company's contractual order book with The Boeing Company ("Boeing") for 737-7 ("-7") and -8 aircraft (together, the "MAX aircraft"), which extends to 2031, was designed to support the Company's growth and fleet modernization plans, while also providing significant flexibility and optionality to manage its fleet gauge and size, including opportunities to accelerate fleet modernization efforts if growth opportunities do not materialize. The Company received eight -8 aircraft deliveries from Boeing in third quarter 2025 and retired 16 aircraft (15 -700 and the sale of one -800). In addition, during third quarter 2025, the Company exercised four -7 options for delivery in 2026.

Boeing continues to experience delays in fulfilling its commitments with regards to delivery of MAX aircraft to the Company, primarily as a result of manufacturing challenges and delays in achieving Federal Aviation Administration ("FAA") certification of one of its new aircraft types, the -7, for which Southwest expects to be the launch customer. As a result of Boeing's delivery delays, the Company has previously replanned its capacity and delivery expectations multiple times and will continue to closely monitor the ongoing aircraft delivery delays with Boeing and further adjust expectations as needed. Year-to-date through September 30, 2025, the Company converted 42 2025 deliveries from -7 to -8 firm orders.

As of September 30, 2025, the Company had the following firm orders and options for future periods:

|      | The Boeing Company |                |                  | Total   |
|------|--------------------|----------------|------------------|---------|
|      | -7 Firm Orders     | -8 Firm Orders | -7 or -8 Options |         |
| 2025 | 28                 | 108            | —                | 136 (c) |
| 2026 | 86                 | —              | —                | 86      |
| 2027 | 19                 | 46             | 25               | 90      |
| 2028 | 15                 | 50             | 25               | 90      |
| 2029 | 38                 | 34             | 18               | 90      |
| 2030 | 45                 | —              | 45               | 90      |
| 2031 | 45                 | —              | 45               | 90      |
|      | 276 (a)            | 238 (b)        | 158              | 672     |

(a) The delivery timing for the -7 is dependent on the FAA issuing required certifications and approvals to Boeing and the Company. The FAA will ultimately determine the timing of the -7 certification and entry into service, and the Company therefore offers no assurances that current estimations and timelines are correct.

(b) The Company has flexibility to designate firm orders or options as -7s or -8s, upon written advance notification as stated in the contract.

(c) Includes 36 -8 deliveries received year-to-date through September 30, 2025. In addition, the Company has included 63 of its 2024 contractual but undelivered aircraft (27 -7s and 36 -8s) within its 2025 contractual commitments. The 2025 contractual detail is as follows:

|                                 | The Boeing Company |                | Total |
|---------------------------------|--------------------|----------------|-------|
|                                 | -7 Firm Orders     | -8 Firm Orders |       |
| 2024 Contractual Deliveries     | 27                 | 36             | 63    |
| 2025 Contractual Deliveries     | 1                  | 72             | 73    |
| 2025 Combined Contractual Total | 28                 | 108            | 136   |

Based on the Company's current agreement with Boeing, capital commitments associated with firm orders as of September 30, 2025, were:

| (in billions)                    | Remainder of<br>2025 | 2026   | 2027   | 2028   | 2029   | 2030 and<br>thereafter | Total   |
|----------------------------------|----------------------|--------|--------|--------|--------|------------------------|---------|
| Payments for capital commitments | \$ 2.7 (a)           | \$ 2.4 | \$ 2.5 | \$ 2.8 | \$ 2.5 | \$ 2.7                 | \$ 15.6 |

(a) Capital commitments associated with the Company's firm orders in 2025 of \$2.7 billion include approximately \$1.4 billion primarily related to the existing remaining scheduled 73 MAX aircraft to be delivered in 2025 and \$1.3 billion related to 63 MAX aircraft (27 -7s and 36 -8s) that were contractually committed for 2024, but were not received.

Subsequent to September 30, 2025, and through October 23, 2025, the Company exercised two -7 options for delivery in 2027, converted one 2025 -7 firm order into a 2025 -8 firm order, and converted five 2026 -7 firm orders into 2026 -8 firm orders, resulting in the Company's 2026 and 2027 capital commitments increasing to \$2.5 billion and \$2.6 billion, respectively.

## Contingencies

The Company is from time to time subject to various legal proceedings and claims arising in the ordinary course of business and records a liability for such claims when it is probable that a loss will be incurred and the amount is reasonably estimable.

The Company is a defendant in class action litigation asserting it has not provided paid short-term military leave to certain employees, in violation of the federal Uniformed Services Employment and Reemployment Rights Act ("USERRA"). The United States District Court for the Northern District of California previously issued an order to effectively stay the action, pending an appeal from an order by the United States District Court for the Eastern District of Washington granting summary judgment in favor of an airline in a separate case involving substantially the same claims at issue in this action. On February 1, 2023, the Ninth Circuit reversed the district court's grant of summary judgment and remanded the separate airline case to the District Court. The Ninth Circuit's decision may adversely affect the Company's defenses in the USERRA proceeding and may give rise to additional litigation in this or other areas. On October 29, 2024, the Company filed a motion to decertify the class, which was then fully briefed and set for hearing. On February 13, 2025, the parties filed a notice of settlement advising the Court that they reached a settlement in principle, and the parties made a stipulated request for the Court to vacate the case schedule, including the hearing on the Company's decertification motion, and to set a deadline of June 19, 2025, for the filing of either a motion for preliminary approval of the class settlement or a status update about the timing of the remaining steps in the settlement process. The Court granted the stipulation on February 14, 2025. On June 20, 2025, the Court granted the parties' stipulated request to continue the deadline for filing a motion for preliminary approval of the class settlement. On September 25, 2025, plaintiffs filed a motion for preliminary approval of the settlement class. The settlement includes an \$18.5 million settlement fund and prospective relief that includes a differential pay benefit for up to ten days of military leave per year, which will remain in place for at least five years once initiated. The proposed settlement is fully accrued as of September 30, 2025.

On December 27, 2019, a former customer service agent at Oakland International Airport, filed a putative class action complaint in the Superior Court of California, for the County of Santa Clara, against the Company alleging the following seven claims under the California Labor Code and Business & Professions Code: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to pay hourly wages; (4) failure to provide accurate wage statements; (5) failure to timely pay all final wages; (6) unfair competition; and (7) civil penalties for the foregoing. Plaintiff filed a First Amended Complaint on October 15, 2021, that asserted the same causes of action and added a named plaintiff. The First Amended Complaint primarily seeks unpaid wages, interest thereon, and associated civil and statutory penalties, along with attorneys' fees and costs. On February 26, 2025, the Court granted class certification as to the first cause of action for failure to provide meal periods, denied certification on the second through fourth causes of action, and granted certification on the fifth and sixth causes of action only insofar as they are predicated on the first cause of action. The certified class consists of all of the Company's non-exempt ground employees in California who worked a shift in excess of five hours for the time period between October 24, 2014, forward. On April 17, 2025, the Company filed a summary judgment motion arguing that Plaintiffs' first cause of action, and all causes of action predicated thereon, failed as a matter of law. The motion was granted on July 25, 2025. Judgment was entered in favor of the Company on September 2, 2025, and Plaintiffs filed a notice of appeal on September 4, 2025. The Company is currently not able to estimate a range of possible loss with regards to the litigation to which it is a defendant.

## 10. FINANCING ACTIVITIES

### *Convertible Notes due 2025*

On May 1, 2020, the Company completed the public offering of \$2.3 billion aggregate principal amount of the Convertible Notes, bearing interest at a rate of 1.25 percent, payable semi-annually in arrears. The Company repurchased \$689 million during the two year period ending December 31, 2022, and the remaining \$1.6 billion principal amount of the Convertible Notes was repaid at maturity during second quarter 2025 utilizing available cash on hand. An immaterial amount of Convertible Note conversions settled at maturity.

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The Company recognized interest expense associated with the Convertible Notes as follows:

|                                              | Three months ended September 30, |      | Nine months ended September 30, |       |
|----------------------------------------------|----------------------------------|------|---------------------------------|-------|
|                                              | 2025                             | 2024 | 2025                            | 2024  |
| <b>(in millions)</b>                         |                                  |      |                                 |       |
| Non-cash amortization of debt issuance costs | \$ —                             | \$ 3 | \$ 3                            | \$ 8  |
| Contractual coupon interest                  | —                                | 5    | 7                               | 15    |
| Total interest expense                       | \$ —                             | \$ 8 | \$ 10                           | \$ 23 |

The unamortized debt issuance costs were recognized as non-cash interest expense based on the 5-year term of the notes, through May 1, 2025, less amounts that were required to be accelerated immediately upon conversion or repurchases. The Company had no changes to contingencies with regards to the Convertible Notes through the settlement date, May 1, 2025.

***Payroll Support Program Loan due 2030***

During 2020 and 2021, the Company entered into definitive documentation with the United States Department of the Treasury ("Treasury") with respect to payroll funding support ("Payroll Support") pursuant to three separate Payroll Support programs: the "PSP1 Payroll Support Program" in April 2020 under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"); the "PSP2 Payroll Support Program" in January 2021 under the Consolidated Appropriations Act, 2021; and the "PSP3 Payroll Support Program" in April 2021 under the American Rescue Plan Act of 2021.

As consideration for its receipt of funding under each of these Payroll Support programs, the Company issued promissory notes in favor of Treasury (each initially classified as a component of Long-term debt less current maturities in the unaudited Condensed Consolidated Balance Sheet). The note associated with the PSP1 Payroll Support Program was originally due in April 2030 but was redeemed early on April 17, 2025 in the amount of \$976 million, utilizing available cash on hand. The notes associated with the PSP2 and PSP3 Payroll Support Programs are due in January and April 2031, respectively.

On the day after the fifth anniversary of each of the PSP2 and PSP3 Notes, during January and April 2026, respectively, the applicable interest rates are scheduled to change to the Secured Overnight Financing Rate plus two percent.

***Revolving Credit Facility***

As of September 30, 2025, the Company had access to \$1.5 billion under its amended and restated revolving credit facility (the "Amended Credit Agreement"), which expires in August 2028, reflecting the Company's exercise of the accordion feature to increase the size of the facility on July 22, 2025. For the nine months ended September 30, 2025 and 2024, there were no amounts outstanding under the Amended Credit Agreement.

***Repurchase of Common Stock***

Under an accelerated share repurchase program entered into by the Company with third-party financial institutions in first quarter 2025 (the "First Quarter 2025 ASR Program"), the Company paid \$750 million and received an initial delivery of 19,867,550 shares during February 2025, representing an estimated 80 percent of the shares to be purchased by the Company under the First Quarter 2025 ASR Program. This share amount was based on the \$30.20 closing price of the Company's common stock on February 19, 2025. Final settlement of the First Quarter 2025 ASR Program occurred in April 2025 and was based on a discount to the volume-weighted average price per share of the Company's common stock during a calculation period completed in April 2025. Upon settlement, the third-party financial institutions delivered 4,242,267 additional shares of the Company's common stock to the Company. Upon completion of the First Quarter 2025 ASR Program in April 2025, the average purchase price per share for the 24,109,817 shares repurchased was \$31.11.

Under an accelerated share repurchase program entered into by the Company with third-party financial institutions in second quarter 2025 (the "Second Quarter 2025 ASR Program"), the Company paid \$1.5 billion and received an initial delivery of 45,300,111 shares during April 2025, representing an estimated 80 percent of the shares to be purchased by the Company under the Second Quarter 2025 ASR Program. This share amount was based on the \$26.49 closing price of the Company's common stock on April 25, 2025. Final settlement of the Second Quarter 2025 ASR Program occurred in August 2025 and was based on a discount to the volume-weighted average price per share of the Company's common stock during a calculation period completed in July 2025. Upon settlement, the third-party financial institutions delivered 934,237 additional shares of the Company's common stock to the Company in July 2025, and 388,662 additional shares of the Company's common stock to the Company in August 2025. Upon completion of the Second Quarter 2025 ASR Program in August 2025, the average purchase price per share for the 46,623,010 shares repurchased was \$32.17.

On July 23, 2025, the Board approved a new \$2.0 billion share repurchase authorization of the Company's common stock. Under an accelerated share repurchase program entered into by the Company with a third-party financial institution in third quarter 2025 (the "Third Quarter 2025 ASR Program"), the Company paid \$250 million and received an initial delivery of 6,368,213 shares during September 2025, representing an estimated 80 percent of the shares to be purchased by the Company under the Third Quarter 2025 ASR Program. This share amount was based on the \$31.39 and \$31.43 closing price of the Company's common stock on September 5, 2025 and September 15, 2025, respectively. Final settlement of the Third Quarter 2025 ASR Program occurred in October 2025 and was based on a discount to the volume-weighted average price per share of the Company's common stock during a calculation period completed in October 2025. Upon settlement, the third-party financial institution delivered 1,409,551 additional shares of the Company's common stock to the Company. Upon completion of the Third Quarter 2025 ASR Program in October 2025, the average purchase price per share for the 7,777,764 shares repurchased was \$32.14.

## 11. RESTRUCTURING

On February 17, 2025, the Company announced a reduction in its workforce designed to reduce operating costs, increase efficiency, and create a leaner and more agile organization as part of its transformational plan. The workforce reduction of approximately 1,750 Employee roles was focused almost entirely on corporate overhead and leadership positions and represented approximately 15 percent of corporate positions, including senior leadership. Separations were substantially complete by the end of second quarter 2025.

As a result of this workforce reduction, the Company recorded a one-time expense of \$62 million in first quarter 2025, which is included on the unaudited Condensed Consolidated Statement of Comprehensive Income as part of Salaries, wages, and benefits and Other operating expenses. Substantially all of the expense is due to Employee severance payments and related professional fees and was substantially paid in first and second quarter 2025, with approximately \$2 million remaining in Accrued liabilities on the unaudited Condensed Consolidated Balance Sheet as of September 30, 2025. The Company does not expect to incur any material additional costs in connection with this reduction in workforce.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

Relevant comparative operating statistics for the three and nine months ended September 30, 2025 and 2024 are included below. The Company provides these operating statistics because they are commonly used in the airline industry and, as such, allow readers to compare the Company's performance against its results for the prior year period, as well as against the performance of the Company's peers.

|                                                                       | Three months ended September 30, |           |            |
|-----------------------------------------------------------------------|----------------------------------|-----------|------------|
|                                                                       | 2025                             | 2024      | Change     |
| Revenue passengers carried (000s)                                     | 34,581                           | 35,516    | (2.6)%     |
| Enplaned passengers (000s)                                            | 43,806                           | 44,711    | (2.0)%     |
| Revenue passenger miles (RPMs) (in millions) <sup>(a)</sup>           | 36,362                           | 36,735    | (1.0)%     |
| Available seat miles (ASMs) (in millions) <sup>(b)</sup>              | 45,567                           | 45,219    | 0.8 %      |
| Load factor <sup>(c)</sup>                                            | 79.8 %                           | 81.2 %    | (1.4) pts. |
| Average length of passenger haul (miles)                              | 1,051                            | 1,034     | 1.6 %      |
| Average aircraft stage length (miles)                                 | 784                              | 770       | 1.8 %      |
| Trips flown                                                           | 356,952                          | 364,609   | (2.1)%     |
| Seats flown (000s) <sup>(d)</sup>                                     | 57,643                           | 58,119    | (0.8)%     |
| Seats per trip <sup>(e)</sup>                                         | 161.5                            | 159.4     | 1.3 %      |
| Average passenger fare                                                | \$ 182.56                        | \$ 175.97 | 3.7 %      |
| Passenger revenue yield per RPM (cents) <sup>(f)</sup>                | 17.36                            | 17.01     | 2.1 %      |
| Operating revenues per ASM (cents) <sup>(g)</sup>                     | 15.25                            | 15.19     | 0.4 %      |
| Passenger revenue per ASM (cents) <sup>(h)</sup>                      | 13.85                            | 13.82     | 0.2 %      |
| Operating expenses per ASM (cents) <sup>(i)</sup>                     | 15.17                            | 15.11     | 0.4 %      |
| Operating expenses per ASM, excluding fuel (cents)                    | 12.25                            | 11.97     | 2.3 %      |
| Operating expenses per ASM, excluding fuel and profit sharing (cents) | 12.23                            | 11.94     | 2.4 %      |
| Fuel costs per gallon, including fuel tax                             | \$ 2.40                          | \$ 2.52   | (4.8)%     |
| Fuel costs per gallon, including fuel tax (economic)                  | \$ 2.40                          | \$ 2.55   | (5.9)%     |
| Fuel consumed, in gallons (millions)                                  | 554                              | 562       | (1.4)%     |
| Active fulltime equivalent Employees                                  | 72,223                           | 73,463    | (1.7)%     |
| Aircraft at end of period                                             | 802                              | 811       | (1.1)%     |

|                                                                      | Nine months ended September 30, |           |            |
|----------------------------------------------------------------------|---------------------------------|-----------|------------|
|                                                                      | 2025                            | 2024      | Change     |
| Revenue passengers carried (000s)                                    | 100,078                         | 105,897   | (5.5)%     |
| Enplaned passengers (000s)                                           | 125,330                         | 132,875   | (5.7)%     |
| Revenue passenger miles (RPMs) (in millions) <sup>(a)</sup>          | 103,875                         | 108,044   | (3.9)%     |
| Available seat miles (ASMs) (in millions) <sup>(b)</sup>             | 133,994                         | 133,717   | 0.2 %      |
| Load factor <sup>(c)</sup>                                           | 77.5 %                          | 80.8 %    | (3.3) pts. |
| Average length of passenger haul (miles)                             | 1,038                           | 1,020     | 1.8 %      |
| Average aircraft stage length (miles)                                | 781                             | 763       | 2.4 %      |
| Trips flown                                                          | 1,056,790                       | 1,090,337 | (3.1)%     |
| Seats flown (000s) <sup>(d)</sup>                                    | 170,145                         | 173,588   | (2.0)%     |
| Seats per trip <sup>(e)</sup>                                        | 161.0                           | 159.2     | 1.1 %      |
| Average passenger fare                                               | \$ 187.36                       | \$ 176.34 | 6.2 %      |
| Passenger revenue yield per RPM (cents) <sup>(f)</sup>               | 18.05                           | 17.28     | 4.5 %      |
| Operating revenues per ASM (cents) <sup>(g)</sup>                    | 15.39                           | 15.37     | 0.1 %      |
| Passenger revenue per ASM (cents) <sup>(h)</sup>                     | 13.99                           | 13.96     | 0.2 %      |
| Operating expenses per ASM (cents) <sup>(i)</sup>                    | 15.36                           | 15.34     | 0.1 %      |
| Operating expenses per ASM, excluding fuel (cents)                   | 12.45                           | 11.94     | 4.3 %      |
| Operating expenses per ASM, excluding fuel and profitsharing (cents) | 12.43                           | 11.90     | 4.5 %      |
| Fuel costs per gallon, including fuel tax                            | \$ 2.40                         | \$ 2.73   | (12.1)%    |
| Fuel costs per gallon, including fuel tax, economic                  | \$ 2.40                         | \$ 2.74   | (12.4)%    |
| Fuel consumed, in gallons (millions)                                 | 1,624                           | 1,663     | (2.3)%     |
| Active fulltime equivalent Employees                                 | 72,223                          | 73,463    | (1.7)%     |
| Aircraft at end of period                                            | 802                             | 811       | (1.1)%     |

(a) A revenue passenger mile is one paying passenger flown one mile. Also referred to as "traffic," which is a measure of demand for a given period.

(b) An available seat mile is one seat (empty or full) flown one mile. Also referred to as "capacity," which is a measure of the space available to carry passengers in a given period.

(c) Revenue passenger miles divided by available seat miles.

(d) Seats flown is calculated using total number of seats available by aircraft type multiplied by the total trips flown by the same aircraft type during a particular period.

(e) Seats per trip is calculated by dividing seats flown by trips flown.

(f) Calculated as passenger revenue divided by revenue passenger miles. Also referred to as "yield," this is the average cost paid by a paying passenger to fly one mile, which is a measure of revenue production and fares.

(g) Calculated as operating revenues divided by available seat miles. Also referred to as "operating unit revenues" or "RASM," this is a measure of operating revenue production based on the total available seat miles flown during a particular period.

(h) Calculated as passenger revenue divided by available seat miles. Also referred to as "passenger unit revenues" or "PRASM," this is a measure of passenger revenue production based on the total available seat miles flown during a particular period.

(i) Calculated as operating expenses divided by available seat miles. Also referred to as "unit costs" or "cost per available seat mile" or "CASM," this is the average cost to fly an aircraft seat (empty or full) one mile, which is a measure of cost efficiencies.

## Financial Highlights

The Company reports its results in accordance with accounting principles generally accepted in the United States ("GAAP"). The Company also provides certain non-GAAP financial measures which the Company's management utilizes to evaluate its ongoing financial performance, and the Company believes provides additional insight to investors as supplemental information to its GAAP results, as noted in the following tables. See Note Regarding Use of Non-GAAP Financial Measures and the Reconciliation of Reported Amounts to Non-GAAP Financial Measures for additional detail regarding non-GAAP financial measures.

| (in millions, except per share amounts) | Three months ended September 30, |         |         |
|-----------------------------------------|----------------------------------|---------|---------|
|                                         | 2025                             | 2024    | Change  |
| <b>GAAP</b>                             |                                  |         |         |
| Operating income                        | \$ 35                            | \$ 38   | (7.9)%  |
| Net income                              | \$ 54                            | \$ 67   | (19.4)% |
| Net income per share, diluted           | \$ 0.10                          | \$ 0.11 | (9.1)%  |
| <b>Non-GAAP</b>                         |                                  |         |         |
| Operating income                        | \$ 42                            | \$ 32   | 31.3 %  |
| Net income                              | \$ 58                            | \$ 89   | (34.8)% |
| Net income per share, diluted           | \$ 0.11                          | \$ 0.15 | (26.7)% |

The Company recorded third quarter 2025 operating revenues of \$6.9 billion, a third quarter Company record, despite year-over-year declines in load factor. This increase in operating revenues was primarily driven by revenue initiatives, the largest of which related to the Company's policy change for certain Customers' first and second checked bags that became effective May 28, 2025. This policy change excludes Business Select Customers, Rapid Rewards A-List Preferred Members, and Active-duty military members who all continue to receive both their first and second checked bags free and Rapid Rewards A-List Members and Rapid Rewards Credit Cardmembers who receive their first checked bag free. This initiative led to a year-over-year increase in bag fee revenue, resulting in a year-over-year increase in Operating revenues of \$79 million. Despite the third quarter record revenue performance, the Company's operating income and net income for the three months ended September 30, 2025, on a GAAP and non-GAAP basis, decreased compared to the same prior year period. On a GAAP basis, operating expenses increased by \$82 million, or 1.2 percent, driven by higher Salaries, wages, and benefits expense, partially offset by lower Fuel and oil expense.

| (in millions, except per share amounts) | Nine months ended September 30, |         |         |
|-----------------------------------------|---------------------------------|---------|---------|
|                                         | 2025                            | 2024    | Change  |
| <b>GAAP</b>                             |                                 |         |         |
| Operating income                        | \$ 37                           | \$ 43   | (14.0)% |
| Net income                              | \$ 118                          | \$ 204  | (42.2)% |
| Net income per share, diluted           | \$ 0.21                         | \$ 0.34 | (38.2)% |
| <b>Non-GAAP</b>                         |                                 |         |         |
| Operating income                        | \$ 159                          | \$ 60   | 165.0 % |
| Net income                              | \$ 211                          | \$ 241  | (12.4)% |
| Net income per share, diluted           | \$ 0.38                         | \$ 0.40 | (5.0)%  |

The Company's net income for the nine months ended September 30, 2025, on a GAAP and non-GAAP basis, decreased compared to the same prior year period. While operating revenues and expenses remained relatively flat, year-over-year, interest income decreased by \$220 million driven by lower cash and investment balances. The

Company's operating income for the nine months ended September 30, 2025, on a GAAP basis, decreased compared to the same prior year period primarily due to higher Salaries, wages, and benefits expense and Landing fees and airport rentals. These decreases were partially offset by lower Fuel and oil expense coupled with higher passenger revenue, driven primarily by an increase in bag fee revenue. Operating expense for the nine months ended September 30, 2025, on a non-GAAP basis, excluded pre-tax charges of \$122 million, most notably \$62 million related to severance and related professional fees associated with the Company's reduction in workforce in the first quarter 2025.

## 2025 Outlook

The following tables provide select financial guidance for fourth quarter 2025 and full year 2025, and select full year 2025 and 2026 targets.

|                                   | 4Q 2025 Estimation |
|-----------------------------------|--------------------|
| ASMs (a), year-over-year          | Up ~6%             |
| RASM (b), year-over-year          | Up 1% to 3%        |
| CASM-X (c), year-over-year (d)(e) | Up 1.5% to 2.5%    |
| Fuel cost per gallon (f)          | \$2.20 to \$2.30   |

|                     | 2025 Estimation |
|---------------------|-----------------|
| EBIT (g) (millions) | \$600 to \$800  |

|                                                   | 2025 Target | 2026 Target |
|---------------------------------------------------|-------------|-------------|
| EBIT (g) contribution from initiatives (billions) | ~\$1.8      | ~\$4.3      |

(a) Available seat miles ("ASMs" or "capacity"). This guidance includes approximately 2 points of additional capacity since July 2025 from the impact of shifting extra legroom seating retrofits of Boeing 737-700 ("-700") aircraft to January 2026, which delays the removal of six seats from each of these aircraft.

(b) Operating revenue per available seat mile ("RASM" or "unit revenues"). Fourth quarter 2024 RASM excluded special items related to a breakage revenue adjustment. Please see the Company's Earnings Press Release furnished on January 30, 2025, for additional information.

(c) Operating expenses per available seat mile, excluding fuel and oil expense, special items, and profit sharing ("CASM-X" or "unit costs"). The Company's GAAP and non-GAAP results for fourth quarter 2024 included a \$92 million gain from a sale-leaseback transaction. Excluding the impact of expected book gains from fleet transactions in the fourth quarter of both years, the Company anticipates fourth quarter 2025 CASM-X to be in the range of flat to up 1 percent, year-over-year.

(d) See Note Regarding Use of Non-GAAP Financial Measures for additional information on special items. In addition, information regarding special items and economic results is included in the accompanying table Reconciliation of Reported Amounts to Non-GAAP Measures (also referred to as "excluding special items").

(e) Projections do not reflect the potential impact of fuel and oil expense, special items, and profit sharing because the Company cannot reliably predict or estimate those items or expenses or their impact to its financial statements in future periods, especially considering the significant volatility of the fuel and oil expense line item. Accordingly, the Company believes a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures for these projected results is not meaningful or available without unreasonable effort.

(f) Based on market prices as of October 15, 2025. Fuel cost per gallon includes fuel taxes and fuel hedging net premium expense of \$0.07 per gallon related to terminated fuel derivative contracts. See Note 3 to the unaudited Condensed Consolidated Financial Statements for further information.

(g) Earnings before interest and taxes, excluding special items ("EBIT"), a non-GAAP financial measure, also excludes gains or losses from fleet transactions. Projections do not reflect the potential impact of special items because the Company cannot reliably predict or estimate those items or expenses or their impact to its financial statements in future periods. Accordingly, the Company believes a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures for these projected results is not meaningful or available without unreasonable effort.

The Company expects fourth quarter 2025 unit revenues to be in the range of up 1 percent to 3 percent, compared with fourth quarter 2024 unit revenues, excluding special items, on capacity up approximately 6 percent year-over-year, a sequential improvement from third quarter. This guidance range assumes demand strength remains at current levels through the end of the quarter. It also reflects the planned acceleration from the Company's initiatives, the recent observed impact of the government shutdown, and the approximate 2-point year-over-year increase in fourth quarter capacity since July. This 2-point capacity increase is a result of shifting the extra legroom retrofit of the -700 fleet to January, as described below. The Company expects to deliver an all-time quarterly record revenue performance in the fourth quarter.

The Company continues to expect to achieve its \$370 million cost reduction target this year. The Company anticipates fourth quarter 2025 CASM-X to be in the range of up 1.5 percent to 2.5 percent, or flat to up 1 percent when excluding the impact of expected book gains from fleet transactions in the fourth quarter of both years, on capacity up approximately 6 percent, all on a year-over-year basis. Unit costs continue to be driven primarily by the continuation of inflationary pressures, including those associated with labor contracts ratified in 2024. The Company remains focused on driving efficiencies to offset overall inflationary cost pressures and achieve its multi-year cost reduction targets.

## Company Overview

### *Third Quarter 2025 Transformational Initiative Highlights*

The Company is evolving rapidly, implementing its previously announced transformational initiatives, which are expected to meet the needs of current and future Customers, improve financial performance, and drive Shareholder value. During third quarter 2025, the Company:

- Launched Getaways by Southwest, an in-house packaged vacations product creating more opportunities for Customers to book their vacations
- Transitioned to new fare products, Choice Extra, Choice Preferred, and Choice (formerly Business Select, Anytime, and Wanna Get Away Plus), in conjunction with sales of assigned and premium seating on July 29, 2025, for travel beginning January 27, 2026;
- Announced free WiFi sponsored by T-Mobile for all Rapid Rewards® Members beginning October 24, 2025;
- Announced a new partnership with China Airlines, which is expected to launch in early 2026, creating the first trans-Pacific airline partnership for Southwest;
- Expanded the existing partnership with Icelandair, which began connecting Customers on dual-carrier itineraries through gateway airports Baltimore/Washington, Denver, and Nashville in February 2025. Beginning July 14, 2025, Icelandair and Southwest added connecting service through Orlando, Pittsburgh, and Raleigh-Durham, providing more access between Europe and cities across the Company's network; and
- Announced a new partnership with EVA Air, a subsidiary of the Evergreen Group, that jointly will operate itineraries between North America and Asia connecting through the carriers' shared gateway airports in Los Angeles, San Francisco, Seattle-Tacoma, and Chicago.

These strategic moves add to the initiatives already underway at Southwest, including the implementation of assigned seating and extra legroom options. The move to assigned and extra legroom seating requires incorporating new technologies and procedures. In April 2025, the Company received necessary approvals and certifications from the Federal Aviation Administration ("FAA") to begin extra legroom seating retrofits on Boeing 737-8 ("-8") and Boeing 737-800 ("-800") aircraft. Such retrofits began during second quarter 2025 and are expected to continue through the rest of the year. As of October 23, 2025, the Company has completed retrofits of more than 400 aircraft for extra legroom seating. In July 2025, the Company received necessary approvals and certifications to begin retrofitting its Boeing 737-700 ("-700") aircraft, and the work is expected to begin in January 2026 and be completed prior to January 27, 2026, when assigned seating begins.

The Company has also continued to enhance its onboard offerings, with improvements such as faster WiFi, in-seat power, and larger overhead bins, and work is well underway on a refreshed cabin design, including new, more comfortable RECARO seats. The first -8 aircraft with an updated cabin has been delivered and entered service on October 16, 2025.

#### *Other Initiatives and Quarterly Developments*

In third quarter 2025, the Company returned \$439 million to Shareholders through \$189 million in dividend payments and a \$250 million accelerated share repurchase program, which was launched in September 2025 and completed in October 2025. The Company has \$1.75 billion remaining under its \$2.0 billion share repurchase authorization. See "Liquidity and Capital Resources" below and Part II, Item 2 - Issuer Purchases of Equity Securities for further information on the Company's share repurchases.

The Company has announced its intention to commence new service at multiple locations in an effort to grow its network and provide more destinations for Customers. These locations include:

- Cyril E. King International Airport on St. Thomas beginning early 2026;
- McGhee Tyson Airport in Knoxville, Tennessee beginning March 5, 2026;
- Princess Juliana International Airport on St. Maarten beginning April 7, 2026;
- Charles M. Schulz Sonoma County Airport in Santa Rosa, California beginning April 7, 2026; and
- Ted Stevens Anchorage International Airport in Anchorage, Alaska beginning in the first half of 2026.

On July 31, 2025, the Company announced the resignation of Rakesh Gangwal from his position as independent Chair of the Board of Directors of the Company (the "Board") due to additional time commitments unrelated to the Company. Mr. Gangwal remains on the Board and serves as Chair of the newly formed Fleet Oversight Committee, designed to assist in the oversight of the Company's aircraft fleet acquisition strategy. Additionally, the independent members of the Board appointed Doug Brooks as independent Chair of the Board effective August 1, 2025.

On September 3, 2025, the Company and Transport Workers of America Union Local 557 ("TWU 557"), representing the Company's approximately 216 Flight Instructors, reached a tentative agreement on a three year extension of their collective bargaining agreement from 2027 to 2030. The vote to ratify the tentative agreement with the Company failed, and the Company is continuing negotiations with TWU 557.

In February 2025, the Company implemented a reduction in workforce that provided for the reduction of approximately 1,750 Employee roles, or 15 percent of corporate positions. As a result of the reduction in workforce, the Company incurred a one-time expense of \$62 million during first quarter 2025 and estimates 2025 savings of approximately \$210 million and 2026 savings of approximately \$300 million. Separations were substantially complete by the end of second quarter 2025. See Note 11 to the unaudited Condensed Consolidated Financial Statements for further information.

#### *Fleet Information*

As a result of The Boeing Company's ("Boeing") delivery delays, the Company has previously replanned its capacity and delivery expectations multiple times and will continue to closely monitor the ongoing aircraft delivery delays with Boeing and further adjust expectations as needed.

The Company now expects full year 2025 capacity to be up roughly 1.5 percent, year-over-year, including the capacity increase associated with shifting extra legroom seating retrofits of -700 aircraft to January 2026, which delays the removal of six seats from each of those aircraft. This shift is expected to maximize revenue potential during the holiday travel period and still meet the Company's operate date milestone of January 27, 2026 for assigned and extra legroom seating, as the Company's Technical Operations Team has streamlined the timeline to complete this work.

The Company updated its fleet planning assumptions to 53 -8 aircraft deliveries in 2025, from its prior estimate of 47, as Boeing continues to ramp up production. The Company continues to plan for 55 aircraft retirements in 2025, which includes the sale of one -800 aircraft in third quarter 2025 and the expected sale of four -800 aircraft to occur in fourth quarter 2025.

The Company ended third quarter 2025 with 802 Boeing 737 aircraft, including 281 -8 aircraft. During third quarter 2025, the Company retired 16 aircraft (15 -700 aircraft and the sale of one -800 aircraft) and took delivery of eight -8 aircraft. As of October 23, 2025, during 2025 the Company has exercised a total of 22 and 2 -7 options for delivery in 2026 and 2027, respectively. The Company's order book with Boeing as of October 23, 2025, consists of a total of 516 MAX firm orders (272 -7 aircraft and 244 -8 aircraft), less 36 -8 deliveries to date in 2025, for the years 2025 through 2031, including 63 MAX aircraft that were contractually committed for 2024, but were not received, and 156 MAX options (-7s or -8s) for the years 2027 through 2031.

## Material Changes in Results of Operations

### Comparison of the three months ended September 30, 2025 and 2024

| (in millions)                     | Three months ended September 30, |          | Increase<br>(Decrease) | Percent change |
|-----------------------------------|----------------------------------|----------|------------------------|----------------|
|                                   | 2025                             | 2024     |                        |                |
| Passenger                         | \$ 6,313                         | \$ 6,250 | \$ 63                  | 1.0 %          |
| Freight                           | 42                               | 43       | (1)                    | (2.3)          |
| Other                             | 594                              | 577      | 17                     | 2.9            |
| Total operating revenues          | \$ 6,949                         | \$ 6,870 | \$ 79                  | 1.1 %          |
| Salaries, wages, and benefits     | \$ 3,219                         | \$ 3,070 | \$ 149                 | 4.9 %          |
| Fuel and oil                      | 1,331                            | 1,417    | (86)                   | (6.1)          |
| Maintenance materials and repairs | 299                              | 335      | (36)                   | (10.7)         |
| Landing fees and airport rentals  | 548                              | 493      | 55                     | 11.2           |
| Depreciation and amortization     | 394                              | 438      | (44)                   | (10.0)         |
| Other operating expenses          | 1,123                            | 1,079    | 44                     | 4.1            |
| Total operating expenses          | \$ 6,914                         | \$ 6,832 | \$ 82                  | 1.2 %          |

## Operating Revenues

Total operating revenues for third quarter 2025 increased by \$79 million, or 1.1 percent, year-over-year, to achieve an all-time third quarter Company record of \$6.9 billion. Passenger revenues for third quarter 2025 increased by \$63 million, or 1.0 percent, year-over-year, driven primarily by the increase in bag fee revenue. Other revenues for third quarter 2025 increased by \$17 million, or 2.9 percent, year-over-year. Third quarter 2025 RASM was 15.25 cents, finishing 0.4 percent higher than third quarter 2024. The unit revenue increase was primarily due to a 2.1 percent increase in yield as a result of an increase in bag fee revenues. These were partially offset by a 1.4 point year-over-year decline in Load factor.

## Operating Expenses

Operating expenses for third quarter 2025 increased by \$82 million, or 1.2 percent, compared with third quarter 2024, and capacity increased 0.8 percent over the same prior year period. The vast majority of the dollar increase was due to higher Salaries, wages, and benefits expense and Landing fees and airport rentals expense, partially offset by a year-over-year decrease in Fuel and oil expense. Historically, except for changes in the price of fuel, changes in Operating expenses for airlines have been largely driven by changes in capacity, or ASMs. The

following table presents the Company's Operating expenses per ASM for the third quarter of 2025 and 2024, followed by explanations of these changes on both a dollar and unit basis.

| (in cents, except for percentages) | Three months ended September 30, |         | Per ASM change | Percent change |
|------------------------------------|----------------------------------|---------|----------------|----------------|
|                                    | 2025                             | 2024    |                |                |
| Salaries, wages, and benefits      | 7.08 ¢                           | 6.78 ¢  | 0.30 ¢         | 4.4 %          |
| Fuel and oil                       | 2.92                             | 3.14    | (0.22)         | (7.0)          |
| Maintenance materials and repairs  | 0.66                             | 0.74    | (0.08)         | (10.8)         |
| Landing fees and airport rentals   | 1.20                             | 1.09    | 0.11           | 10.1           |
| Depreciation and amortization      | 0.86                             | 0.97    | (0.11)         | (11.3)         |
| Other operating expenses           | 2.45                             | 2.39    | 0.06           | 2.5            |
| Total                              | 15.17 ¢                          | 15.11 ¢ | 0.06 ¢         | 0.4 %          |

Operating expenses per ASM for third quarter 2025 increased by 0.4 percent compared with third quarter 2024, primarily due to an increase in Salaries, wages, and benefits expense, which exceeded the year-over-year increase in capacity, partially offset by a decrease in fuel price per gallon. Operating expenses per ASM for third quarter 2025, excluding Fuel and oil expense, profit sharing, and special items (a non-GAAP financial measure), increased 2.5 percent, compared with third quarter 2024, primarily due to contract-driven wage rate inflation in Salaries, wages, and benefits expense in 2025. See Note Regarding Use of Non-GAAP Financial Measures and the Reconciliation of Reported Amounts to Non-GAAP Financial Measures for additional detail regarding non-GAAP financial measures.

Salaries, wages, and benefits expense for third quarter 2025 increased by \$149 million, or 4.9 percent, compared with third quarter 2024. On a per ASM basis, third quarter 2025 Salaries, wages, and benefits expense increased 4.4 percent, compared with third quarter 2024. On a dollar and per ASM basis, the majority of the increase was due to net step/pay rate increases and related benefits for certain workgroups.

Fuel and oil expense for third quarter 2025 decreased by \$86 million, or 6.1 percent, compared with third quarter 2024. On a per ASM basis, third quarter 2025 Fuel and oil expense decreased 7.0 percent. On a dollar and per ASM basis, the decrease was primarily attributable to lower jet fuel prices. The following table provides more information on the Company's economic fuel cost per gallon, including the impact of fuel hedging net premium expense and fuel derivative contract settlements:

|                                                 | Three months ended September 30, |         |
|-------------------------------------------------|----------------------------------|---------|
|                                                 | 2025                             | 2024    |
| Economic fuel costs per gallon                  | \$ 2.40                          | \$ 2.55 |
| Fuel hedging premium expense (in millions)      | \$ 36 (a)                        | \$ 39   |
| Fuel hedging cash settlement gain (in millions) | \$ —                             | \$ 11   |
| Fuel hedging premium expense per gallon         | \$ 0.07 (a)                      | \$ 0.07 |
| Fuel hedging cash settlement gain per gallon    | \$ —                             | \$ 0.02 |

(a) Includes amounts reclassified from Accumulated Other Comprehensive Income associated with hedges previously terminated. See Note 3 to the unaudited Condensed Consolidated Financial Statements for further information.

See Note Regarding Use of Non-GAAP Financial Measures and the Reconciliation of Reported Amounts to Non-GAAP Financial Measures for additional detail regarding non-GAAP financial measures.

The Company's third quarter 2025 available seat miles per gallon ("fuel efficiency") increased 2.4 percent, year-over-year, primarily due to operating more -8 aircraft, the Company's most fuel-efficient aircraft, as a percentage of its fleet. The continued deliveries of MAX aircraft are expected to remain critical to the Company's efforts to modernize its fleet.

During second quarter 2025, the Company terminated its remaining portfolio of fuel hedging contracts to effectively close its fuel hedging portfolio and does not intend to add additional fuel derivatives to its portfolio. As of September 30, 2025, the Company did not have any outstanding fuel derivative contracts to hedge its future fuel consumption. See Note 3 to the unaudited Condensed Consolidated Financial Statements for further information. As such, the Company will be fully exposed to fluctuations in jet fuel prices, which are expected to remain volatile. See Part II, Item 1A. Risk Factors in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 for additional risk factors.

As a result of applying hedge accounting in prior periods, the Company has amounts in Accumulated other comprehensive income ("AOCI") that will be recognized in the unaudited Condensed Consolidated Statement of Comprehensive Income in the periods the originally forecasted transactions occur. See Note 4 to the unaudited Condensed Consolidated Financial Statements for additional information on AOCI. The following table displays the Company's deferred amounts in AOCI as of September 30, 2025, and the future periods in which these items will be recognized in the unaudited Condensed Consolidated Statement of Comprehensive Income (in millions):

| Year                     | Amount of gains (losses) deferred in AOCI at September 30, 2025 |
|--------------------------|-----------------------------------------------------------------|
| <b>Remainder of 2025</b> | \$ (36)                                                         |
| <b>2026</b>              | (115)                                                           |
| <b>2027</b>              | (22)                                                            |
| <b>Total</b>             | <u>\$ (173)</u>                                                 |

Maintenance materials and repairs expense for third quarter 2025 decreased by \$36 million, or 10.7 percent, compared with third quarter 2024. On a per ASM basis, Maintenance materials and repairs expense decreased 10.8 percent compared with third quarter 2024. On a dollar and per ASM basis, the decrease was due to fewer routine heavy checks for airframes compared to the same period in 2024 as a result of timing for required checks.

Landing fees and airport rentals expense for third quarter 2025 increased by \$55 million, or 11.2 percent, compared with third quarter 2024. On a per ASM basis, Landing fees and airport rentals expense increased 10.1 percent, compared with third quarter 2024. On a dollar and per ASM basis, approximately 40 percent of the increase was primarily attributable to an increase in airport rental expense throughout the network driven by the higher rates charged by airports for leased space, 30 percent of the increase was primarily due to receiving fewer favorable settlements and credits from various airports, and 25 percent due to higher landing fees throughout the network driven by higher rates.

Depreciation and amortization expense for third quarter 2025 decreased by \$44 million, or 10.0 percent, compared with third quarter 2024. On a per ASM basis, Depreciation and amortization expense decreased 11.3 percent compared with third quarter 2024. On a dollar and per ASM basis, the decrease was primarily due to accelerating depreciation for fewer -700 aircraft planned for early retirement in 2025 compared to 2024. This decrease was partially offset by the acquisition of 39 -8 aircraft and new assets for technology being placed into service since third quarter 2024.

Other operating expenses for third quarter 2025 increased by \$44 million, or 4.1 percent, compared with third quarter 2024. Included within this line item was aircraft rentals expense in the amounts of \$76 million and \$52 million for the three-month periods ended September 30, 2025 and 2024, respectively. On a per ASM basis, Other operating expenses increased 2.5 percent, compared with third quarter 2024. On a dollar basis, the increase was primarily due to (i) a \$24 million increase in aircraft rentals expense associated with recent fleet transactions, (ii) a \$23 million increase driven by higher travel expenses due to inflation in lodging rates and utilization of rooms as a result of redeye flying in 2025, and (iii) a \$16 million increase in third party software maintenance agreement expense driven by expanded cloud-based services. These increases were partially offset by a \$22 million decrease in external consulting services related to non-recurring Company-wide initiatives.

## Non-Operating Expenses (Income)

Interest expense for third quarter 2025 decreased by \$28 million, or 44.4 percent, compared with third quarter 2024, primarily due to significant debt repayments since third quarter 2024. See Note 10 to the unaudited Condensed Consolidated Financial Statements for further information.

Interest income for third quarter 2025 decreased by \$87 million, or 71.9 percent, compared with third quarter 2024, primarily due to lower cash and investment balances and a lower average interest rate in the Company's total investment portfolio.

The following table displays the components of Other (gains) losses, net, for the three months ended September 30, 2025 and 2024:

| (in millions)                                                                    | Three months ended September 30, |      |      |      |
|----------------------------------------------------------------------------------|----------------------------------|------|------|------|
|                                                                                  | 2025                             |      | 2024 |      |
| Mark-to-market impact from fuel contracts settling in current and future periods | \$                               | —    | \$   | 29   |
| Premium cost of fuel contracts not designated as hedges                          |                                  | —    |      | 5    |
| Mark-to-market impact on deferred compensation plan investments                  |                                  | (23) |      | (17) |
| Other                                                                            |                                  | 2    |      | (1)  |
|                                                                                  | \$                               | (21) | \$   | 16   |

## Income Taxes

The Company's effective tax rate was 21.0 percent in third quarter 2025, compared with 24.0 percent in third quarter 2024. The year-over-year decrease in the tax rate was primarily due to a third quarter 2024 deferred tax liability adjustment combined with a decrease in third quarter 2025 non-deductible expenses.

On July 4, 2025, the One Big Beautiful Bill Act, was signed into law. The legislation did not have a material impact on the Company's income tax expense for the quarter ending September 30, 2025, and the Company does not expect it to materially change its effective income tax rate for 2025.

## Comparison of the nine months ended September 30, 2025 and 2024

| (in millions)                     | Nine months ended September 30, |           | Increase<br>(Decrease) | Percent change |
|-----------------------------------|---------------------------------|-----------|------------------------|----------------|
|                                   | 2025                            | 2024      |                        |                |
| Passenger                         | \$ 18,751                       | \$ 18,673 | \$ 78                  | 0.4 %          |
| Freight                           | 127                             | 131       | (4)                    | (3.1)          |
| Other                             | 1,743                           | 1,749     | (6)                    | (0.3)          |
| Total operating revenues          | \$ 20,621                       | \$ 20,553 | \$ 68                  | 0.3 %          |
| Salaries, wages, and benefits     | \$ 9,583                        | \$ 9,010  | \$ 573                 | 6.4 %          |
| Fuel and oil                      | 3,907                           | 4,548     | (641)                  | (14.1)         |
| Maintenance materials and repairs | 921                             | 1,046     | (125)                  | (12.0)         |
| Landing fees and airport rentals  | 1,638                           | 1,468     | 170                    | 11.6           |
| Depreciation and amortization     | 1,189                           | 1,250     | (61)                   | (4.9)          |
| Other operating expenses          | 3,346                           | 3,188     | 158                    | 5.0            |
| Total operating expenses          | \$ 20,584                       | \$ 20,510 | \$ 74                  | 0.4 %          |

## Operating Revenues

Passenger revenues for the nine months ended September 30, 2025, increased by \$78 million, or 0.4 percent, compared with the first nine months of 2024, driven primarily by an increase in bag fee revenue. On a unit basis, Passenger revenues remained relatively flat, year-over-year. The dollar increase was primarily due to an increase in bag fee revenues driven by the Company's policy change, coupled with an increase in the portion of the Company's co-brand credit card benefits that are now classified within Passenger Revenues, as a result of the amended and restated co-brand agreement in 2025. This was partially offset by a 5.5 percent decrease in Revenue Passengers carried coupled with a decrease in loyalty revenue due to fewer loyalty program points redeemed.

## Operating Expenses

Operating expenses for the nine months ended September 30, 2025, increased by \$74 million, or 0.4 percent, compared with the first nine months of 2024, and capacity increased 0.2 percent over the same prior year period. The vast majority of the dollar increase was due to higher Salaries, wages, and benefits expense and higher Landing fees and airport rentals expense, partially offset by a decrease in Fuel and oil expense. Historically, except for changes in the price of fuel, changes in Operating expenses for airlines have been largely driven by changes in capacity, or ASMs. The following table presents the Company's Operating expenses per ASM for the first nine months of 2025 and 2024, followed by explanations of these changes on a dollar basis.

| (in cents, except for percentages) | Nine months ended September 30, |         | Per ASM<br>change | Percent<br>change |
|------------------------------------|---------------------------------|---------|-------------------|-------------------|
|                                    | 2025                            | 2024    |                   |                   |
| Salaries, wages, and benefits      | 7.16 ¢                          | 6.74 ¢  | 0.42 ¢            | 6.2 %             |
| Fuel and oil                       | 2.91                            | 3.40    | (0.49)            | (14.4)            |
| Maintenance materials and repairs  | 0.69                            | 0.78    | (0.09)            | (11.5)            |
| Landing fees and airport rentals   | 1.22                            | 1.10    | 0.12              | 10.9              |
| Depreciation and amortization      | 0.89                            | 0.93    | (0.04)            | (4.3)             |
| Other operating expenses           | 2.49                            | 2.39    | 0.10              | 4.2               |
| Total                              | 15.36 ¢                         | 15.34 ¢ | 0.02 ¢            | 0.1 %             |

Operating expenses per ASM for the first nine months of 2025 increased 0.1 percent, compared with the first nine months of 2024, primarily due to an increase in the Company's Salaries, wages, and benefits expense along with an increase in Landing fees and airport rentals expense, offset by a decrease in Fuel and oil expense. Operating expenses per ASM for the first nine months of 2025, excluding Fuel and oil expense, profit sharing, and special items (a non-GAAP financial measure), increased 4.0 percent, year-over-year, primarily due to contract-driven wage rate inflation in Salaries, wages, and benefits expense in 2025. See Note Regarding Use of Non-GAAP Financial Measures and the Reconciliation of Reported Amounts to Non-GAAP Financial Measures for additional detail regarding non-GAAP financial measures.

Salaries, wages, and benefits expense for the first nine months of 2025 increased by \$573 million, or 6.4 percent, compared with the first nine months of 2024. On a per ASM basis, Salaries, wages, and benefits expense for the first nine months of 2025 increased 6.2 percent, compared with the first nine months of 2024. On a dollar and per ASM basis, approximately 70 percent of the increase was due to net step/pay rate increases and related benefits for certain workgroups, and approximately 10 percent of the increase was due to a one-time severance cost as a result of the workforce reduction in February 2025, which was considered a special item and excluded from the Company's non-GAAP financials. See Note 11 to the unaudited Condensed Consolidated Financial Statements for additional detail regarding the reduction in workforce, and Note Regarding Use of Non-GAAP Financial Measures and the Reconciliation of Reported Amounts to Non-GAAP Financial Measures for additional detail regarding non-GAAP financial measures.

Fuel and oil expense for the first nine months of 2025 decreased by \$641 million, or 14.1 percent, compared with the first nine months of 2024. On a per ASM basis, Fuel and oil expense for the first nine months of 2025 decreased 14.4 percent. On a dollar and per ASM basis, the decrease was primarily attributable to a decrease in the Company's fuel cost per gallon. The following table provides more information on the Company's economic fuel cost per gallon, including the impact of fuel hedging premium expense and fuel derivative contracts:

|                                                 | Nine months ended September 30, |         |
|-------------------------------------------------|---------------------------------|---------|
|                                                 | 2025                            | 2024    |
| Economic fuel costs per gallon                  | \$ 2.40                         | \$ 2.74 |
| Fuel hedging premium expense (in millions)      | \$ 110 (a)                      | \$ 119  |
| Fuel hedging cash settlement gain (in millions) | \$ —                            | \$ 49   |
| Fuel hedging premium expense per gallon         | \$ 0.07 (a)                     | \$ 0.07 |
| Fuel hedging cash settlement gains per gallon   | \$ —                            | \$ 0.03 |

(a) Includes amounts reclassified from Accumulated Other Comprehensive Income associated with hedges previously terminated. See Note 3 to the unaudited Condensed Consolidated Financial Statements for further information.

See Note Regarding Use of Non-GAAP Financial Measures and the Reconciliation of Reported Amounts to Non-GAAP Financial Measures for additional detail regarding non-GAAP financial measures.

Maintenance materials and repairs expense for the first nine months of 2025 decreased by \$125 million, or 12.0 percent, compared with the first nine months of 2024. On a per ASM basis, Maintenance materials and repairs expense decreased 11.5 percent, compared with the first nine months of 2024. On both a dollar and per ASM basis, the decrease was primarily due to (i) a \$73 million decrease driven by fewer airframes in routine heavy check compared to the same period in 2024, (ii) a \$35 million decrease in engine shop visit expenses and various other engine expenses associated with the Company's -800 fleet, and (iii) a \$25 million reduction in routine bulk purchases of materials for the Company's seat refurbishment efforts.

Landing fees and airport rentals expense for the first nine months of 2025 increased by \$170 million, or 11.6 percent, compared with the first nine months of 2024. On a per ASM basis, Landing fees and airport rentals expense increased 10.9 percent, compared with the first nine months of 2024. On a dollar and per ASM basis, approximately 50 percent of the increase was due to an increase in airport rental expense throughout the network driven by higher rates charged by airports for leased space, 25 percent of the increase was due to higher landing fees throughout the network driven by higher rates, and 25 percent was due to receiving fewer favorable settlements and credits from various airports.

Depreciation and amortization expense for the first nine months of 2025 decreased by \$61 million, or 4.9 percent, compared with the first nine months of 2024. On a per ASM basis, Depreciation and amortization expense decreased 4.3 percent, compared with the first nine months of 2024. These decreases were primarily due to accelerating depreciation of fewer -700 aircraft planned for early retirement in 2025 compared to 2024. This decrease was partially offset by technology and ground property assets being placed into service since third quarter 2024 and the acquisition of 39 -8 aircraft since third quarter 2024.

Other operating expenses for the first nine months of 2025 increased by \$158 million, or 5.0 percent, compared with the first nine months of 2024. Included within this line item was aircraft rentals expense in the amount of \$243 million and \$153 million for the nine months ended September 30, 2025 and 2024, respectively. On a per ASM basis, Other operating expenses increased 4.2 percent, compared with the first nine months of 2024. On both a dollar and a per ASM basis, the increases were primarily due to (i) a \$90 million increase in aircraft rental expense associated with recent fleet transactions, (ii) a \$57 million increase driven by higher maintenance agreement expense driven by expanded cloud-based service, and (iii) a \$47 million increase driven by higher travel expenses due to inflation in lodging rates and utilization of rooms as a result of redeye flying in 2025. These increases were partially offset by a \$62 million decrease in advertising and promotional campaigns.

**Non-Operating Expenses (Income)**

Interest expense for the first nine months of 2025 decreased by \$71 million, or 37.2 percent, compared with the first nine months of 2024, primarily due to significant debt repayments since third quarter 2024. See Note 10 to the unaudited Condensed Consolidated Financial Statements for further information.

Capitalized interest for the first nine months of 2025 increased by \$14 million, or 58.3 percent, compared with the first nine months of 2024, primarily due to an increase in various technology projects, facilities projects, and aircraft under construction.

Interest income for the first nine months of 2025 decreased by \$220 million, or 56.1 percent, compared with the first nine months of 2024, primarily due to lower cash and investment balances and a lower average interest rate in the Company's total investment portfolio.

The following table displays the components of Other (gains) losses, net, for the nine months ended September 30, 2025 and 2024:

| (in millions)                                                                    | Nine months ended September 30, |        |
|----------------------------------------------------------------------------------|---------------------------------|--------|
|                                                                                  | 2025                            | 2024   |
| Mark-to-market impact from fuel contracts settling in current and future periods | \$ —                            | \$ 31  |
| Premium cost of fuel contracts not designated as hedges                          | —                               | 5      |
| Mark-to-market impact on deferred compensation plan investment                   | (34)                            | (40)   |
| Other                                                                            | 6                               | 3      |
|                                                                                  | \$ (28)                         | \$ (1) |

**Income Taxes**

The Company's effective tax rate was approximately 24.6 percent for the first nine months of 2025, compared with 24.3 percent for the first nine months of 2024. The year-over-year increase in the tax rate was primarily due to the impact of year-to-date lower pre-tax book income on discrete tax items.

**Reconciliation of Reported Amounts to Non-GAAP Financial Measures (excluding special items) (unaudited)**  
(in millions, except per share amounts and per ASM amounts)

|                                                                                                                   | Three months ended September 30, |                 | Percent<br>Change | Nine months ended September 30, |                  | Percent<br>Change |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------|-------------------|---------------------------------|------------------|-------------------|
|                                                                                                                   | 2025                             | 2024            |                   | 2025                            | 2024             |                   |
| <b>Fuel and oil expense, unhedged</b>                                                                             | \$ 1,295                         | \$ 1,409        |                   | \$ 3,797                        | \$ 4,500         |                   |
| Add: Premium cost of fuel contracts designated as hedges (a)                                                      | 36                               | 34              |                   | 110                             | 114              |                   |
| Deduct: Fuel hedge gains included in Fuel and oil expense, net                                                    | —                                | (26)            |                   | —                               | (66)             |                   |
| <b>Fuel and oil expense, as reported</b>                                                                          | <u>\$ 1,331</u>                  | <u>\$ 1,417</u> | (6.1)             | <u>\$ 3,907</u>                 | <u>\$ 4,548</u>  | (14.1)            |
| Add: Fuel hedge contracts settling in the current period, but for which losses were reclassified from AOCI (b)    | —                                | 14              |                   | —                               | 14               |                   |
| Add: Premium cost of fuel contracts not designated as hedges                                                      | —                                | 5               |                   | —                               | 5                |                   |
| <b>Fuel and oil expense, excluding special items (economic)</b>                                                   | <u>\$ 1,331</u>                  | <u>\$ 1,436</u> | (7.3)             | <u>\$ 3,907</u>                 | <u>\$ 4,567</u>  | (14.5)            |
| <b>Total operating expenses, as reported</b>                                                                      | \$ 6,914                         | \$ 6,832        |                   | \$ 20,584                       | \$ 20,510        |                   |
| Deduct: Labor contract adjustment                                                                                 | —                                | —               |                   | —                               | (9)              |                   |
| Add: Fuel hedge contracts settling in the current period, but for which losses were reclassified from AOCI (b)    | —                                | 14              |                   | —                               | 14               |                   |
| Add: Premium cost of fuel contracts not designated as hedges                                                      | —                                | 5               |                   | —                               | 5                |                   |
| Deduct: Impairment of long-lived assets                                                                           | —                                | —               |                   | (8)                             | —                |                   |
| Deduct: Litigation accruals                                                                                       | —                                | —               |                   | (19)                            | (7)              |                   |
| Deduct: Transformation costs                                                                                      | (7)                              | —               |                   | (33)                            | —                |                   |
| Deduct: Severance and related costs (c)                                                                           | —                                | —               |                   | (62)                            | —                |                   |
| Deduct: Professional advisory fees                                                                                | —                                | (13)            |                   | —                               | (20)             |                   |
| <b>Total operating expenses, excluding special items</b>                                                          | <u>\$ 6,907</u>                  | <u>\$ 6,838</u> | 1.0               | <u>\$ 20,462</u>                | <u>\$ 20,493</u> | (0.2)             |
| Deduct: Fuel and oil expense, excluding special items (economic)                                                  | <u>(1,331)</u>                   | <u>(1,436)</u>  |                   | <u>(3,907)</u>                  | <u>(4,567)</u>   |                   |
| <b>Operating expenses, excluding Fuel and oil expense and special items</b>                                       | \$ 5,576                         | \$ 5,402        | 3.2               | \$ 16,555                       | \$ 15,926        | 3.9               |
| Deduct: Profit-sharing expense                                                                                    | (11)                             | (18)            |                   | (26)                            | (49)             |                   |
| <b>Operating expenses, excluding Fuel and oil expense, special items, and profit sharing</b>                      | <u>\$ 5,565</u>                  | <u>\$ 5,384</u> | 3.4               | <u>\$ 16,529</u>                | <u>\$ 15,877</u> | 4.1               |
| <b>Operating income, as reported</b>                                                                              | \$ 35                            | \$ 38           |                   | \$ 37                           | \$ 43            |                   |
| Add: Labor contract adjustment                                                                                    | —                                | —               |                   | —                               | 9                |                   |
| Deduct: Fuel hedge contracts settling in the current period, but for which losses were reclassified from AOCI (b) | —                                | (14)            |                   | —                               | (14)             |                   |
| Deduct: Premium cost of fuel contracts not designated as hedges                                                   | —                                | (5)             |                   | —                               | (5)              |                   |
| Add: Impairment of long-lived assets                                                                              | —                                | —               |                   | 8                               | —                |                   |
| Add: Litigation accruals                                                                                          | —                                | —               |                   | 19                              | 7                |                   |
| Add: Transformation costs                                                                                         | 7                                | —               |                   | 33                              | —                |                   |
| Add: Severance and related costs (c)                                                                              | —                                | —               |                   | 62                              | —                |                   |
| Add: Professional advisory fees                                                                                   | —                                | 13              |                   | —                               | 20               |                   |
| <b>Operating income, excluding special items</b>                                                                  | <u>\$ 42</u>                     | <u>\$ 32</u>    | 31.3              | <u>\$ 159</u>                   | <u>\$ 60</u>     | 165.0             |

|                                                                                                                   | Three months ended September 30, |                | Percent<br>Change | Nine months ended September 30, |                | Percent<br>Change |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------|-------------------|---------------------------------|----------------|-------------------|
|                                                                                                                   | 2025                             | 2024           |                   | 2025                            | 2024           |                   |
| <b>Other (gains) losses, net, as reported</b>                                                                     | \$ (21)                          | \$ 16          |                   | \$ (28)                         | \$ (1)         |                   |
| Deduct: Mark-to-market impact from fuel contracts settling in future periods (b)                                  | —                                | (29)           |                   | —                               | (31)           |                   |
| Deduct: Premium cost of fuel contracts not designated as hedges                                                   | —                                | (5)            |                   | —                               | (5)            |                   |
| <b>Other gains, net, excluding special items</b>                                                                  | <u>\$ (21)</u>                   | <u>\$ (18)</u> | 16.7              | <u>\$ (28)</u>                  | <u>\$ (37)</u> | (24.3)            |
| <b>Income before income taxes, as reported</b>                                                                    | \$ 68                            | \$ 89          |                   | \$ 155                          | \$ 269         |                   |
| Add: Labor contract adjustment                                                                                    | —                                | —              |                   | —                               | 9              |                   |
| Deduct: Fuel hedge contracts settling in the current period, but for which losses were reclassified from AOCI (b) | —                                | (14)           |                   | —                               | (14)           |                   |
| Add: Mark-to-market impact from fuel contracts settling in future periods (b)                                     | —                                | 29             |                   | —                               | 31             |                   |
| Add: Impairment of long-lived assets                                                                              | —                                | —              |                   | 8                               | —              |                   |
| Add: Litigation accruals                                                                                          | —                                | —              |                   | 19                              | 7              |                   |
| Add: Transformation costs                                                                                         | 7                                | —              |                   | 33                              | —              |                   |
| Add: Severance and related costs (c)                                                                              | —                                | —              |                   | 62                              | —              |                   |
| Add: Professional advisory fees                                                                                   | —                                | 13             |                   | —                               | 20             |                   |
| <b>Income before income taxes, excluding special items</b>                                                        | <u>\$ 75</u>                     | <u>\$ 117</u>  | (35.9)            | <u>\$ 277</u>                   | <u>\$ 322</u>  | (14.0)            |
| <b>Provision for income taxes, as reported</b>                                                                    | \$ 14                            | \$ 22          |                   | \$ 37                           | \$ 65          |                   |
| Add: Net income tax impact of fuel and special items (d)                                                          | 3                                | 6              |                   | 29                              | 16             |                   |
| <b>Provision for income taxes, net, excluding special items</b>                                                   | <u>\$ 17</u>                     | <u>\$ 28</u>   | (39.3)            | <u>\$ 66</u>                    | <u>\$ 81</u>   | (18.5)            |
| <b>Net income, as reported</b>                                                                                    | \$ 54                            | \$ 67          |                   | \$ 118                          | \$ 204         |                   |
| Add: Labor contract adjustment                                                                                    | —                                | —              |                   | —                               | 9              |                   |
| Deduct: Fuel hedge contracts settling in the current period, but for which losses were reclassified from AOCI (b) | —                                | (14)           |                   | —                               | (14)           |                   |
| Add: Mark-to-market impact from fuel contracts settling in future periods (b)                                     | —                                | 29             |                   | —                               | 31             |                   |
| Add: Litigation accruals                                                                                          | —                                | —              |                   | 19                              | 7              |                   |
| Add: Transformation costs                                                                                         | 7                                | —              |                   | 33                              | —              |                   |
| Add: Severance and related costs (c)                                                                              | —                                | —              |                   | 62                              | —              |                   |
| Add: Professional advisory fees                                                                                   | —                                | 13             |                   | —                               | 20             |                   |
| Add: Impairment of long-lived assets                                                                              | —                                | —              |                   | 8                               | —              |                   |
| Deduct: Net income tax impact of special items (d)                                                                | (3)                              | (6)            |                   | (29)                            | (16)           |                   |
| <b>Net income, excluding special items</b>                                                                        | <u>\$ 58</u>                     | <u>\$ 89</u>   | (34.8)            | <u>\$ 211</u>                   | <u>\$ 241</u>  | (12.4)            |

|                                                                                                              | Three months ended September 30, |                | Percent<br>Change | Nine months ended September 30, |                | Percent<br>Change |
|--------------------------------------------------------------------------------------------------------------|----------------------------------|----------------|-------------------|---------------------------------|----------------|-------------------|
|                                                                                                              | 2025                             | 2024           |                   | 2025                            | 2024           |                   |
| <b>Net income per share, diluted, as reported</b>                                                            | \$ 0.10                          | \$ 0.11        |                   | \$ 0.21                         | \$ 0.34        |                   |
| Add: Impact of special items                                                                                 | 0.02                             | 0.01           |                   | 0.22                            | 0.06           |                   |
| Add: Net impact of net income above from fuel contracts divided by dilutive shares                           | —                                | 0.02           |                   | —                               | 0.03           |                   |
| Deduct: Net income tax impact of special items (d)                                                           | (0.01)                           | —              |                   | (0.05)                          | (0.03)         |                   |
| Add: GAAP to Non-GAAP diluted weighted average shares difference (e)                                         | —                                | 0.01           |                   | —                               | —              |                   |
| <b>Net income per share, diluted, excluding special items</b>                                                | <u>\$ 0.11</u>                   | <u>\$ 0.15</u> | (26.7)            | <u>\$ 0.38</u>                  | <u>\$ 0.40</u> | (5.0)             |
| <b>Operating expenses per ASM (cents)</b>                                                                    | 15.17 ¢                          | 15.11 ¢        |                   | 15.36 ¢                         | 15.34 ¢        |                   |
| Deduct: Impact of special items                                                                              | (0.02)                           | (0.03)         |                   | (0.09)                          | (0.03)         |                   |
| Deduct: Fuel and oil expense divided by ASMs                                                                 | (2.92)                           | (3.14)         |                   | (2.91)                          | (3.40)         |                   |
| Deduct: Profit-sharing expense divided by ASMs                                                               | (0.02)                           | (0.03)         |                   | (0.02)                          | (0.04)         |                   |
| <b>Operating expenses per ASM, excluding Fuel and oil expense, special items, and profit sharing (cents)</b> | <u>12.21 ¢</u>                   | <u>11.91 ¢</u> | 2.5               | <u>12.34 ¢</u>                  | <u>11.87 ¢</u> | 4.0               |

(a) Includes amounts reclassified from Accumulated Other Comprehensive Income associated with hedges previously terminated. See Note 3 to the unaudited Condensed Consolidated Financial Statements for further information.

(b) See Note 3 to the unaudited Condensed Consolidated Financial Statements for further information.

(c) Represents Employee severance payments and related professional fees resulting from the workforce reduction in February 2025 (\$53 million in Salaries, wages, and benefits and \$9 million in Other operating expenses). See Note 11 to the unaudited Condensed Consolidated Financial Statements for further information.

(d) Tax amounts for each individual special item are calculated at the Company's effective rate for the applicable period and totaled in this line item.

(e) Adjustment related to GAAP and Non-GAAP diluted weighted average shares difference due to the Convertible Notes being anti-dilutive for GAAP but dilutive for Non-GAAP for the three months ended September 30, 2024.

**Non-GAAP Return on Invested Capital (ROIC) (in millions) (unaudited)**

|                                                              | Twelve months ended<br>September 30, 2025 | Twelve months ended<br>September 30, 2024 |
|--------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| <b>Operating income (loss), as reported</b>                  | \$ 315                                    | \$ (361)                                  |
| Breakage revenue adjustment                                  | 116                                       | —                                         |
| Severance and related costs                                  | 62                                        | —                                         |
| Voluntary Employee programs                                  | 5                                         | —                                         |
| TWU 555 contract adjustment                                  | —                                         | 9                                         |
| SWAPA contract adjustment                                    | —                                         | 354                                       |
| Net impact from fuel contracts                               | (25)                                      | (14)                                      |
| Professional advisory fees                                   | 18                                        | 20                                        |
| Transformation costs                                         | 37                                        | —                                         |
| DOT settlement                                               | —                                         | 107                                       |
| Litigation accruals                                          | 19                                        | 7                                         |
| Impairments                                                  | 8                                         | —                                         |
| <b>Operating income, non-GAAP</b>                            | \$ 555                                    | \$ 122                                    |
| Net adjustment for aircraft leases (a)                       | 201                                       | 128                                       |
| <b>Adjusted operating income, non-GAAP (A)</b>               | \$ 756                                    | \$ 250                                    |
| <b>Non-GAAP tax rate (B)</b>                                 | 22.4 % (d)                                | 24.3 % (e)                                |
| <b>Net operating profit after-tax, NOPAT (A * (1-B) = C)</b> | \$ 587                                    | \$ 189                                    |
| Debt, including finance leases (b)                           | \$ 5,921                                  | \$ 8,005                                  |
| Equity (b)                                                   | 9,181                                     | 10,528                                    |
| Net present value of aircraft operating leases (b)           | 977                                       | 910                                       |
| <b>Average invested capital</b>                              | \$ 16,079                                 | \$ 19,443                                 |
| Equity adjustment for hedge accounting (c)                   | 32                                        | (39)                                      |
| <b>Adjusted average invested capital (D)</b>                 | \$ 16,111                                 | \$ 19,404                                 |
| <b>Non-GAAP ROIC, pre-tax (A/D)</b>                          | 4.7 %                                     | 1.3 %                                     |
| <b>Non-GAAP ROIC, after-tax (C/D)</b>                        | 3.6 %                                     | 1.0 %                                     |

(a) Net adjustment to reflect all aircraft in fleet as owned (i.e., the impact of eliminating aircraft rent expense and replacing with estimated depreciation expense for those same aircraft). The Company makes this adjustment to enhance comparability to other entities that have different capital structures by utilizing alternative financing decisions.

(b) Calculated as an average of the five most recent quarter end balances or remaining obligations. The Net present value of aircraft operating leases represents the assumption that all aircraft in the Company's fleet are owned, as it reflects the remaining contractual commitments discounted at the Company's estimated incremental borrowing rate as of the time each individual lease was signed.

(c) The Equity adjustment in the denominator adjusts for the cumulative impacts, in Accumulated other comprehensive income and Retained earnings, of gains and/or losses that will settle in future periods, including those associated with the Company's terminated fuel hedges. The current period impact of these gains and/or losses is reflected in the Net impact from fuel contracts in the numerator.

(d) The GAAP twelve month rolling tax rate as of September 30, 2025, was 21.8 percent, and the Non-GAAP twelve month rolling tax rate was 22.4 percent. See Note Regarding Use of Non-GAAP Financial Measures for additional information.

(e) The GAAP twelve month rolling tax rate as of September 30, 2024, was (186.0) percent, and the Non-GAAP twelve month rolling tax rate was 24.3 percent. The GAAP twelve month rolling tax rate as of September 30, 2024 is negative primarily due to the Company's pre-tax book loss for the twelve months ended September 30, 2024. See Note Regarding Use of Non-GAAP Financial Measures for additional information.

## Note Regarding Use of Non-GAAP Financial Measures

The Company's unaudited Condensed Consolidated Financial Statements are prepared in accordance with GAAP. These GAAP financial statements may include (i) unrealized noncash adjustments and reclassifications, which can be significant, as a result of accounting requirements and elections made under accounting pronouncements relating to derivative instruments and hedging and (ii) other charges and benefits the Company believes are unusual and/or infrequent in nature and thus may make comparisons to its prior or future performance difficult.

As a result, the Company also provides financial information in this filing that was not prepared in accordance with GAAP and should not be considered as an alternative to the information prepared in accordance with GAAP. The Company provides supplemental non-GAAP financial information (also referred to as "excluding special items"), including results that it refers to as "economic," which the Company's management utilizes to evaluate its ongoing financial performance and the Company believes provides additional insight to investors as supplemental information to its GAAP results. The non-GAAP measures provided that relate to the Company's performance on an economic fuel cost basis include Total operating expenses, non-GAAP; Operating expenses, non-GAAP excluding Fuel and oil expense; Operating expenses, non-GAAP excluding Fuel and oil expense and profit sharing; Operating income, non-GAAP; Adjusted Operating income, non-GAAP; Other gains, net, non-GAAP; Income before income taxes, non-GAAP; Provision for income taxes, net, non-GAAP; Net income, non-GAAP; Net income per share, diluted, non-GAAP; Operating expenses per ASM, non-GAAP, excluding Fuel and oil expense and profit sharing (cents); and Return on invested capital, non-GAAP. For periods in which fuel hedge contracts are utilized, the Company's economic Fuel and oil expense results may differ from GAAP results in that they only include the actual cash settlements from fuel hedge contracts - all reflected within Fuel and oil expense in the period of settlement. Thus, Fuel and oil expense on an economic basis has historically been utilized by the Company, as well as some of the other airlines that utilize fuel hedging, as it reflects the Company's actual net cash outlays for fuel during the applicable period, inclusive of settled fuel derivative contracts. Any net fuel hedging premium costs paid related to option contracts that are designated as hedges are reflected as a component of Fuel and oil expense, for both GAAP and non-GAAP (including economic) purposes in the period of contract settlement. The Company believes these economic results provide further insight into the impact of the Company's fuel hedges on its operating performance and liquidity since they exclude the unrealized, noncash adjustments and reclassifications that are recorded in GAAP results in accordance with accounting guidance relating to derivative instruments, and they reflect all cash settlements related to fuel derivative contracts within Fuel and oil expense. This enables the Company's management, as well as investors and analysts, to consistently assess the Company's operating performance on a year-over-year or quarter-over-quarter basis after considering all efforts in place to manage fuel expense. However, because these measures are not determined in accordance with GAAP, such measures are susceptible to varying calculations, and not all companies calculate the measures in the same manner. As a result, the aforementioned measures, as presented, may not be directly comparable to similarly titled measures presented by other companies.

Further information on (i) the Company's fuel hedging program, (ii) the requirements of accounting for derivative instruments, and (iii) the causes of hedge ineffectiveness and/or mark-to-market gains or losses from derivative instruments is included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024. Also, see Note 3 to the unaudited Condensed Consolidated Financial Statements for further information regarding the Company's termination of its remaining fuel hedge derivative instruments.

The Company's GAAP results in the applicable periods may include other charges or benefits that are also deemed "special items," that the Company believes make its results difficult to compare to prior periods, anticipated future periods, or industry trends. Financial measures identified as non-GAAP (or as excluding special items) have been adjusted to exclude special items. For the periods presented, in addition to the items discussed above, special items include:

1. Incremental expense associated with contract ratification bonuses for various workgroups related to additional compensation for services performed by Employees outside the applicable fiscal period;

2. Charges associated with tentative litigation settlements regarding paid short-term military leave to certain Employees and an arbitration award in favor of the Company's Pilots relating to a collective-bargaining matter;
3. Expenses associated with professional advisory fees related to the Company's implementation of its comprehensive transformational plan;
4. Charges associated with severance, post-employment benefits, and professional fees as a result of the Company's reduction in workforce;
5. Reversal of breakage revenue recorded in prior years related to a portion of flight credits issued to Customers during 2022 and prior that have either been redeemed or are expected to be redeemed in future periods. The majority of these flight credits were issued during the COVID-19 pandemic as the Company was making significant changes to its flight schedules based on fluctuating demand, which made it difficult to estimate future redemption patterns when compared against historical Customer behavior;
6. Incremental expense associated with a voluntary separation program that allowed eligible Employees the opportunity to voluntarily separate from the Company in exchange for severance, medical/dental coverage for a specified period of time, and travel privileges based on years of service;
7. Expenses associated with incremental professional advisory fees related to activist investor activities, which were not budgeted by the Company or associated with the ongoing operation of the airline;
8. A charge associated with a settlement reached with the DOT as a result of the Company's December 2022 operational disruption; and
9. Non-cash impairment charges to remove certain assets from the unaudited Condensed Consolidated Balance Sheet that are no longer in use.

Because management believes special items can distort the trends associated with the Company's ongoing performance as an airline, the Company believes that evaluation of its financial performance can be enhanced by a supplemental presentation of results that exclude the impact of special items in order to enhance consistency and comparativeness with results in prior periods that do not include such items and as a basis for evaluating operating results in future periods. The following measures are often provided, excluding special items, and utilized by the Company's management, analysts, and investors to enhance comparability of year-over-year results, as well as to industry trends: Total operating expenses, non-GAAP; Operating expenses, non-GAAP excluding Fuel and oil expense; Operating expenses, non-GAAP excluding Fuel and oil expense and profit sharing; Operating income, non-GAAP; Adjusted Operating income, non-GAAP; Other gains, net, non-GAAP; Income before income taxes, non-GAAP; Provision for income taxes, net, non-GAAP; Net income, non-GAAP; Net income per share, diluted, non-GAAP; Operating expenses per ASM, non-GAAP, excluding Fuel and oil expense and profit sharing (cents); EBIT, non-GAAP; and Return on invested capital, non-GAAP.

The Company has also provided its calculation of return on invested capital ("ROIC"), which is a measure of financial performance used by management to evaluate its investment returns on capital. ROIC is not a substitute for financial results as reported in accordance with GAAP and should not be utilized in place of such GAAP results. Although ROIC is not a measure defined by GAAP, it is calculated by the Company, in part, using non-GAAP financial measures. Those non-GAAP financial measures are utilized for the same reasons as those noted above for Net income, non-GAAP and Operating income, non-GAAP. The comparable GAAP measures include charges or benefits that are deemed "special items" that the Company believes make its results difficult to compare to prior periods, anticipated future periods, or industry trends, and the Company's profitability targets and estimates, both internally and externally, are based on non-GAAP results since "special items" cannot be reliably predicted or estimated. The Company believes non-GAAP ROIC is a meaningful measure because it quantifies the Company's effectiveness in generating returns relative to the capital it has invested in its business. Although ROIC is commonly used as a measure of capital efficiency, definitions of return on invested capital differ; therefore, the Company is providing an explanation of its calculation for non-GAAP return on invested capital in the accompanying reconciliation in order to allow investors to compare and contrast its calculation to the calculations provided by other companies.

## **Liquidity and Capital Resources**

Net cash provided by operating activities was \$287 million for the three months ended September 30, 2025, compared with \$113 million provided by operating activities in the same prior year period. Net cash provided by operating activities was \$1.5 billion for the nine months ended September 30, 2025 compared with \$14 million used in operating activities in the same prior year period. Historically, operating cash inflows are primarily derived from selling tickets for future flights and providing air transportation to Customers. The vast majority of tickets are purchased prior to the day on which travel is provided and, in some cases, several months before the anticipated travel date. Operating cash outflows are related to the recurring expenses of airline operations. The operating cash flows for the nine months ended September 30, 2025, were largely impacted by the Company's net results (as adjusted for noncash items, primarily Depreciation and amortization), a \$103 million profit-sharing contribution for 2024 pursuant to the Company's Retirement Savings Plan, and a \$117 million decrease in Air traffic liability driven by a decrease in flight points earned and more flight credits redeemed by Customers. The operating cash flows for the nine months ended September 30, 2024, were largely impacted by the Company's net results (as adjusted for noncash items, primarily Depreciation and amortization), the approximately \$1.9 billion paid to Pilots, Flight Attendants, and Ramp, Operations, Provisioning, and Cargo Agents as bonuses upon the ratification of the labor contract agreements with the Southwest Airlines Pilots Association ("SWAPA"), Transport Workers of America Union Local 556 ("TWU 556"), and the Transport Workers Union Local 555 ("TWU 555"), respectively; and a \$98 million decrease related to the purchase of fuel derivative instruments, which is included within Other, net operating cash flows in the accompanying unaudited Condensed Consolidated Statement of Cash Flows. These decreases were partially offset by a \$421 million increase in Air traffic liability driven by higher ticket sales. Net cash provided by operating activities is primarily used to finance capital expenditures, repay debt, provide Shareholder returns, and provide working capital.

Net cash used in investing activities totaled \$428 million during the three months ended September 30, 2025, compared with \$458 million provided by investing activities in the same prior year period. Net Cash used in investing activities totaled \$687 million during the nine months ended September 30, 2025, compared with \$334 million used in investing activities in the same prior year period. Investing activities in both years included Capital expenditures and changes in the balance of the Company's short-term and noncurrent investments. During the nine months ended September 30, 2025, Capital expenditures were \$1.8 billion, compared with \$1.6 billion in the same prior year period. Capital expenditures increased, year-over-year, largely due to an increase in average delivery payment balances for scheduled future aircraft deliveries during the nine months ended September 30, 2025, compared to the same prior year period.

The Company continues to expect its 2025 capital spending to be in the range of \$2.5 billion to \$3.0 billion, including the additional aircraft deliveries now expected, as well as the impact of the expected -800 aircraft sales this year.

Net cash used in financing activities was \$432 million during the three months ended September 30, 2025, compared with \$210 million used in financing activities for the same prior year period. Net cash used in financing activities was \$5.5 billion during the nine months ended September 30, 2025, compared with \$437 million used in financing activities for the same prior year period. During the nine months ended September 30, 2025, the Company paid \$399 million in cash dividends to Shareholders related to the first, second, and third quarter 2025 and fourth quarter 2024 declarations. Additionally, the Company expended \$2.5 billion to repurchase the Company's outstanding common stock through authorized share repurchases during the nine months ended September 30, 2025. The repurchases of common stock amounts in the unaudited Consolidated Statement of Cash Flows may differ from the unaudited Consolidated Statement of Stockholder's Equity due to the timing of excise taxes incurred and subsequent payment on share repurchases, net of issuances. The Company may engage in early debt repurchases from time to time at its discretion; however, any early future repurchases are not included in the Company's current maturities of long-term debt unless otherwise disclosed. During second quarter 2025, the Company repaid both the Convertible Notes and the PSP1 Payroll Support Program loan in the amounts of \$1.6 billion and \$976 million, respectively. See Note 10 to the unaudited Condensed Consolidated Financial Statements for further information on the Convertible Notes, PSP1 Payroll Support Program loan, and future debt maturities. During the nine months ended September 30, 2024, the Company paid \$431 million in cash dividends to Shareholders and the Company repaid \$27 million in finance lease obligations.

The Company completed its September 2024 \$2.5 billion share repurchase authorization in second quarter 2025, repurchasing \$1.5 billion of its outstanding common stock through an accelerated share repurchase program. The Company received a total of 46,623,010 million shares under the second quarter 2025 accelerated share repurchase program, which was completed in August 2025. On July 23, 2025, the Board approved a \$2.0 billion share repurchase authorization of the Company's common stock, which is expected to be completed over a period of up to two years. The Company repurchased \$250 million of its outstanding common stock through an accelerated share repurchase program entered into in third quarter 2025 under its current \$2.0 billion authorization, which also impacted net cash used in financing activities. The Company received a total of 7,777,764 million shares under the third quarter 2025 accelerated share repurchase program, which was completed in October 2025. These purchases were recorded as treasury share repurchases for purposes of calculating earnings per share. Subject to certain conditions, repurchases may be made in accordance with applicable securities laws in open market or private, including accelerated repurchase transactions from time to time, depending on market conditions.

The Company is a "well-known seasoned issuer" and currently has an effective shelf registration statement registering an indeterminate amount of debt and equity securities for future sales. The Company intends to use the proceeds from any future securities sales off this shelf registration statement for general corporate purposes.

On July 22, 2025, the Company exercised the accordion feature under its amended and restated revolving credit facility (the "Amended Credit Agreement"), increasing the size of the facility to \$1.5 billion. As of September 30, 2025, the Company had access to \$1.5 billion under the Amended Credit Agreement, which expires in August 2028. See Note 10 to the unaudited Condensed Consolidated Financial Statements for further information. There were no amounts outstanding under the Amended Credit Agreement as of October 23, 2025.

As of September 30, 2025, the Company carried a working capital deficit of approximately \$5.6 billion, in which its current liabilities exceed its current assets. This is common within the airline industry and is primarily due to the nature of the Air traffic liability account, which is related to advance ticket sales, unused flight credits available to Customers, and loyalty deferred revenue, which are performance obligations for future Customer flights, do not require future settlement in cash, and are mostly nonrefundable. See Note 5 to the unaudited Condensed Consolidated Financial Statements for further information.

The Company believes it has various options available to meet its capital and operating commitments, including unrestricted cash and short-term investments of \$3.0 billion as of September 30, 2025, and anticipated future internally generated funds from operations. The Company continues to have a large base of unencumbered aircraft and primarily aircraft-related assets with a net book value of approximately \$16.8 billion. In addition, the Company continues to maintain investment-grade credit ratings by all three major credit agencies (Moody's, S&P Global, and Fitch).

As of October 23, 2025, for the years 2025 through 2031, the Company has firm orders with Boeing for 516 aircraft (less 36 -8 aircraft received to date in 2025), and options for an additional 156 aircraft. The contractual order book as of October 23, 2025 does not include the impact of delivery delays and is subject to change based on ongoing discussions with Boeing and their production capability. See Note 9 to the unaudited Condensed Consolidated Financial Statements for further information.

The following table details information on the aircraft in the Company's fleet as of September 30, 2025:

| Type    | Seats | Average Age (Yrs) | Number of Aircraft | Number Owned | Number Leased |
|---------|-------|-------------------|--------------------|--------------|---------------|
| 737-700 | 143   | 19                | 319                | 300          | 19            |
| 737-800 | 175   | 10                | 202                | 153          | 49            |
| 737-8   | 175   | 3                 | 281                | 252          | 29            |
| Totals  |       | 11                | 802                | 705          | 97            |

## Critical Accounting Policies and Estimates

For information regarding the Company's Critical Accounting Policies and Estimates, see the "Critical Accounting Policies and Estimates" section of "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

## Cautionary Statement Regarding Forward-Looking Statements

This Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 ("Exchange Act"). Forward-looking statements are based on, and include statements about, the Company's estimates, expectations, beliefs, intentions, and strategies for the future, and the assumptions underlying these forward-looking statements. Specific forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and include, without limitation, statements related to the following:

- the Company's financial targets for 2025 and 2026 and factors that could impact the Company's financial results;
- the Company's financial guidance for fourth quarter and full year 2025 and factors that could impact the Company's financial results;
- the Company's capacity guidance and expectations;
- the Company's estimated fuel costs and fuel efficiency and the assumptions underlying the Company's fuel-related expectations and estimates;
- the Company's expectations with respect to fleet transactions;
- the Company's expectations regarding passenger demand, revenue management, revenue trends, and bookings;
- the Company's focus areas, goals, opportunities, and initiatives, including with respect to checked bag fees, creating efficiencies, Getaways by Southwest, the Company's fare structure, the Company's delivery of WiFi, airline partnerships, and the Company's co-brand credit card agreement with Chase;
- the Company's expectations with respect to cost reductions;
- the Company's plans and expectations with respect to assigned and extended legroom seating, cabin design and seating, redesigned boarding model, aircraft turn times, and redeye flying;
- the Company's plans and expectations with respect to improving financial performance, driving Shareholder value, capital allocation, capital deployment, infrastructure investments, leverage, and Shareholder returns;
- the Company's fleet plans and expectations, including with respect to fleet modernization, fleet retrofits, fleet utilization, flexibility, fleet strategy and extracting value from the fleet and the fleet order book, and expected fleet deliveries and retirements, and underlying expectations and dependencies;
- the Company's network plans and expectations;
- the Company's labor plans and expectations including with respect to the Company's reduction in force;
- the Company's financial expectations, targets and goals, including with respect to fuel prices, income taxes, leverage, liquidity, balance sheet goals, and cost mitigation;
- the Company's short-term and long-term financial and operational goals;
- the Company's cash flow expectations and capital spending guidance, in particular with respect to aircraft capital expenditures and underlying aircraft delivery expectations;
- the Company's expectations with respect to its ability to meet its ongoing capital and operating commitments, including underlying assumptions and factors that could impact this ability;
- the Company's assessment of market risks; and
- the Company's plans and expectations related to legal and regulatory proceedings.

While management believes these forward-looking statements are reasonable as and when made, forward-looking statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed in or indicated by the Company's forward-looking statements or from historical experience or the Company's present expectations. Factors that could cause these differences include, among others:

- the impact of consumer perception, consumer uncertainties with respect to government shutdowns or trade policies (including the imposition of tariffs), economic conditions, banking conditions, fears or actual outbreaks of diseases, extreme or severe weather and natural disasters, actions of competitors (including, without limitation, pricing, scheduling, capacity, and network decisions, and consolidation and alliance activities), socio-demographic trends, and other factors beyond the Company's control on consumer behavior and the Company's results of operations and business decisions, plans, strategies, and results;
- the Company's ability to timely and effectively implement, transition, and maintain the necessary information technology systems and infrastructure to support its operations and initiatives;
- the impact of governmental regulations and other governmental actions, including with respect to government shutdowns, as well as the Company's ability to obtain any required governmental approvals, on the Company's plans, strategies, financial results, and operations;
- the Company's dependence on Boeing, Boeing's suppliers, and the FAA with respect to the Company's fleet plans and deliveries, capacity and operational plans, assigned and extended legroom seating plans, and other operational plans, strategies, and goals;
- consumer behavior and response with respect to the Company's new commercial products and policies;
- the impact of labor and hiring matters on the Company's business decisions, plans, strategies, and results;
- the impact of fuel price changes, fuel price volatility, and fuel availability on the Company's business plans and results of operations;
- the Company's dependence on other third parties, in particular with respect to its technology plans, its plans and expectations related to operational excellence and reliability, revenue management, online travel agencies, fuel supply, maintenance, environmental sustainability, Global Distribution Systems, and the impact on the Company's operations and results of operations of any third party delays or non-performance;
- the Company's ability to obtain and maintain adequate infrastructure and equipment to support its operations and initiatives;
- the Company's dependence on its workforce, including its ability to employ and retain sufficient numbers of qualified Employees to effectively and efficiently maintain its operations;
- the impact of fears or actual acts of terrorism or war, political instability, cyber-attacks, and other factors beyond the Company's control on the Company's plans, financial results, operations, and ability to adequately insure against risks;
- the cost and effects of the actions of activist shareholders; and
- other factors as set forth in the Company's filings with the Securities and Exchange Commission (the "SEC"), including the detailed factors discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, and in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2025.

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 3. Quantitative and Qualitative Disclosures About Market Risk**

#### ***Hedging and Aircraft Fuel Risk***

Changes in fuel prices could materially affect the Company's results of operations. As discussed in Note 3 to the unaudited Condensed Consolidated Financial Statements, the Company discontinued its fuel hedging program in 2025. During second quarter 2025, the Company terminated its remaining portfolio of fuel hedging contracts, which were scheduled to settle through 2027, to effectively close its fuel hedging portfolio. Consequently, the Company is fully exposed to fluctuations in fuel prices. The Company currently expects to consume approximately 550 million gallons of jet fuel in the fourth quarter of 2025, and therefore a one-cent per gallon change in the price of aircraft fuel would change the Company's Fuel and oil expense for such period by approximately \$5.5 million.

As of September 30, 2025, the Company had no cash collateral provided to or held from derivative counterparties and thus had no cash collateral exposure. See Note 3 to the unaudited Condensed Consolidated Financial Statements.

#### ***Financial Market Risk***

The Company currently has agreements with organizations that process credit card transactions arising from purchases of air travel tickets by its Customers utilizing American Express, Discover, and MasterCard/VISA. Credit card processors have financial risk associated with tickets purchased for air travel because the processor generally forwards the cash related to the purchase to the Company soon after the purchase is completed, but the air travel generally occurs after that time; therefore, the processor will have liability if the Company does not ultimately provide the air travel. Under these processing agreements, and based on specified conditions, increasing amounts of cash reserves could be required to be posted with the counterparty. There was no cash reserved for this purpose as of September 30, 2025.

A majority of the Company's sales transactions are processed by Chase Paymentech. Should Customer chargebacks processed by Chase Paymentech reach a certain level, cash proceeds from advance ticket sales could be held back and used to establish a reserve account to cover such chargebacks and any other Customer-disputed charges that might occur. Additionally, cash reserves are required to be established if the Company's credit rating falls to specified levels below investment grade. Cash reserve requirements are based on the Company's public debt rating and a corresponding percentage of the Company's Air traffic liability. As of September 30, 2025, no cash holdbacks were in place.

See Item 7A "Quantitative and Qualitative Disclosures About Market Risk" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, for further information about market risk, and Note 3 to the unaudited Condensed Consolidated Financial Statements in this Form 10-Q for further information about the Company's fuel derivative instruments.

#### **Item 4. Controls and Procedures**

##### **Disclosure Controls and Procedures**

The Company maintains disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) designed to provide reasonable assurance that the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. These include controls and procedures designed to ensure that this information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of September 30, 2025. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of September 30, 2025, at the reasonable assurance level.

#### Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a–15(f) under the Exchange Act) during the fiscal quarter ended September 30, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

On June 30, 2015, the U.S. Department of Justice (“DOJ”) issued a Civil Investigative Demand (“CID”) to the Company. The CID sought information and documents about the Company’s capacity from January 2010 to the date of the CID, including public statements and communications with third parties about capacity. In June 2015, the Company also received a letter from the Connecticut Attorney General requesting information about capacity. The Company is cooperating fully with the DOJ CID and the state inquiry.

Further, on July 1, 2015, a complaint was filed in the United States District Court for the Southern District of New York on behalf of putative classes of consumers alleging collusion among the Company, American Airlines, Delta Air Lines, and United Airlines to limit capacity and maintain higher fares in violation of Section 1 of the Sherman Act. Since then, a number of similar class action complaints were filed in the United States District Courts for the Central District of California, the Northern District of California, the District of Columbia, the Middle District of Florida, the Southern District of Florida, the Northern District of Georgia, the Northern District of Illinois, the Southern District of Indiana, the Eastern District of Louisiana, the District of Minnesota, the District of New Jersey, the Eastern District of New York, the Southern District of New York, the Middle District of North Carolina, the District of Oklahoma, the Eastern District of Pennsylvania, the Northern District of Texas, the District of Vermont, and the Eastern District of Wisconsin. On October 13, 2015, the Judicial Panel on Multi-District Litigation centralized the cases to the United States District Court in the District of Columbia. On March 25, 2016, the plaintiffs filed a Consolidated Amended Complaint in the consolidated cases alleging that the defendants conspired to restrict capacity from 2009 to present. The plaintiffs seek to bring their claims on behalf of a class of persons who purchased tickets for domestic airline travel on the defendants’ airlines from July 1, 2011 to present. They seek treble damages, injunctive relief, and attorneys’ fees and expenses. On May 11, 2016, the defendants moved to dismiss the Consolidated Amended Complaint, which the Court denied on October 28, 2016. On December 20, 2017, the Company reached an agreement to settle these cases with a proposed class of all persons who purchased domestic airline transportation services from July 1, 2011, to the date of the settlement. The Company agreed to pay \$15 million and to provide certain cooperation with the plaintiffs as set forth in the settlement agreement. After notice was provided to the proposed settlement class and the Court held a fairness hearing, the Court issued an order granting final approval of the settlement on May 9, 2019. On June 10, 2019, certain objectors filed notices of appeal to the United States Court of Appeals for the District of Columbia Circuit, which the Court dismissed on July 9, 2021, for lack of jurisdiction because the district court’s order approving the settlements was not a final appealable order. The case is continuing as to the remaining defendants. The Company denies all allegations of wrongdoing.

On January 7, 2019, a complaint alleging a violation of the federal Uniformed Services Employment and Reemployment Rights Act (“USERRA”) and seeking a certification as a class action was filed against the Company in the United States District Court for the Northern District of California. The complaint alleges that the Company violates section 4316(b) of USERRA because it does not provide paid “short-term” military leave (i.e., a military leave of 14 days or fewer) but does provide paid jury duty leave, bereavement leave, and sick leave, which the plaintiff alleges are “comparable” forms of leave under USERRA and its implementing regulations. The complaint seeks declaratory and injunctive relief, damages, liquidated damages, interest, and attorneys’ fees, expert fees, and litigation costs. On February 3, 2021, the Court granted the plaintiff’s motion for class certification and issued an order certifying a class comprised of current or former Employees who, during their employment with the Company at any time from October 10, 2004, through the date of judgment in this action, have taken short-term military leave and were subject to a collective bargaining agreement, except for Employees subject to the Transport Workers Union Local 550 agreement covering meteorologists. On January 11, 2022, the Court granted the parties’ stipulated request to vacate the trial date as the Department of Defense had not yet produced the class members’ military pay and service records pursuant to the Company’s third-party subpoena. On August 18, 2022, the Court entered an order that effectively stayed the action, except for attention to the third-party subpoena, until after the Ninth Circuit issued its opinion in the matter of *Clarkson v. Alaska Airlines, Inc. and Horizon Industries, Inc.*, an appeal from an order by the United States District Court for the Eastern District of Washington granting summary judgment in defendants’ favor on substantially the same claims at issue in this action. The Ninth Circuit issued its order in

Clarkson on February 1, 2023, reversing the district court’s grant of summary judgment and remanding the Clarkson case to the District Court with instructions to consider the “pay during leave” issue in the first instance. The Company has received the military pay and service records. On October 29, 2024, the Company filed a motion to decertify the class, which was then fully briefed and set for hearing. On February 13, 2025, the parties filed a notice of settlement advising the Court that they reached a settlement in principle, and the parties made a stipulated request for the Court to vacate the case schedule, including the hearing on the Company’s decertification motion, and to set a deadline of June 19, 2025, for the filing of either a motion for preliminary approval of the class settlement or a status update about the timing of the remaining steps in the settlement process. The Court granted the stipulation on February 14, 2025. On June 20, 2025, the Court granted the parties’ stipulated request to continue the deadline for filing a motion for preliminary approval of the class settlement and the Court reset the deadline for August 21, 2025. On September 25, 2025, plaintiffs filed a motion for preliminary approval of the settlement class. The class proposed in the settlement modifies the class definition to use an end date of January 1, 2026 (rather than treating the date of judgment as the end date). The settlement includes an \$18.5 million settlement fund and prospective relief that includes a differential pay benefit for up to ten days of military leave per year, which will remain in place for at least five years once initiated.

On December 27, 2019, a former customer service agent at Oakland International Airport, filed a putative class action complaint in the Superior Court of California, for the County of Santa Clara, against the Company alleging the following seven claims under the California Labor Code and Business & Professions Code: (1) failure to provide meal periods; (2) failure to provide rest periods; (3) failure to pay hourly wages; (4) failure to provide accurate wage statements; (5) failure to timely pay all final wages; (6) unfair competition; and (7) civil penalties for the foregoing. Plaintiff filed a First Amended Complaint on October 15, 2021, that asserted the same causes of action and added a named plaintiff. The First Amended Complaint primarily seeks unpaid wages, interest thereon, and associated civil and statutory penalties, along with attorneys’ fees and costs. On February 26, 2025, the Court granted class certification as to the first cause of action for failure to provide meal periods, denied certification on the second through fourth causes of action, and granted certification on the fifth and sixth causes of action only insofar as they are predicated on the first cause of action. The certified class consists of all of the Company’s non-exempt ground employees in California who worked a shift in excess of five hours for the time period between October 24, 2014, forward. On April 17, 2025, the Company filed a summary judgment motion arguing that Plaintiffs’ first cause of action, and all causes of action predicated thereon, failed as a matter of law. The motion was granted on July 25, 2025. Judgment was entered in favor of the Company on September 2, 2025, and Plaintiffs filed a notice of appeal on September 4, 2025. The Company intends to continue to vigorously defend itself in all respects.

On June 22, 2020, a derivative action for breach of fiduciary duty was filed in the United States District Court for the Northern District of Texas naming the members of the Company’s Board of Directors (the “Board”) as defendants and the Company as a nominal defendant (the “Derivative Action”). The plaintiff alleges unspecified damage to Company’s reputation, goodwill, and standing in the community, as well as damage from exposure to civil and regulatory liability and defense costs. According to the lawsuit, these damages arise from the Company’s alleged failure to comply with safety and record maintenance regulations and false statements in public filings regarding the Company’s safety practices. The plaintiff alleges the Board, in the absence of good faith, exhibited reckless disregard for its duties of oversight. On October 7, 2020, the Court entered an order staying and administratively closing the Derivative Action, pending the District Court’s final resolution of the Company’s motion to dismiss in a parallel securities class action under Section 10(b) of the Exchange Act that was filed on February 19, 2020, or upon the occurrence of certain other conditions. While the parallel securities class action was dismissed with prejudice on October 5, 2023, the plaintiff in the Derivative Action has taken no steps to lift the stay in the case, which remains stayed. The Board and Company deny all allegations of wrongdoing made in the Derivative Action.

On August 26, 2021, a complaint alleging breach of contract and seeking certification as a class action was filed against the Company in the United States District Court for the Western District of Texas in Waco. The complaint alleges that the Company breached its Contract of Carriage and other alleged agreements in connection with its use of the allegedly defective MAX aircraft manufactured by The Boeing Company. The complaint seeks damages on

behalf of putative classes of customers who provided valuable consideration, whether in money or other form (e.g., voucher, miles/points, etc.), in exchange for a ticket for air transportation with the Company, which transportation took place between August 29, 2017, and March 13, 2019. The complaint generally seeks money damages, declaratory relief, and attorneys' fees and other costs. On October 27, 2021, the Company filed a multi-faceted motion challenging the complaint based upon lack of subject matter jurisdiction, the existence of a prior-filed complaint on appeal in the Fifth Circuit (the "Sherman Complaint"), improper venue, and failure to state a claim, and seeking to have the complaint's class contentions stricken. That motion was fully briefed by both parties and was argued to a United States Magistrate Judge on June 27, 2022. On July 5, 2022, the Magistrate Judge granted the motion in part and ordered the case stayed until the issuance of the Fifth Circuit's opinion in the Sherman Complaint. On November 28, 2022, the parties jointly notified the Court of the Fifth Circuit's decision regarding the Sherman Complaint. On March 23, 2023, the parties jointly notified the Court of the dismissal of the Sherman Complaint for lack of jurisdiction. Following more recent communications by the parties regarding the status of the stay, the Court directed the parties to file a joint status report, which was filed on February 24, 2025, with the Company renewing its request that the case be dismissed for lack of standing and lack of subject matter jurisdiction in light of the Fifth Circuit's decision regarding the Sherman Complaint, which the plaintiffs opposed. On March 11, 2025, the Court heard argument of the parties' respective positions on the Company's request for dismissal for lack of standing and lack of subject matter jurisdiction. On June 9, 2025, the Court issued an order dismissing the case for lack of standing and lack of subject matter jurisdiction and entered final judgment in favor of the Company. On July 9, 2025, the plaintiffs in the case filed a notice of appeal to the Fifth Circuit Court of Appeals. The plaintiff/appellant has been ordered to file its opening brief on October 22, 2025, and the Court has set a briefing schedule thereafter. No oral argument has been set. The Company continues to deny all allegations of wrongdoing, believes the plaintiffs' positions are without merit, and intends to vigorously defend itself against the appeal.

Two complaints alleging violations of federal securities laws and seeking certification as a class action were filed (on January 10, 2023, and March 13, 2023, respectively) against the Company and certain of its officers in the United States District Court for the Southern District of Texas in Houston. The complaints seek damages on behalf of a putative class of persons who purchased or otherwise acquired the Company's common stock between June 13, 2020, and December 31, 2022. The complaints assert claims under Sections 10(b) and 20 of the Exchange Act and allege that the Company made material misstatements to investors regarding the Company's internal technology and alleged vulnerability to large-scale flight disruptions. The complaints generally seek money damages, pre-judgment and post-judgment interest, and attorneys' fees and other costs. The deadline in the first of these two cases to file a motion seeking appointment of lead plaintiff was March 13, 2023; four separate motions were filed, and three of the parties seeking appointment contested the issue. On July 17, 2023, the Court signed an order consolidating the two federal securities cases into the first-filed suit and also appointed plaintiff Michael Berry as lead plaintiff in the consolidated case, with his counsel of record to serve as lead counsel and liaison counsel. On September 15, 2023, the lead plaintiff filed an amended complaint that expanded the class period to include persons who purchased or otherwise acquired the Company's common stock between February 4, 2020, and March 14, 2023, while continuing to assert claims under Sections 10(b) and 20 of the Exchange Act based on alleged misstatements regarding the Company's internal technology and alleged vulnerability to large-scale flight disruptions. On November 20, 2023, the Company and the individual defendants filed a motion to dismiss the amended complaint for failure to state a claim. Plaintiffs filed an opposition brief on January 26, 2024. The Company and the individual defendants filed a reply brief on February 23, 2024. On December 5, 2024, the United States District Court for the Southern District of Texas denied the motion to dismiss on the basis that "the issues are better suited for a summary judgment motion after the parties have had the opportunity to engage in discovery." On December 21, 2024, the Company moved for reconsideration of the December 5, 2024, order and, in the alternative, for permission to pursue an interlocutory appeal. The plaintiffs opposed both requests for relief. On April 3, 2025, the United States District Court for the Southern District of Texas conducted a hearing on the Company's motion for reconsideration and requested the parties to confer and submit an agreed post-hearing briefing schedule in order for the Court to evaluate and determine the sufficiency of the allegations in Plaintiffs' amended complaint in accordance with the Private Securities Litigation Reform Act. The parties' respective briefing on these issues has been completed and the matter remains pending for a decision by the Court. The Company denies all allegations of wrongdoing in the complaint, believes the plaintiffs' positions are without merit, and intends to vigorously defend itself in all respects.

Starting on or about January 24, 2023, the Company's senior officers and the Board received multiple derivative demand letters from legal counsel for purported Southwest Shareholders demanding that the Board investigate claims, initiate legal action, and take remedial measures in connection with the service disruptions occurring in December 2022. Generally, the demand letters broadly assert that the Company's directors and senior officers did not make sufficient investments in internal technology systems to prevent large-scale flight disruptions, did not exercise sufficient oversight over the Company's operations, approved or received unwarranted compensation, caused the Company to make materially misleading public statements, and breached their fiduciary duties to the Company. Additionally, since January 27, 2023, the Company has received multiple letters from counsel for purported Southwest Shareholders making statutory demands for the production of various books and records of the Company, purportedly in an effort to investigate possible derivative claims similar to those made the subject of the derivative demands discussed above. On June 13, 2023, a shareholder derivative suit was filed against certain of the Company's current and former officers and directors in the 14th Judicial District Court of Dallas County, Texas, asserting claims for damages from alleged breach of fiduciary duty, waste of corporate assets, and unjust enrichment derivatively on the Company's behalf against the individual defendants based on similar factual allegations as contained in the demand letters and in the federal class action complaints. On June 15, 2023, a second shareholder derivative suit was filed against certain of the Company's current and former officers and directors in the United States District Court for the Northern District of Texas, asserting claims under Section 14(a) of the Exchange Act and for damages from alleged breach of fiduciary duty, indemnification, and unjust enrichment derivatively on the Company's behalf against the individual defendants based on similar factual allegations as contained in the demand letters and in the federal class action complaints. On November 14, 2023, a third shareholder derivative suit was filed in the 134th Judicial District of Dallas County, Texas, by some of the same counsel involved in the June 13, 2023, suit against the same defendants in that suit and making allegations of the same operative facts and claims. On June 18, 2024, a fourth shareholder derivative suit was filed in the 101st Judicial District Court of Dallas County, Texas, asserting substantially similar claims as in the first two state court derivative suits. On June 26, 2024, a fifth shareholder derivative suit was filed in the United States District Court for the Northern District of Texas, asserting substantially similar claims as in the first federal derivative suit. On July 18, 2024, a sixth shareholder derivative suit was filed in the United States District Court for the Northern District of Texas, asserting substantially similar claims as in the first federal derivative suit (together with the previous demand letters and shareholder derivative suits, the "Derivative Actions and Demands").

The Company and the Board have addressed the Derivative Actions and Demands in accordance with the applicable Texas statutes governing such demands and litigation. Pursuant to those statutes, a committee of independent and disinterested directors (the "Special Litigation Committee") was appointed to conduct an inquiry regarding the allegations in the Derivative Actions and Demands. The state court cases have been consolidated into one state court case, and the federal cases were later consolidated into one federal case.

As described above, pursuant to the applicable Texas statutes governing derivative demands and litigation, the Special Litigation Committee was duly appointed to conduct an inquiry regarding the claims and allegations asserted in the Derivative Actions and Demands. The Derivative Actions and Demands were all stayed, formally or by agreement, pending the outcome of the investigation by the Special Litigation Committee. On September 19, 2024, the Special Litigation Committee formally reported its findings and resolution concerning its investigation of the Derivative Actions and Demands, which began in July 2023 and concluded with the September 19, 2024 report and resolution, which in turn were delivered to the Company and its Board on September 23, 2024. The Special Litigation Committee retained two law firms to represent the Special Litigation Committee in connection with the Special Litigation Committee's investigation of the Derivative Actions and Demands and the Special Litigation Committee's review and assessment of evidence gathered in its investigation. The Special Litigation Committee further reported, among other details, upon its appointment, the independence and disinterestedness of its members, the Special Litigation Committee's investigative processes, including meetings, scope of investigation, volume of documents reviewed, numbers of witnesses interviewed, other presentations received, review and analysis of evidence and applicable legal standards, work with its counsel, and findings and preparation of the final report and resolution of the Special Litigation Committee. Based upon the Special Litigation Committee report and the conclusions reached therein, the Special Litigation Committee, consistent with its appointment and delegated authority, unanimously adopted a resolution (i) determining that it is not in the best interests of the Company or its

Shareholders to pursue the relief requested in the Derivative Actions and Demands; (ii) determining that it is in the best interests of the Company and its Shareholders to reject the Derivative Actions and Demands; (iii) determining that it is in the best interests of the Company and its Shareholders for the Company to move to dismiss the Derivative Actions and Demands; and (iv) instructing that the Company and counsel take all further actions necessary to implement the resolution. On December 26, 2024, the Board received a seventh demand letter, and on January 31, 2025, received an eighth demand letter, each containing allegations substantially similar to those presented in certain of the prior Derivative Actions and Demands, which are being addressed consistent with applicable Texas law governing such demands. On April 1, 2025, the Company filed a motion to dismiss or stay the consolidated state court derivative actions based on the forum selection clause in the Company's bylaws and the pendency of the related federal derivative cases. In May 2025, the Company and the plaintiffs in the state court derivative actions filed a joint stipulation and proposed order to stay the state court derivative actions and, among other things, to make a ruling on a motion to dismiss in the federal derivative case binding upon the state court derivative actions. On June 18, 2025, the Company filed a motion to lift the stay in the consolidated federal derivative actions and an accompanying motion to dismiss based on the Special Litigation Committee's report, conclusions, and resolution. The parties have submitted to the Court a stipulation with a proposed schedule pertaining to further briefing and related proceedings in connection with the motion to dismiss. The stipulation has not yet been signed by the Court.

Based on the Company's wide-scale operational disruption, which led to the cancellation of a significant number of flights between December 21 and December 29, 2022, the Company has been subject to inquiries and investigations by governmental agencies (including with respect to a December 2023 settlement with the DOT) and could be subject to fines and/or penalties resulting from those inquiries and investigations, as well as litigation from Customers and Shareholders.

On January 28, 2025, two participants in the Company's retirement plans commenced a putative class action in the United States District Court for the Northern District of Texas against the Company, the Board, and certain of the Company's officers. Plaintiffs purport to represent a class consisting of participants and beneficiaries in the Southwest Airlines Co. Retirement Savings Plan, the Southwest Airlines Co. 401(k) Plan, and the Southwest Airlines Co. ProfitSharing Plan (collectively, the "Plan") who invested in the Harbor Capital Appreciation Fund from January 28, 2019 "through the date of judgment." The complaint asserts that defendants mismanaged Plan assets and failed to monitor the Plan in violation of the Employee Retirement Income Security Act by, among other things, failing to remove the Harbor Fund as an investment option. The complaint seeks various forms of declaratory and monetary relief as well as attorneys' fees, interest and other costs. The defendants deny all allegations of wrongdoing, believe the plaintiffs' claims are without merit, and intend to vigorously defend against these claims.

On April 29, 2025, the Company received a demand letter addressed to the Board, dated April 28, 2025, from a purported Southwest Shareholder contending that the Company's directors and senior officers breached their fiduciary duties in connection with the Board's decision to end Southwest's Bags Fly Free policy and to begin charging passengers for bags. The letter demanded that the Board investigate the circumstances surrounding the policy change and bring suit against individual directors and officers who allegedly breached their duties to the Company. On June 27, 2025, the Company sent a response to the demand letter on behalf of the Board rejecting the allegations and denying them and any other form of wrongdoing. The response letter also noted that the Board approved an amendment and restatement of the Company's bylaws that, among other things, established a minimum ownership threshold of three percent of Southwest's outstanding shares in order for a Southwest shareholder to institute or maintain a derivative proceeding, consistent with the provisions in Texas Senate Bill 29, which was signed into law on May 14, 2025. The response letter further noted that the purported shareholder who sent the demand letter claims to hold only 100 shares of the Company's stock and thus fell well short of the three percent threshold. On July 10, 2025, the shareholder who sent the demand filed a shareholder derivative complaint in the United States District Court for the Northern District of Texas against various directors and officers of the Company based on the contentions asserted in the demand letter. The suit asserts, among other things, that the decision to change Southwest's Bags Fly Free policy conflicts with the Company's prior views regarding the policy and is detrimental to the Company's business, and that the Company's directors approved the policy to accede to pressure.

from large shareholder Elliott Investment Management L.P., to preserve their Board seats, or both, rather than to serve the Company's interests. The complaint also asserts that the amendment and restatement of the Company's bylaws is ineffective. On August 25, 2025, the Company and its Board moved to dismiss the derivative complaint and all claims on the grounds, among others, that the suit is barred by Texas Senate Bill 29 and the Company's bylaw passed pursuant thereto requiring a three percent ownership threshold in order for Company shareholders to bring derivative claims. The plaintiff opposed the motion, claiming the purportedly retroactive application of Texas Senate Bill 29 and the Company bylaw are unconstitutional; and the Company filed a reply in support of its motion to dismiss. Additionally, multiple entities sought and were granted leave to file three separate amicus curiae briefs in support of the Company's motion to dismiss and Texas Senate Bill 29; those included one amicus brief each by: (i) the Chamber of Commerce of the United States of America and the Texas Association of Business, (ii) the Alliance for Corporate Excellence, and (iii) Texans for Lawsuit Reform. Finally, in light of the constitutional challenge to Texas Senate Bill 29, on October 3, 2025, the State of Texas, represented by the Office of the Attorney General of Texas, filed a motion to intervene in the case and its own accompanying motion to dismiss the plaintiff's derivative suit and all claims therein as barred by Texas Senate Bill 29. No party opposes the motion to intervene by the State of Texas, and that motion to intervene remains pending. If intervention is allowed, it is anticipated that there will be further briefing between at least the plaintiff and the State of Texas. The Company and its Board deny all allegations of wrongdoing, believe the plaintiffs' positions are without merit, and intend to vigorously defend themselves in all respects.

The Company is from time to time subject to various legal proceedings and claims arising in the ordinary course of business, including, but not limited to, examinations by the Internal Revenue Service and state and local income tax authorities.

The Company's management does not expect that the outcome in any of its currently ongoing legal proceedings or the outcome of any proposed adjustments presented to date by the Internal Revenue Service and state and local income tax authorities, individually or collectively, will have a material adverse effect on the Company's financial condition, results of operations, or cash flow. Nevertheless, an adverse outcome for any of these matters could be material.

**Item 1A. Risk Factors**

Except for the additional risk factors included in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, there have been no material changes to the factors disclosed in Item 1A. Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

| Period                                       | Issuer Purchases of Equity Securities (1)  |                                            |                                                                                               |                                                                                                      |
|----------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
|                                              | (a)<br>Total number of<br>shares purchased | (b)<br>Average price paid<br>per share (2) | (c)<br>Total number of shares<br>purchased as part of publicly<br>announced plans or programs | (d)<br>Maximum dollar value of<br>shares that may yet be<br>purchased under the plans or<br>programs |
| July 1, 2025 through July 31, 2025           | 934,237                                    | \$ — (3)                                   | 934,237                                                                                       | \$ 2,000,000,000                                                                                     |
| August 1, 2025 through August 31, 2025       | 388,662                                    | \$ — (3)                                   | 388,662                                                                                       | \$ 2,000,000,000                                                                                     |
| September 1, 2025 through September 30, 2025 | 6,368,213                                  | \$ — (4)                                   | 6,368,213                                                                                     | \$ 1,750,000,000                                                                                     |
| Total                                        | <u>7,691,112</u>                           |                                            | <u>7,691,112</u>                                                                              |                                                                                                      |

(1) On September 25, 2024, the Board authorized the repurchase of up to \$2.5 billion of the Company's common stock, of which no amounts remained as of the end of second quarter 2025. On July 23, 2025, the Board approved a \$2.0 billion share repurchase authorization of the Company's common stock. Subject to certain conditions, repurchases may be made in accordance with applicable securities laws in open market or private, including accelerated, repurchase transactions from time to time, depending on market conditions.

(2) Excludes excise tax incurred on share repurchases, net of issuances.

(3) Under an accelerated share repurchase program entered into by the Company with third-party financial institutions in second quarter 2025 (the "Second Quarter 2025 ASR Program"), the Company paid \$1.5 billion and received an initial delivery of 45,300,111 shares during April 2025, representing an estimated 80 percent of the shares to be purchased by the Company under the Second Quarter 2025 ASR Program. This share amount was based on the \$26.49 closing price of the Company's common stock on April 25, 2025. Upon settlement, the third-party financial institutions delivered 934,237 additional shares of the Company's common stock to the Company in July 2025, and 388,662 additional shares of the Company's common stock to the Company in August 2025 based on a discount to the volume-weighted average price per share of the Company's common stock during the calculation period. Upon completion of the Second Quarter 2025 ASR Program in August 2025, the average purchase price per share for the 46,623,010 shares repurchased was \$32.17.

(4) Under an accelerated share repurchase program entered into by the Company with a third-party financial institution in third quarter 2025 (the "Third Quarter 2025 ASR Program"), the Company paid \$250 million and received an initial delivery of 6,368,213 shares during September 2025, representing an estimated 80 percent of the shares to be purchased by the Company under the Third Quarter 2025 ASR Program. This share amount was based on the \$31.39 and \$31.43 closing price of the Company's common stock on September 5, 2025 and September 15, 2025, respectively. Upon settlement, the third-party financial institution delivered 1,409,551 additional shares of the Company's common stock to the Company in October 2025 based on a discount to the volume-weighted average price per share of the Company's common stock during the calculation period. Upon completion of the Third

Quarter 2025 ASR Program in October 2025, the average purchase price per share for the 7,777,764 shares repurchased was \$32.14.

**Item 3.** Defaults Upon Senior Securities

None

**Item 4.** Mine Safety Disclosures

Not applicable

**Item 5.** Other Information

None

**Item 6. Exhibits**

|         |                                                                                                                                                                                                                                            |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1     | <a href="#">Restated Certificate of Formation of the Company, effective May 18, 2012 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 (File No. 1-7259))</a> . |
| 3.2     | <a href="#">Fifth Amended and Restated Bylaws of the Company, effective May 16, 2025 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed May 19, 2025 (File No. 1-7259))</a> .                     |
| 31.1    | <a href="#">Rule 13a-14(a) Certification of Chief Executive Officer</a> .                                                                                                                                                                  |
| 31.2    | <a href="#">Rule 13a-14(a) Certification of Chief Financial Officer</a> .                                                                                                                                                                  |
| 32.1    | <a href="#">Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer. (1)</a>                                                                                                                                    |
| 101.INS | 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 Label Linkbase Document.                                                                                                                                                                                    |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document.                                                                                                                                                                             |
| 104     | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).                                                                                                                                                  |

(1) Furnished, not filed.

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 thereunto duly authorized.

SOUTHWEST AIRLINES CO.

October 23, 2025

By: /s/ Tom Doxey

Tom Doxey  
*Executive Vice President & Chief Financial Officer*  
*(On behalf of the Registrant and in*  
*his capacity as Principal Financial Officer)*

## CERTIFICATION

I, Robert E. Jordan, President, Chief Executive Officer, & Vice Chairman of the Board of Directors of Southwest Airlines Co., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2025 of Southwest Airlines Co.;
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(s) 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(s) 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: October 23, 2025

By: /s/ Robert E. Jordan  
Robert E. Jordan  
President, Chief Executive Officer, & Vice Chairman of the Board of Directors  
(Principal Executive Officer)

## CERTIFICATION

I, Tom Doxey, Executive Vice President & Chief Financial Officer of Southwest Airlines Co., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2025 of Southwest Airlines Co.;
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(s) 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(s) 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: October 23, 2025

By: /s/ Tom Doxey  
Tom Doxey  
Executive Vice President & Chief Financial Officer  
(Principal Financial Officer)

CERTIFICATION 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 on Form 10-Q of Southwest Airlines Co. (the "Company") for the period ended September 30, 2025 as filed with the Securities and Exchange Commission (the "Report"), Robert E. Jordan, President, Chief Executive Officer, & Vice Chairman of the Board of Directors of the Company, and Tom Doxey, Executive Vice President & Chief Financial Officer of the Company, each certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 23, 2025

By: /s/ Robert E. Jordan

Robert E. Jordan

President, Chief Executive Officer, & Vice Chairman of the Board of Directors  
(Principal Executive Officer)

By: /s/ Tom Doxey

Tom Doxey

Executive Vice President & Chief Financial Officer  
(Principal Financial Officer)