SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

Southwest Airlines Co.

(Name of Issuer)

Common Stock, par value $1.00 per share

(Title of Class of Securities)

844741108

(CUSIP Number)

Elliott Investment Management, L.P.
360 S. Rosemary Ave, 18th Floor
West Palm Beach, FL 33401

with a copy to:
Eleazer Klein, Esq.
Adriana Schwartz, Esq.
Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
(212) 756-2000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

July 29, 2024

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box. ¨

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1	NAME OF REPORTING PERSON Elliott Investment Management L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP		(a) ¨ (b) ¨
3	SEC USE ONLY		
4	SOURCE OF FUNDS OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)		¨
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	7	SOLE VOTING POWER 41,948,500 (1)	
	8	SHARED VOTING POWER -0-	
	9	SOLE DISPOSITIVE POWER 41,948,500 (1)	
	10	SHARED DISPOSITIVE POWER -0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON 41,948,500 (1)		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		¨
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.0%		
14	TYPE OF REPORTING PERSON PN, IA		

(1) Includes 18,648,500 shares of Common Stock underlying the Physical Derivative Agreements (as defined in Item 6 of this Schedule 13D).

Item 1. SECURITY AND ISSUER

This statement relates to the common stock, par value $1.00 per share (the "Common Stock"), of Southwest Airlines Co., a Texas corporation (the "Issuer"). The Issuer's principal executive offices are located at P.O. Box 36611, Dallas, Texas 75235-1611.

Item 2. IDENTITY AND BACKGROUND

(a)-(c) This statement is being filed by Elliott Investment Management L.P., a Delaware limited partnership ("EIM" or the "Reporting Person"), the investment manager of Elliott Associates, L.P., a Delaware limited partnership ("Elliott") and Elliott International, L.P., a Cayman Islands limited partnership ("Elliott International", and together with Elliott, the "Elliott Funds"), with respect to the shares of Common Stock held by the Elliott Funds and/or their respective subsidiaries. Elliott Investment Management GP LLC, a Delaware limited liability company ("EIM GP"), is the sole general partner of EIM. Paul E. Singer ("Singer") is the sole managing member of EIM GP.

EIM

The business address of EIM is 360 S. Rosemary Ave, 18th Floor, West Palm Beach, FL 33401.

The principal business of EIM is to act as investment manager for the Elliott Funds.

The name, business address, and present principal occupation or employment of the general partner of EIM is as follows:

NAME	ADDRESS	OCCUPATION
Elliott Investment Management GP LLC	360 S. Rosemary Ave, 18th Floor, West Palm Beach, FL 33401	General partner of EIM

EIM GP

The business address of EIM GP is 360 S. Rosemary Ave, 18th Floor, West Palm Beach, FL 33401.

The principal business of EIM GP is serving as a general partner of EIM.

The name, business address, and present principal occupation or employment of the managing member of EIM GP is as follows:

NAME	ADDRESS	OCCUPATION
Paul E. Singer	360 S. Rosemary Ave, 18th Floor, West Palm Beach, FL 33401	Sole managing member of EIM GP

SINGER

Singer's business address is 360 S. Rosemary Ave, 18th Floor, West Palm Beach, FL 33401.

Singer's principal business is to serve as the sole managing member of EIM GP.

(d) and (e) During the last five years, none of the persons or entities listed above has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors); or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) See Items 2(a)-(c) above. Singer is a citizen of the United States of America.

Item 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Item 4 of the Schedule 13D is incorporated herein by reference.

The aggregate cost of the shares of Common Stock directly held by the Elliott Funds is approximately $626,859,790. The aggregate purchase price of the Physical Derivative Agreements reported herein is approximately $502,716,516.

The Reporting Person may effect purchases of the shares of Common Stock through margin accounts maintained for the Elliott Funds with prime brokers, which extend margin credit as and when required to open or carry positions in their margin accounts, subject to applicable federal margin regulations, stock exchange rules and such firms' credit policies. Positions in the shares of Common Stock may be held in margin accounts and may be pledged as collateral security for the repayment of debit balances in such accounts. Since other securities may be held in such margin accounts, it may not be possible to determine the amounts, if any, of margin used to purchase the shares of Common Stock.

Item 4. PURPOSE OF TRANSACTION

The Reporting Person believes the securities of the Issuer are undervalued and represent an attractive investment opportunity. The Reporting Person believes that the Issuer requires fundamental changes throughout its business to evolve its strategy and improve its performance. The Reporting Person believes the Issuer can achieve this by (1) reconstituting its board of directors (the "Board"), (2) enhancing its leadership team, including through the identification of a new CEO and a new independent Board Chair, and (3) thereafter, undergoing a comprehensive business review to develop and execute a new strategy to restore the Issuer to industry-leading performance. On each of June 10, 2024 and July 8, 2024, the Reporting Person sent a letter to the Board, which are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively (the "Board Letters"), detailing its views with respect to the foregoing. Representatives of the Reporting Person also met with the Issuer's CEO, Executive Chairman and members of its Board at the Issuer's headquarters to convey the views included in the Board Letters.

The Reporting Person will continue to seek to engage in a dialogue with the Board and/or management about the matters set forth in the Board Letters and other strategic opportunities to maximize shareholder value. The Reporting Person may also seek to communicate with shareholders and other third parties about such matters. In particular, the Reporting Person has identified and had discussions with a number of highly qualified former airline executives, industry leaders and other qualified persons with relevant experience who are eager to serve on the Board, and intends to provide shareholders with an opportunity to elect new highly qualified Board members, whether by requesting that the Issuer call a special meeting of shareholders or at an annual meeting of shareholders.

The Reporting Person may consider, explore and/or develop plans and/or make proposals (whether preliminary or final) with respect to, among other things, potential changes in the Issuer's operations, management, organizational documents, composition of the Board (including, without limitation, proposing or nominating director candidates to the Board, whether at an annual or special meeting of shareholders), ownership, capital or corporate structure, strategic transactions, capital allocation policy, strategy and plans. The Reporting Person intends to communicate with the Issuer's management and Board about, and may enter into negotiations and agreements with them regarding, the foregoing and a broad range of operational and strategic matters and to communicate with other shareholders or third parties, including potential director and management candidates, regarding the Issuer. The Reporting Person may exchange information with any such persons pursuant to appropriate confidentiality or similar agreements. The Reporting Person may change its intentions with respect to any and all matters referred to in this Item 4. It may also take steps to explore and prepare for various plans and actions, and propose transactions, before forming an intention to engage in such plans or actions or proceed with such transactions.

The Reporting Person intends to review its investment in the Issuer on a continuing basis and depending upon various factors, including without limitation, the Issuer's financial position and strategic direction, the outcome of any discussions or matters referenced above, overall market conditions, other investment opportunities available to the Reporting Person, and the availability of securities of the Issuer at prices that would make the purchase or sale of such securities desirable, the Reporting Person may endeavor (i) to increase or decrease its position in the Issuer through, among other things, the purchase or sale of securities of the Issuer, including through transactions involving the Common Stock and/or other equity, debt, notes, other securities, or derivative or other instruments that are based upon or relate to the value of securities of the Issuer in the open market or in private transactions, including through a trading plan created under Rule 10b5-1(c) or otherwise, on such terms and at such times as the Reporting Person may deem advisable and/or (ii) to enter into transactions that increase or hedge their economic exposure to the Common Stock without affecting their beneficial ownership of the Common Stock. In addition, the Reporting Person may, at any time and from time to time, (i) review or reconsider its position and/or change its purpose and/or formulate plans or proposals with respect thereto and (ii) consider or propose one or more of the actions described in subparagraphs (a) - (j) of Item 4 of Schedule 13D.

Item 5. INTEREST IN SECURITIES OF THE ISSUER

(a) See rows (11) and (13) of the cover page to this Schedule 13D for the aggregate number of shares of Common Stock and percentage of shares of Common Stock beneficially owned by the Reporting Person. The aggregate percentage of shares of Common Stock reported beneficially owned by the Reporting Person is based upon 599,157,019 shares of Common Stock outstanding as of July 25, 2024, as disclosed in the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024, filed by the Issuer with the Securities and Exchange Commission on July 29, 2024.

(b) See rows (7) through (10) of the cover page to this Schedule 13D for the shares of Common Stock as to which the Reporting Person has the sole or shared power to vote or direct the vote and sole or shared power to dispose or to direct the disposition.

(c) The transactions in the shares of Common Stock effected by EIM during the past sixty (60) days, which were all in the open market, are set forth on Schedule 1 attached hereto.

(d) No persons other than the Elliott Funds and/or their respective subsidiaries and EIM have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock beneficially owned by EIM.

(e) Not applicable.

Item 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

The Elliott Funds have entered into notional principal amount derivative agreements (the "Cash Derivative Agreements") in the form of cash settled swaps with respect to an aggregate of 23,976,000 shares of Common Stock of the Issuer (collectively representing economic exposure comparable to 4.0% of the shares of Common Stock of the Issuer). The Cash Derivative Agreements provide the Elliott Funds with economic results that are comparable to the economic results of ownership but do not provide them or the Reporting Person with the power to vote or direct the voting or dispose of or direct the disposition of the shares that are referenced in the Cash Derivative Agreements (such shares, the "Subject Shares"). The Reporting Person disclaims beneficial ownership in the Subject Shares. The counterparties to the Cash Derivative Agreements are unaffiliated third party financial institutions.

The Elliott Funds have entered into notional principal amount derivative agreements in the form of physically settled swaps (the "Physical Derivative Agreements") with respect to an aggregate of 18,648,500 shares of Common Stock, which the Reporting Person may be deemed to beneficially own. Collectively, the Physical Derivative Agreements held by the Elliott Funds represent economic exposure comparable to an interest in approximately 3.1% of the shares of Common Stock. The counterparties to the Physical Derivative Agreements are unaffiliated third party financial institutions.

The Reporting Person has combined economic exposure in the Issuer of approximately 11.0% of the shares of Common Stock outstanding.

Except as set forth herein, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 hereof and between such persons and any person with respect to any securities of the Issuer, including any class of the Issuer's securities used as a reference security, in connection with any of the following: call options, put options, security-based swaps or any other derivative securities, transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

Item 7. EXHIBITS

Exhibit 99.1: Letter to the Issuer's Board, dated June 10, 2024.

Exhibit 99.2: Letter to the Issuer's Board, dated July 8, 2024.

SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

DATE: August 5, 2024

Elliott Investment Management L.P.

/s/ Elliot Greenberg
Name: Elliot Greenberg
Title: Vice President

SCHEDULE 1

Transactions in the Shares of Common Stock of the Issuer by the Reporting Person During the Past Sixty (60) Days

The following table sets forth all transactions in the shares of Common Stock reported herein effected during the past sixty (60) days by the Reporting Person. Except as noted below, all such transactions were effected by the Reporting Person in the open market through brokers and the price per share excludes commissions. Where a price range is provided in the column titled “Price Range ($)”, the price reported in the column titled “Price Per Share ($)” is a weighted average price. These shares of Common Stock were sold or purchased in multiple transactions at prices between the price ranges indicated in the column titled “Price Range ($)”. The Reporting Person will undertake to provide to the staff of the SEC, upon request, full information regarding the shares of Common Stock sold or purchased at each separate price.

Trade Date	Shares Purchased (Sold)	Price Per Share ($)	Price Range ($)
7/11/2024	1,050,000	26.94	26.60-27.09
7/12/2024	700,000	27.47	26.98-27.79
7/15/2024	750,000	27.70	27.24-27.87
7/16/2024	600,000	28.58	28.35-28.83
7/16/2024	400,000	28.71	28.35-28.83
7/17/2024	500,000	28.32	28.22-28.55
7/17/2024	400,000	28.34	28.22-28.55
7/18/2024	500,000	27.91	27.34-28.56
7/29/2024	1,600,000	26.44	26.15-27.03
7/30/2024	2,250,000	27.08	26.40-27.36
7/31/2024	2,500,000	27.29	26.90-27.79
8/1/2024	2,050,000	26.38	26.03-26.88
8/2/2024	2,250,000	25.19	24.89-25.75
8/5/2024	1,750,000	24.05	23.60-24.47

ELLIOTT®

Elliott Investment Management L.P.
360 S Rosemary Ave, 18th Floor, West Palm Beach, FL 33401

June 10, 2024

The Board of Directors
Southwest Airlines Co.
2702 Love Field Drive
Dallas, Texas 75235

Dear Members of the Board:

We are writing to you on behalf of funds managed by Elliott Investment Management L.P. (together with such funds, "Elliott" or "we"). Elliott has made an investment of approximately $1.9 billion in Southwest Airlines ("Southwest" or the "Company"), representing an approximately 11% economic interest and making us one of the largest investors in the Company.

Southwest is a legendary airline with a proud history. Since starting service in 1971, Southwest revolutionized the airline industry with an innovative business model built on operational excellence and a commitment to providing customers with a low-cost alternative to the legacy airlines. This winning strategy generated decades of success and allowed Southwest to become the premier U.S. domestic airline, with 47 consecutive years of profitability in a highly competitive and challenging industry. Along the way, Southwest became a beloved brand among customers and a motivating career opportunity for its employees.

Today, however, poor execution and leadership's stubborn unwillingness to evolve the Company's strategy have led to deeply disappointing results for shareholders, employees and customers alike. Southwest's share price has declined by more than 50% in the past three years and has now fallen below the levels at which it traded in March 2020, during the depths of the COVID-related travel shutdowns. And while the U.S. airline industry is seeing record revenues and peer airlines are enjoying very strong profitability, Southwest's 2024 EBITDAR is expected to be nearly 50% lower than 2018 levels. In addition to negative returns for shareholders, this disappointing financial performance has cost each frontline employee tens of thousands of dollars on average in the form of reduced employee profit-sharing and declines in the value of Southwest stock held by employee retirement plans.

After 18 months of intensive research, we are convinced that Southwest represents the most compelling airline turnaround opportunity in the last two decades. The significant investment we have made reflects our conviction that, with the right leadership, Southwest can regain its status as an industry-leading airline. In this letter and the appended presentation, we lay out our perspectives on how Southwest can reclaim its status and achieve the success that Southwest's shareholders, employees and customers deserve.

Southwest Today

Southwest's rigid commitment to an approach developed decades ago has inhibited its ability to compete in the modern airline industry; this ethos pervades the entire business with outdated software, a dated monetization strategy and antiquated operational processes. This failure to modernize is vividly underscored by the December 2022 operational meltdown that was caused by the Company's outdated technology, which led to Southwest stranding over two million customers over the holidays.

Southwest's Executive Chairman and its CEO, who have spent a combined 74 years at the Company, have presided over a period of severe underperformance, and they have demonstrated that they are not up to the task of modernizing Southwest. Since his appointment, Southwest CEO Bob Jordan has delivered unacceptable financial and operational performance quarter after quarter, resulting in seven negative guidance revisions in the last 17 months. Operational metrics are pointing in the wrong direction: Southwest's unit costs – a core priority for a low-cost carrier – have ballooned, while unit revenues have lagged peers. Even as the Company's performance has deteriorated, Jordan has demonstrated a surprising level of complacency, describing each quarter as "great" or "strong" while the earnings outlook continues to fall. Despite the management team's assertions that it is "absolutely committed" to bringing per-unit costs under control, management guided costs meaningfully higher for 2024 and revised cost guidance upward again in April.

Southwest's Board has failed to hold management accountable for poor execution and has been unable to catalyze (or permit) the necessary strategic evolution. Instead, the Board has reinforced an insular culture and outdated thinking in the face of indisputable evidence that change is required. The Board includes no directors with external airline experience, and a majority of the independent directors were recruited by Executive Chairman Gary Kelly. This Board has in turn selected a management team that, of the eight most senior executives, includes only one executive with experience at another airline; the rest have worked at Southwest for an average of over 25 years. The mandate from the Board has been clear: Keep doing things the way they have always been done.

The lack of accountability is best reflected in the Company's response to the December 2022 operational meltdown. In a clear display of poor leadership, CEO Bob Jordan declined to testify in front of Congress after the meltdown, despite attending a company rally just 40 miles away in Baltimore the prior day. No senior executives were terminated for their role in the meltdown. Most concerning, and in blatant disregard for the affected customers and employees, the Board nearly doubled the compensation of all key executives in the year after the incident.

<u>We believe that new leadership is required at Southwest.</u> While Southwest has a proud history, that history is not an argument for supporting poor leadership and sticking with a strategy that no longer succeeds in the modern airline industry. Rather, Southwest's legacy *necessitates* evolution and change to regain industry leadership for its customers, employees and shareholders. As one of Southwest's largest investors, we are committed to delivering the necessary leadership changes to achieve this goal.

A Stronger Southwest

In the accompanying presentation, “Stronger Southwest,” we outline our views on the challenges the Company faces today and our recommendations to drive improved performance, which we summarize below:

(1) **Enhance the Board of Directors**: The Board should be reconstituted with new, truly independent directors from outside of Southwest who have best-in-class expertise in airlines, customer experience and technology.

(2) **Upgrade Leadership**: Southwest must bring in new leadership from outside of the Company to improve operational execution and lead the evolution of Southwest’s strategy.

(3) **Undertake a Comprehensive Business Review**: Southwest should form a new management and Board-level committee to evaluate all available opportunities to rapidly restore the Company’s performance to best-in-class standards. This review would modernize Southwest’s strategy and operations with a focus on increased customer choice, improved cost execution and updating outdated IT systems, among other opportunities, and it should leverage the fresh perspectives of the new directors to help formulate the optimal go-forward plan for Southwest.

By executing on the Stronger Southwest plan, we believe the Company can return to its rightful position as an industry leader, including generating best-in-class margins and compelling returns for its shareholders. **We believe Southwest’s stock can achieve $49 per share within 12 months, representing a highly attractive 77% return during the period.** For the Company’s frontline employees who have a meaningful economic stake in Southwest’s success, we estimate the plan would result in approximately $8 billion of incremental long-term value from additional profit-sharing payouts and appreciation of employee-owned stock.

The Stronger Southwest plan puts the Company on a path to more sustainable performance that will better serve customers, employees and shareholders. The plan modernizes Southwest’s approach to ensure that its offering is aligned with customer preferences. It upgrades leadership to improve execution. It drives the efficiency required to continue offering low fares. And it facilitates the necessary investments to run the reliable operation that customers and employees expect.

Next Steps

Southwest became a leading airline by innovating and executing. Today, Southwest’s failure to execute and evolve has led to deteriorating performance, and the Company simply is not living up to its legacy of efficiency and top-tier results. Nevertheless, we are convinced the issues the Company currently faces are addressable with the right leadership and a comprehensive, unbiased evaluation of the available opportunities.

We look forward to collaborating with Southwest to restore accountability and best-in-class financial performance for the benefit of the Company's employees, customers and shareholders. To that end, we will make ourselves available for a meeting with you at your earliest convenience to discuss these issues in greater detail and to align on the changes that Southwest needs in order to deliver on its significant potential.

Sincerely,

John Pike
Partner

Bobby Xu
Portfolio Manager


ELLIOTT®
Stronger Southwest
June 10, 2024
StrongerSouthwest.com

Disclaimer

THIS PRESENTATION IS FOR DISCUSSION AND INFORMATIONAL PURPOSES ONLY. THE VIEWS EXPRESSED HEREIN REPRESENT THE OPINIONS OF ELLIOTT INVESTMENT MANAGEMENT L.P. AND ITS AFFILIATES (COLLECTIVELY, "ELLIOTT MANAGEMENT") AS OF THE DATE HEREOF. ELLIOTT MANAGEMENT RESERVES THE RIGHT TO CHANGE OR MODIFY ANY OF ITS OPINIONS EXPRESSED HEREIN AT ANY TIME AND FOR ANY REASON AND EXPRESSLY DISCLAIMS ANY OBLIGATION TO CORRECT, UPDATE OR REVISE THE INFORMATION CONTAINED HEREIN OR TO OTHERWISE PROVIDE ANY ADDITIONAL MATERIALS.

ALL OF THE INFORMATION CONTAINED HEREIN IS BASED ON PUBLICLY AVAILABLE INFORMATION WITH RESPECT TO SOUTHWEST AIRLINES CO. ("SOUTHWEST" OR THE "COMPANY"), INCLUDING FILINGS MADE BY THE COMPANY WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") AND OTHER SOURCES, AS WELL AS ELLIOTT MANAGEMENT'S ANALYSIS OF SUCH PUBLICLY AVAILABLE INFORMATION. ELLIOTT MANAGEMENT HAS RELIED UPON AND ASSUMED, WITHOUT INDEPENDENT VERIFICATION, THE ACCURACY AND COMPLETENESS OF ALL DATA AND INFORMATION AVAILABLE FROM PUBLIC SOURCES, AND NO REPRESENTATION OR WARRANTY IS MADE THAT ANY SUCH DATA OR INFORMATION IS ACCURATE. ELLIOTT MANAGEMENT RECOGNIZES THAT THERE MAY BE CONFIDENTIAL OR OTHERWISE NON-PUBLIC INFORMATION WITH RESPECT TO THE COMPANY THAT COULD ALTER THE OPINIONS OF ELLIOTT MANAGEMENT WERE SUCH INFORMATION KNOWN. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS GIVEN AS TO THE RELIABILITY, ACCURACY, FAIRNESS OR COMPLETENESS OF THE INFORMATION OR OPINIONS CONTAINED HEREIN, AND ELLIOTT MANAGEMENT AND EACH OF ITS DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES AND AGENTS EXPRESSLY DISCLAIM ANY LIABILITY WHICH MAY ARISE FROM THIS PRESENTATION AND ANY ERRORS CONTAINED HEREIN AND/OR OMISSIONS HEREFROM OR FROM ANY USE OF THE CONTENTS OF THIS PRESENTATION.

EXCEPT FOR THE HISTORICAL INFORMATION CONTAINED HEREIN, THE INFORMATION AND OPINIONS INCLUDED IN THIS PRESENTATION CONSTITUTE FORWARD-LOOKING STATEMENTS, INCLUDING ESTIMATES AND PROJECTIONS PREPARED WITH RESPECT TO, AMONG OTHER THINGS, THE COMPANY'S ANTICIPATED OPERATING PERFORMANCE, THE VALUE OF THE COMPANY'S SECURITIES, DEBT OR ANY RELATED FINANCIAL INSTRUMENTS THAT ARE BASED UPON OR RELATE TO THE VALUE OF SECURITIES OF THE COMPANY (COLLECTIVELY, "COMPANY SECURITIES"), GENERAL ECONOMIC AND MARKET CONDITIONS AND OTHER FUTURE EVENTS. YOU SHOULD BE AWARE THAT ALL FORWARD-LOOKING STATEMENTS, ESTIMATES AND PROJECTIONS ARE INHERENTLY UNCERTAIN AND SUBJECT TO SIGNIFICANT ECONOMIC, COMPETITIVE, AND OTHER UNCERTAINTIES AND CONTINGENCIES AND HAVE BEEN INCLUDED SOLELY FOR ILLUSTRATIVE PURPOSES. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE INFORMATION CONTAINED HEREIN DUE TO REASONS THAT MAY OR MAY NOT BE FORESEEABLE. THERE CAN BE NO ASSURANCE THAT THE COMPANY SECURITIES WILL TRADE AT THE PRICES THAT MAY BE IMPLIED HEREIN, AND THERE CAN BE NO ASSURANCE THAT ANY OPINION OR ASSUMPTION HEREIN IS, OR WILL BE PROVEN, CORRECT.

THIS PRESENTATION AND ANY OPINIONS EXPRESSED HEREIN SHOULD IN NO WAY BE VIEWED AS ADVICE ON THE MERITS OF ANY INVESTMENT DECISION WITH RESPECT TO THE COMPANY, COMPANY SECURITIES OR ANY TRANSACTION. THIS PRESENTATION IS NOT (AND MAY NOT BE CONSTRUED TO BE) LEGAL, TAX, INVESTMENT, FINANCIAL OR OTHER ADVICE. EACH RECIPIENT SHOULD CONSULT THEIR OWN LEGAL COUNSEL AND TAX AND FINANCIAL ADVISERS AS TO LEGAL AND OTHER MATTERS CONCERNING THE INFORMATION CONTAINED HEREIN. THIS PRESENTATION DOES NOT PURPORT TO BE ALL-INCLUSIVE OR TO CONTAIN ALL OF THE INFORMATION THAT MAY BE RELEVANT TO AN EVALUATION OF THE COMPANY, COMPANY SECURITIES OR THE MATTERS DESCRIBED HEREIN.

THIS PRESENTATION DOES NOT CONSTITUTE (AND MAY NOT BE CONSTRUED TO BE) A SOLICITATION OR OFFER BY ELLIOTT MANAGEMENT OR ANY OF ITS DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES OR AGENTS TO BUY OR SELL ANY COMPANY SECURITIES OR SECURITIES OF ANY OTHER PERSON IN ANY JURISDICTION OR AN OFFER TO SELL AN INTEREST IN FUNDS MANAGED BY ELLIOTT MANAGEMENT, OR A SOLICITATION OF A PROXY WITHIN THE MEANING OF APPLICABLE LAWS, AND ACCORDINGLY, COMPANY SHAREHOLDERS ARE NOT BEING ASKED TO GIVE, WITHHOLD OR REVOKE A PROXY. THIS PRESENTATION DOES NOT CONSTITUTE FINANCIAL PROMOTION, INVESTMENT ADVICE OR AN INDUCEMENT OR ENCOURAGEMENT TO PARTICIPATE IN ANY PRODUCT, OFFERING OR INVESTMENT OR TO ENTER INTO ANY AGREEMENT WITH THE RECIPIENT. NO AGREEMENT, COMMITMENT, UNDERSTANDING OR OTHER LEGAL RELATIONSHIP EXISTS OR MAY BE DEEMED TO EXIST BETWEEN OR AMONG ELLIOTT MANAGEMENT AND ANY OTHER PERSON BY VIRTUE OF FURNISHING THIS PRESENTATION. NO REPRESENTATION OR WARRANTY IS MADE THAT ELLIOTT MANAGEMENT'S INVESTMENT PROCESSES OR INVESTMENT OBJECTIVES WILL OR ARE LIKELY TO BE ACHIEVED OR SUCCESSFUL OR THAT ELLIOTT MANAGEMENT'S INVESTMENTS WILL MAKE ANY PROFIT OR WILL NOT SUSTAIN LOSSES. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

FUNDS MANAGED BY ELLIOTT MANAGEMENT CURRENTLY BENEFICIALLY OWN AND/OR HAVE AN ECONOMIC INTEREST IN AND MAY IN THE FUTURE BENEFICIALLY OWN AND/OR HAVE AN ECONOMIC INTEREST IN, COMPANY SECURITIES. ELLIOTT MANAGEMENT INTENDS TO REVIEW ITS INVESTMENTS IN THE COMPANY ON A CONTINUING BASIS AND DEPENDING UPON VARIOUS FACTORS, INCLUDING WITHOUT LIMITATION, THE COMPANY'S FINANCIAL POSITION AND STRATEGIC DIRECTION, THE OUTCOME OF ANY DISCUSSIONS WITH THE COMPANY, OVERALL MARKET CONDITIONS, OTHER INVESTMENT OPPORTUNITIES AVAILABLE TO ELLIOTT MANAGEMENT, AND THE AVAILABILITY OF COMPANY SECURITIES AT PRICES THAT WOULD MAKE THE PURCHASE OR SALE OF COMPANY SECURITIES DESIRABLE, ELLIOTT MANAGEMENT MAY FROM TIME TO TIME (IN THE OPEN MARKET OR IN PRIVATE TRANSACTIONS, INCLUDING SINCE THE INCEPTION OF ELLIOTT MANAGEMENT'S POSITION) BUY, SELL, COVER, HEDGE OR OTHERWISE CHANGE THE FORM OR SUBSTANCE OF ANY OF ITS INVESTMENTS (INCLUDING COMPANY SECURITIES) TO ANY DEGREE IN ANY MANNER PERMITTED BY LAW AND EXPRESSLY DISCLAIMS ANY OBLIGATION TO NOTIFY OTHERS OF ANY SUCH CHANGES. ELLIOTT MANAGEMENT ALSO RESERVES THE RIGHT TO TAKE ANY ACTIONS WITH RESPECT TO ITS INVESTMENTS IN THE COMPANY AS IT MAY DEEM APPROPRIATE.

ELLIOTT MANAGEMENT HAS NOT SOUGHT OR OBTAINED CONSENT FROM ANY THIRD PARTY TO USE ANY STATEMENTS OR INFORMATION CONTAINED HEREIN. ANY SUCH STATEMENTS OR INFORMATION SHOULD NOT BE VIEWED AS INDICATING THE SUPPORT OF SUCH THIRD PARTY FOR THE VIEWS EXPRESSED HEREIN. ALL TRADEMARKS AND TRADE NAMES USED HEREIN ARE THE EXCLUSIVE PROPERTY OF THEIR RESPECTIVE OWNERS.

PORTIONS OF THIS INFORMATION HAVE BEEN EXTRACTED FROM CIRIUM'S HOSTED SERVICES. CIRIUM HAS NOT SEEN OR REVIEWED ANY CONCLUSIONS, RECOMMENDATIONS OR OTHER VIEWS THAT MAY APPEAR IN THIS DOCUMENT. CIRIUM MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE ACCURACY, ADEQUACY, TIMELINESS, OR COMPLETENESS OF ITS DATA OR ITS FITNESS FOR ANY PARTICULAR PURPOSE. CIRIUM DISCLAIMS ANY AND ALL LIABILITY RELATING TO OR ARISING OUT OF USE OF ITS DATA AND OTHER CONTENT OR TO THE FULLEST EXTENT PERMISSIBLE BY LAW.

Stronger Southwest

About Elliott Investment Management

Founded in 1977, Elliott Investment Management L.P. (together with its affiliates, "Elliott") is one of the oldest private investment firms of its kind under continuous management

Elliott's Approach to Active Investing

- **Extensive Analysis:** Prior to making any investment, Elliott thoroughly researches the opportunity by drawing on internal and external resources
- **Hands-on Effort:** The creation – not just the identification – of value; we believe Elliott's strength is in catalyzing constructive change
- **Team Approach:** The companies with which we engage benefit from Elliott's diverse team of specialized experts in public relations, shareholder engagement, corporate governance, private equity, capital markets, credit, real estate and government relations

Elliott by the Numbers

47 Years under continuous management	**$65.5 billion** Assets(1)	**130+** Active engagements in last 10 years(2)	**125+** Directors placed on boards(2)

Representative Engagements

AT&T BHP CN CROWN CASTLE ebay HESS HOWMET AEROSPACE MARATHON nrg PHILLIPS 66 salesforce SAP

(1) As of 12/31/2023. (2) As of 6/7/2024.

Our Analysis of Southwest

Elliott has sought the perspectives of industry executives and advisors to help us evaluate the Company's strategy, market position, operations and opportunities to enhance performance

Former Employees and Industry Execs

We engaged in more than 130 conversations with former Southwest employees and other airline industry executives

Industry Advisors

Elliott has been working with leading industry advisors to help us analyze Southwest's commercial strategy, operations, organization and cost structure to identify potential revenue and efficiency opportunities

Shareholder Survey

An independent third-party shareholder survey firm canvassed both Southwest's shareholders and other airline investors to understand sentiment on Southwest and its peers

Customer Study

We commissioned an extensive passenger airline consumer study with 2,000 respondents to understand customer preferences and drivers of customer choice for Southwest and its peers

After 18 months of extensive research, Elliott is pleased to share its perspectives on Southwest's performance and the steps needed to create a stronger company going forward

Southwest At a Glance

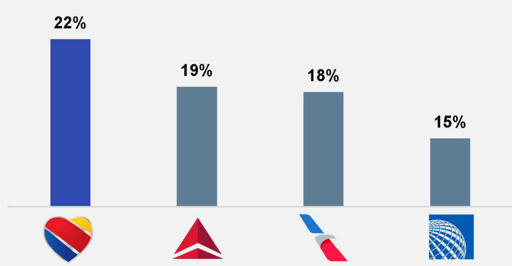
Southwest is the largest domestic carrier in the U.S., serving more than 137 million customers across a network of 121 destinations in 2023

Leading Domestic Carrier

- **Largest domestic carrier in the U.S.** by passenger volume
- Supported by a fleet of **819 aircraft** and nearly **75,000 employees**

Leading Domestic Market Share

By Domestic Passenger Volumes[1]

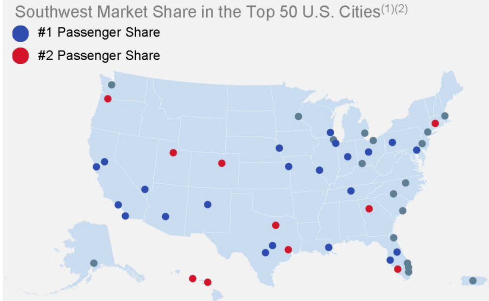


Robust Domestic Network

- **#1 market share** in 22 of the top 50 U.S. cities, and #2 share in an additional 10
- **>50%** of passengers fly on routes where **Southwest has 60% or greater share**

Southwest Domestic Network

Southwest Market Share in the Top 50 U.S. Cities[1][2]



137 Million Customers[1]	#1 Domestic Market Share	74,695 Employees[3]	819 Aircraft Fleet[3]	121 Airports Served[4]	53 Years Serving Customers

Source: Company filings, Cirium as of 6/7/2024. (1) For year ended 12/31/2023. (2) Reflects domestic two-way passenger share. Treats co-located airports as a single market for LA (BUR, LAX, SNA and ONT), Bay Area (OAK, SFO and SJC), Washington (BWI, DCA and IAD), Dallas (DAL and DFW), Houston (HOU and IAH), Chicago (MDW and ORD) and New York City (EWR, JFK and LGA). (3) As of 3/31/2024. (4) As of 12/31/2023.

Southwest's Remarkable Legacy

In 1971, Southwest introduced low-cost air travel to its customers. The model was highly innovative for its time and facilitated decades of consistent profitability and growth

Innovative Model

- Began service in 1971 with a highly innovative model for its time, offering no-frills, low-cost air travel
- Model was highly successful and served as the blueprint for many of the world's leading airlines today

Best-in-Class Efficiency

- Simple, highly efficient operation created a strong cost advantage versus legacy carriers
- Low-cost model allowed for low fares which facilitated Southwest's growth

Sustainable Growth

- Grew from three cities in the intra-Texas market to now serving 121 destinations[(1)] with 819 aircraft[(2)]
- Southwest has served nearly 3 billion passengers since commencing service in 1971

Consistent Profitability

- 47 consecutive years of profitability before 2020, a notable achievement in the difficult airline industry
- Sustainable profit growth facilitated reinvestment and development of new markets

Source: Company filings, Company website. (1) As of 12/31/2023. (2) As of 3/31/2024.

If you don't change, you die…

If things change faster outside your company than they change inside your company, you've got something to worry about…

What we're talking about here is your future. If you don't change, you won't have one.

Southwest Founder Herb Kelleher, March 2014

Source: Southwest media.

The First 30 Years: An Innovative Leader

Southwest was once an industry leader with an innovative model and a unique customer-facing approach

Invented the Low-Cost Carrier Model
Innovative model became the blueprint for many of the world's most successful airlines

Led on Customer Segmentation
Introduced two-tier pricing for off-peak travel in 1972, driving a meaningful increase in load factor

On the Cutting Edge of Technology
First major airline to create a website, which by 2000 generated over $1 billion of revenue. Southwest was also the first major airline to introduce e-tickets

Innovated on Operational Efficiency
After selling its fourth aircraft to fund its operations, Southwest dramatically reduced its turn time to 10 minutes (vs. 1 hour for peers) to maintain its schedule

Today: Southwest is "Outdated"

After years of aversion to change, the Company's strategy and operations are now outdated

"Dated commercial strategy"
Barclays, April 2024

"Industry passed them by"
Southwest Shareholder, May 2024

"Lost the passion for low-cost"
Ryanair CEO Michael O'Leary, March 2024

"Outdated approach"
Bernstein, January 2023

"Systemic failure… to modernize"
SWAPA (Pilots' Union), December 2022

"Sat out the industry's evolution"
J.P. Morgan Webcast, May 2023

Source: Company website, media articles, equity research, SWAPA.

Southwest Must Change

Southwest's disappointing performance over the last several years highlights the need for new leadership and an evolution of the Company's strategy

↘ Market Value	**Lost more than 50% of its market value in last three years**
↘ Stock Price	**On pace for its 5th straight year of negative stock returns**
↘ Profit Sharing	**Massive decline in annual profit sharing pay for employees**
↘ Guidance	**Revised guidance down seven times in the last 17 months**
↘ Margins	**Now has the worst margins of any major airline**
↘ Operations	**December 2022 meltdown stranded over 2 million customers**
↘ Governance	**Board lacks independence and external airline experience**
↘ Leadership	**Executive Chairman and CEO committed to dated strategy**

> "**Talk about a fall from grace**. Of all the US airlines, Southwest has evolved the least since 9/11, relative to an industry that has undergone a massive profit transformation … We believe **substantive changes to its business model are required if margins are ever going to reclaim the high ground, but management (thus far) appears uninterested.**
>
> J.P. Morgan, December 2023

Southwest's Challenges are Addressable

Southwest has the fundamental attributes necessary to restore its industry-leading position. With the right leadership and strategy, we believe today's challenges are readily addressable

Robust Network and Customer Relevance	**Largest domestic airline by passenger volume, operating an extensive domestic network with high flight frequencies that drives customer relevance**
Dominant Market Share	**Dominant market share on its routes, with over half its passengers flying on routes where Southwest has 60%+ route-level share**
Unlevered Balance Sheet	**Maintains a net cash balance sheet and has $17 billion of unencumbered assets**
Leading Loyalty Program	**Southwest's frequent flyer program generates leading loyalty economics**
Efficient and Well-Invested Fleet	**Single fleet type drives cost efficiency and Southwest's average fleet age is well-below peer average(1)**
Strong Employee Base	**Southwest's frontline employees are recognized for their best-in-class customer service. Recently resolved labor agreements provide operational stability**

> "A ton of work is needed to right-size this company, **but it is fixable; they just have to want to do it…**"
>
> Melius Research, April 2024

Source: Company filings, peer company filings, Cirium as of 6/7/2024, equity research. Note: Emphasis is added to the quote. (1) Peers include American, Delta and United here and throughout these materials.

Stronger Southwest

A Stronger Southwest starts with improved leadership and new perspectives. The Company must refresh its Board, upgrade its leadership and embark on a comprehensive review of its strategy and operations

↗ Board Change

Significant Board change including new independent directors with external airline experience

↗ Upgraded Leadership

Current Executive Chairman and CEO are rigidly committed to the status quo. Southwest must bring in new leadership from outside of the Company for Southwest's strategy to evolve

↗ Comprehensive Business Review

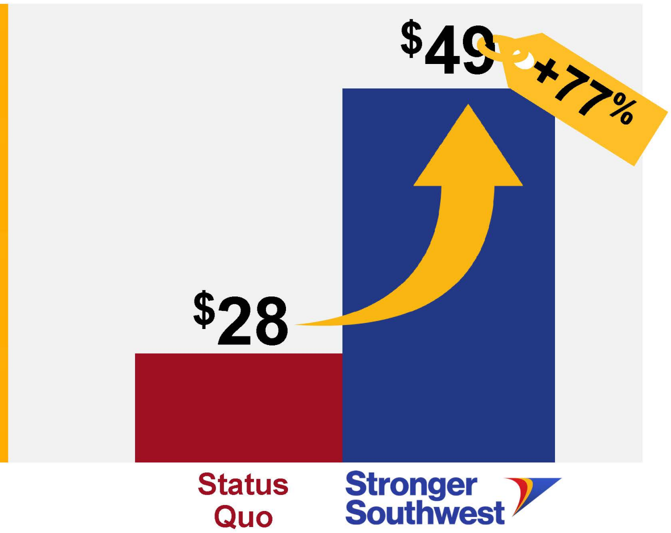
New management and Board-level committee will conduct a thorough review of Southwest's strategy and operations with the goal of rapidly restoring best-in-class performance

Elliott intends to pursue all available pathways to deliver the leadership changes that the Company requires

Upside from a Stronger Southwest

With the right leadership, Southwest has clear line-of-sight to improving performance and reclaiming its industry-leading position

- **Reestablishes Leadership Credibility**
- **Modernizes Outdated Strategy**
- **Restores Best-in-Class Margins**
- **Higher Profit Sharing for Employees**



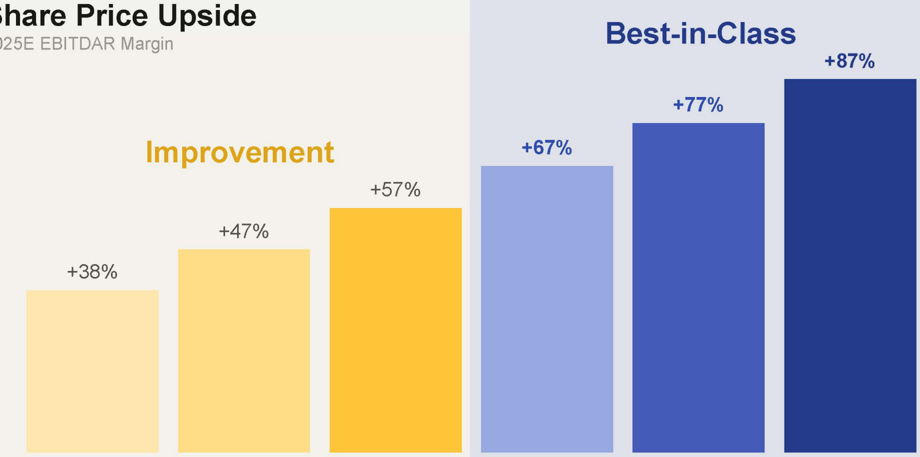
We believe Southwest represents the most compelling airline turnaround opportunity in the last 20 years

An Exceptional Turnaround Opportunity

Restoring best-in-class performance should drive substantial share price upside

Estimated Share Price Upside

Upside at Realized 2025E EBITDAR Margin



EBITDAR Margin	15%	16%	17%	**18%**	**19%**	**20%**
Share Price	$38	$41	$43	**$46**	**$49**	**$52**
Margin vs. 2018	(6%)	(5%)	(4%)	**(3%)**	**(2%)**	**(1%)**
Peer Avg. vs. 2018	(1%)	(1%)	(1%)	**(1%)**	**(1%)**	**(1%)**

Best-in-class margin target is still below levels Southwest historically achieved

Source: Bloomberg as of 6/7/2024, Company filings, peer company filings, Elliott analysis and estimates. Additional detail on the underlying calculation is provided on page 47.

Stronger Southwest

"What's different [for Southwest] vs. some of the smaller domestic airlines is that Southwest has the network depth & breadth, balance sheet and brand to pivot quickly. Unfortunately, they have been slow to move, while industry costs ballooned. Given the lack of pivot, the revenue outcomes for Southwest have, frankly, not been acceptable in the current environment."

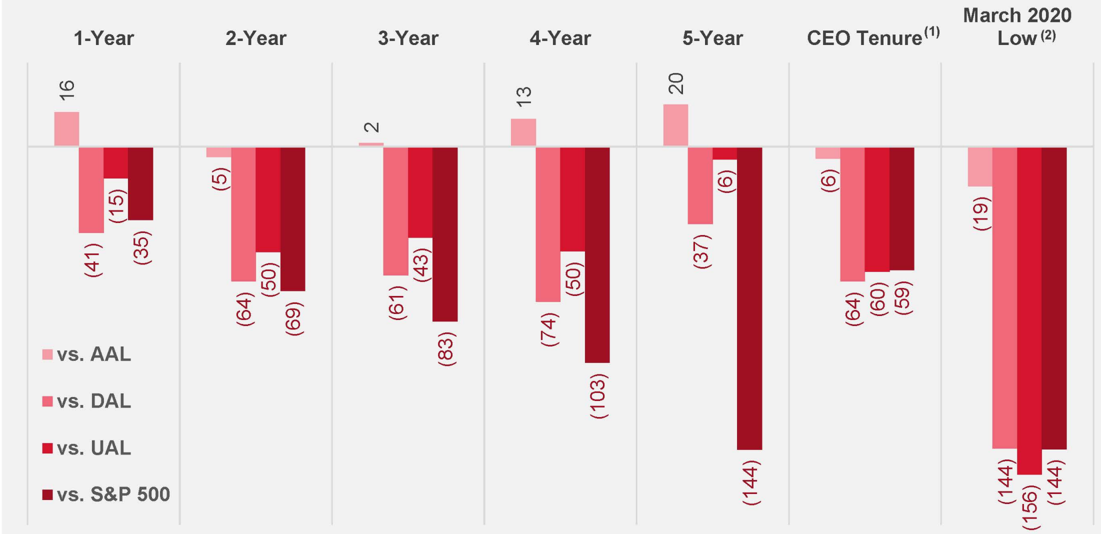
Melius Research, April 2024

Source: Equity research. Note: Emphasis is added to the quote.

Shares Have Deeply Underperformed

Southwest has substantially underperformed peers and the S&P 500 over all relevant time periods. Returns rank in the bottom 10% of the S&P 500 over the last two and four years and in the bottom 5% over the last three and five years

Southwest Cumulative Total Shareholder Return, Relative to Peers and the S&P 500



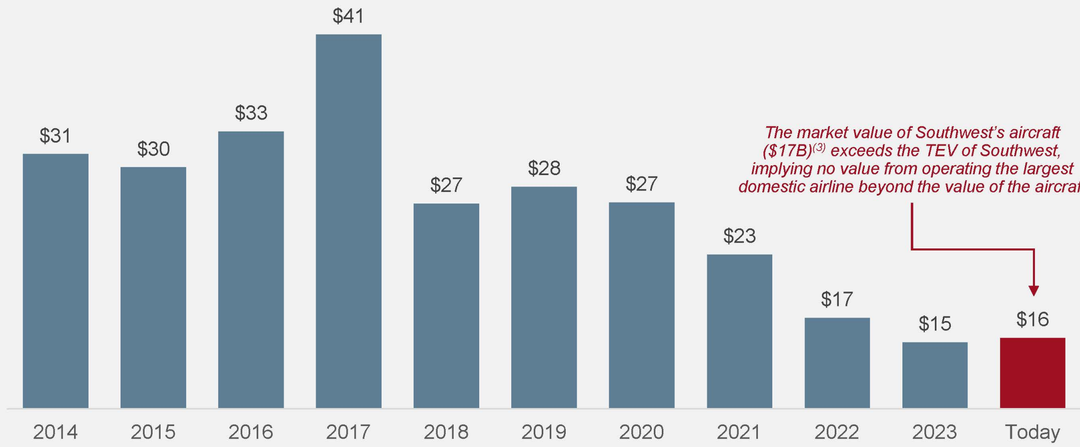
Source: Bloomberg as of 6/7/2024. (1) Cumulative TSR since 1/31/2022. (2) Cumulative TSR since 3/19/2020.

Extraordinary Decline in Southwest's Value

Southwest's enterprise value has declined 44% since 2019, reflecting a substantial diminution in investors' views of Southwest's future earnings power. In contrast, peer enterprise values are only 5% below 2019 levels on average[1]

Southwest Year-end Enterprise Value Since 2014[2]

$ in Billions

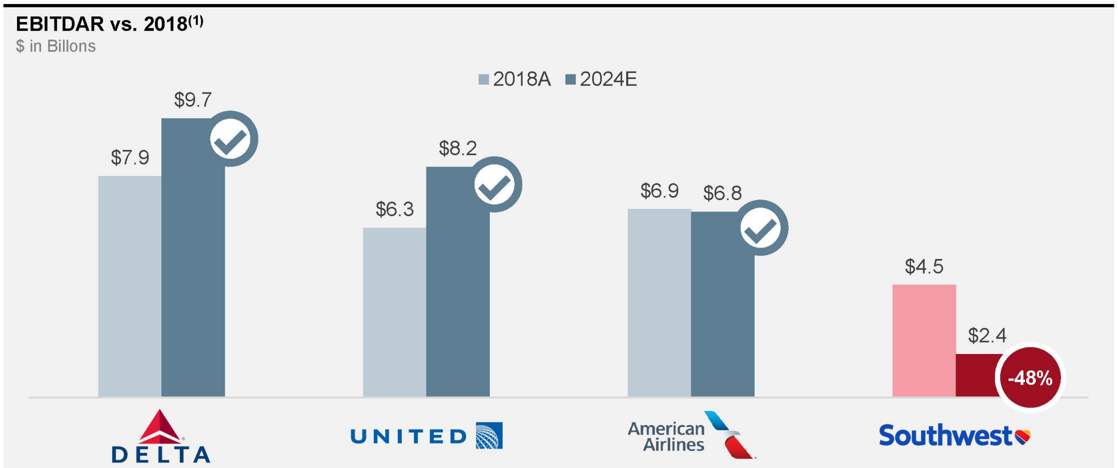


> Presently, **investors are not convinced that the company can return to its former glory** based on how the stock has been trading of late.
>
> Deutsche Bank, April 2024

Source: Company filings, peer company filings, Bloomberg as of 6/7/2024, Cirium as of 6/7/2024, equity research. Note: Emphasis is added to the quote. (1) Delta, American and United enterprise values are 4%, 1% and 11% below 2019 levels, respectively. (2) Enterprise value is adjusted for pension and capitalized aircraft leases. (3) Reflects Cirium's estimated market value of Southwest's fleet.

Southwest's Issues Are Unique

While peer EBITDAR is expected to be in-line with or meaningfully exceed pre-COVID levels, Southwest EBITDAR is expected to be nearly 50% lower despite record travel demand



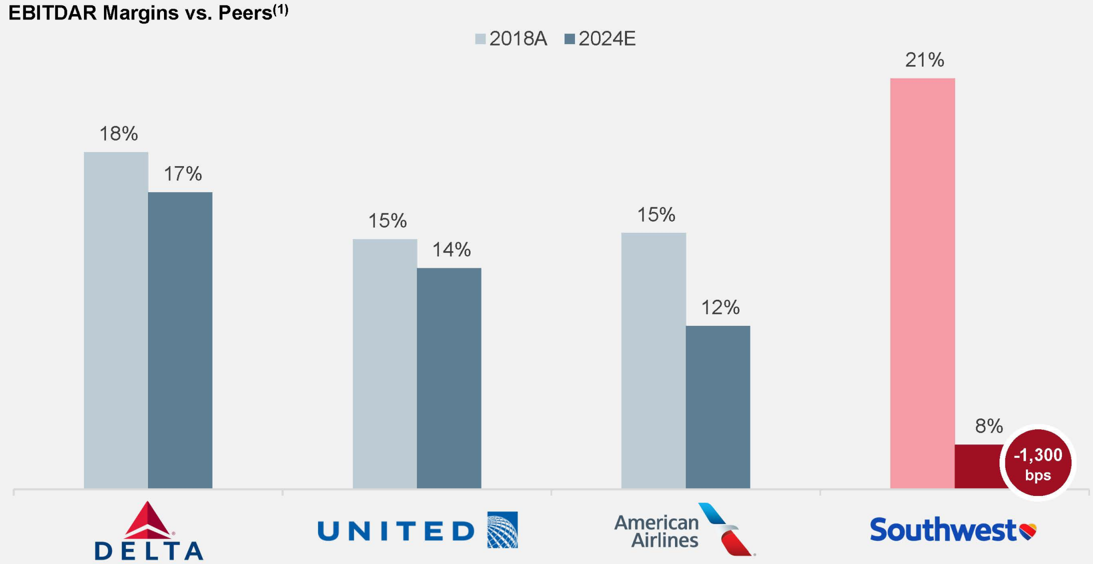
> These record top-line results are not translating to record profitability, nor the Southwest standard of profitability levels (i.e., Southwest was once a profit leader) … [Southwest's margins are] roughly **1,000 basis points below the industry leader.**
>
> Deutsche Bank, October 2023

Source: Company filings, peer company filings, Bloomberg as of 6/7/2024, equity research. Note: Emphasis is added to the quote. (1) Historical figures reflect adjusted EBITDAR. 2024E EBITDAR reflects consensus estimates.

From Best- to Worst-in-Class Margins

In 2018, Southwest had best-in-class margins. Today, Southwest's margins are the lowest in the peer group and approximately 900 basis points below best-in-class

EBITDAR Margins vs. Peers[1]

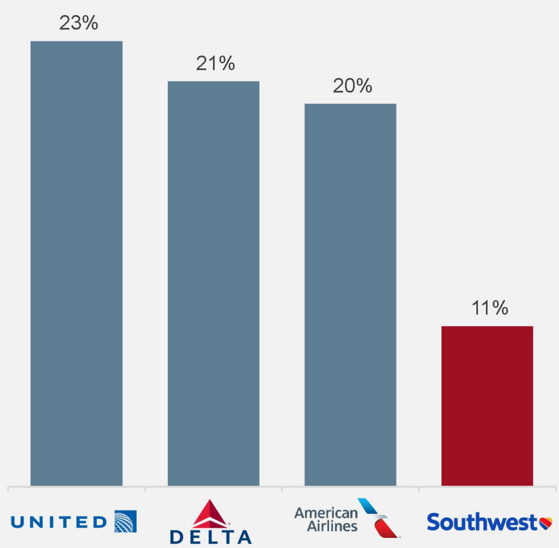


Source: Company filings, peer company filings, Bloomberg as of 6/7/2024. (1) Historical figures reflect adjusted EBITDAR margins. 2024E margins reflect consensus estimates.

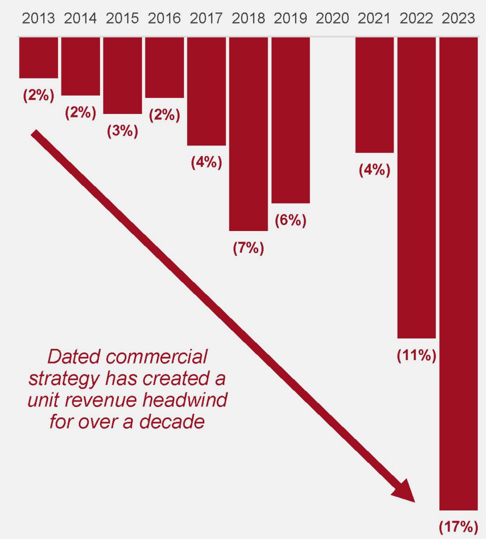
Substantial Revenue Underperformance

Southwest's dated commercial strategy has resulted in the worst unit revenue performance among its peers since 2018

Unit Revenue Growth vs. Peers (2018 – 2023)
Revenue Per Available Seat Mile or "RASM"[1]



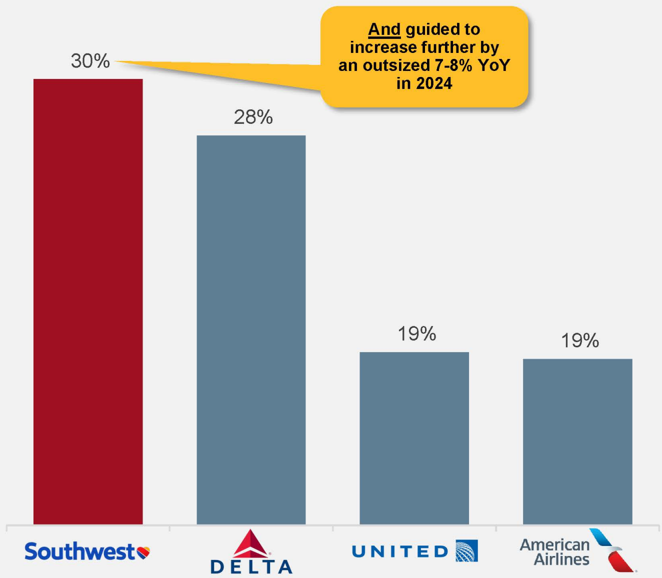
Unit Revenue Growth vs. Peer Domestic Average
Passenger Revenue Per Available Seat Mile or "PRASM" Indexed to 2012



Bottom-tier Unit Cost Performance

Southwest has delivered peer-worst unit cost performance over the past five years. Poor cost control undermines Southwest's competitive positioning as a low-cost carrier

Change in Unit Costs vs. Peers (2018 – 2023)
Cost Per Available Seat Mile Excluding Fuel, Profit Sharing and Special Items or "CASMx"(1)



> Southwest **has lost the passion for low-cost**, low-fare air travel.
>
> Ryanair CEO Michael O'Leary, March 2024

> **Costs are the real glaring issue at Southwest** as they over-hired (23% more headcount vs. '19) during the recovery phase and have seen productivity decline (capacity is up 13.8% vs. '19)…
>
> Melius, January 2024

> Southwest is tied (with United) for **the most growth, but its unit cost inflation is still worse than all others.**
>
> J.P. Morgan, July 2023

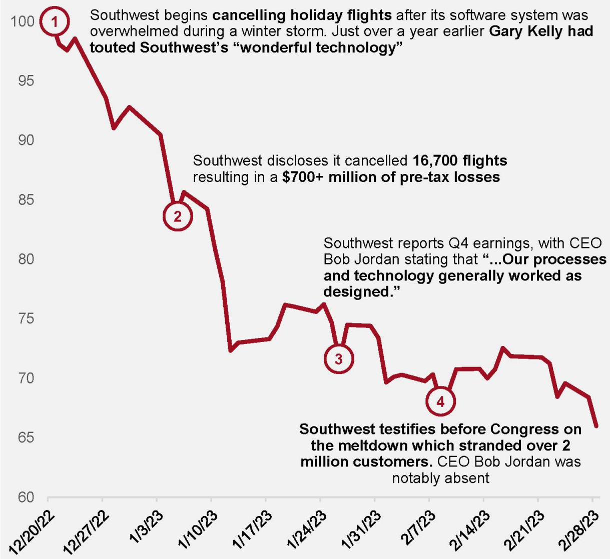
> When [CEO Bob Jordan] came to the SWAPA Board of Directors meeting, **he said specifically that operations wasn't his strong suit**.
>
> SWAPA President Casey Murray, August 2022

Source: Company filings, peer company filings, equity research, media reports, SWAPA. Note: Emphasis is added to all quotes. (1) American reported CASMx includes profit sharing expense. Profit sharing expense is excluded in these materials for comparability.

December 2022 Operational Meltdown

Southwest's operational meltdown stranded 2 million customers over the holidays and drove 30%+ share price underperformance relative to peers over 2 months(1)

Indexed Relative Share Price Performance vs. Peers



Its Reputation in Tatters, Southwest Aims to Resume Normal Schedule on Friday
The New York Times

U.S. Senators blast Southwest holiday meltdown, labelled 'unmitigated disaster'
THOMSON REUTERS

Southwest Doubles CEO Pay, Neglects Boardroom Risks Despite Crisis
Forbes

Southwest Airlines meltdown highlights insular management team
FORTUNE

Southwest hit by record $140 million fine for holiday service meltdown in 2022
CNN

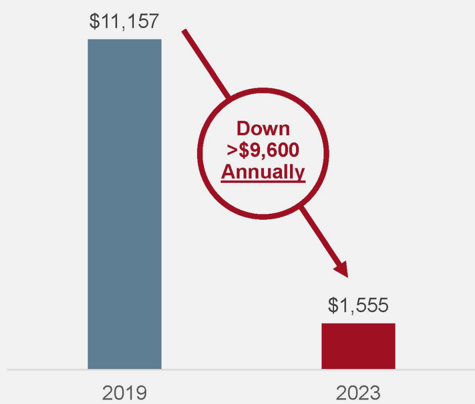
Source: Bloomberg as of 6/7/2024, Company transcripts, Company filings, media reports, Department of Transportation. (1) Reflects share price performance relative to peers from 12/20/2022 to 2/28/2023.

Poor Performance Has Cost Employees

Southwest's poor financial performance has cost employees tens of thousands of dollars on average due to lower profit sharing and declines in the value of Southwest stock held by retirement plans

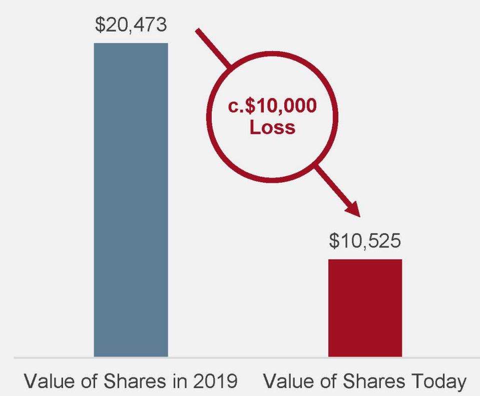
Annual Profit Sharing

$ of Profit Sharing Expense per Average Full-time Equivalent Employee



Value of Southwest Stock Held by Retirement Plans

Estimated $ per Average Employee Account[(1)]



> [2023 profit sharing was] **definitely underwhelming**. And it's probably going to continue that way for another year or two… We have a little bit of a revenue problem right now, right?... We also have a lot of cost creep on the expense side of the house, right? **So in order to have profit sharing, you have to have profits. And so those profits have been shrinking**.
>
> Southwest Captain Damian Jennette, February 2024

Source: Company filings, Department of Labor, Bloomberg as of 6/7/2024, SWAPA. Note: Emphasis is added to the quote. (1) Reflects the average decline in value of Southwest shares held by Company retirement plans per participant. Based on average shares held per participant account as of 12/31/2019 and the change in share price from 12/31/2019 to 6/7/2024.

Stronger Southwest

"We'd obviously welcome a substantive turnaround plan from Southwest... In our opinion, bona fide turnarounds often include meaningful changes in network composition, fleet overhauls, and revisions to business models. Management turnover is sometimes a component, as are changes in pricing philosophy... Unfortunately, we don't believe Southwest is eager to meaningfully engage in such changes..."

J.P. Morgan, April 2024

Note: Emphasis is added to the quote.

More Time Will Not Fix Southwest's Issues

Southwest requires decisive action and stronger oversight to restore confidence after years of deteriorating execution

FAILURE TO EVOLVE STRATEGY

- **4+ years of consistent disappointments and self-inflicted performance deterioration**
- **Complacent approach and lack of urgency to confront challenges**
- **Preference for incrementalism resulting in a series of failed improvement initiatives**
- **Poor cost execution that has resulted in billions of incremental costs relative to initial targets**

EXIT

Investors appear to have given up on Southwest and believe today's performance is the "new normal"

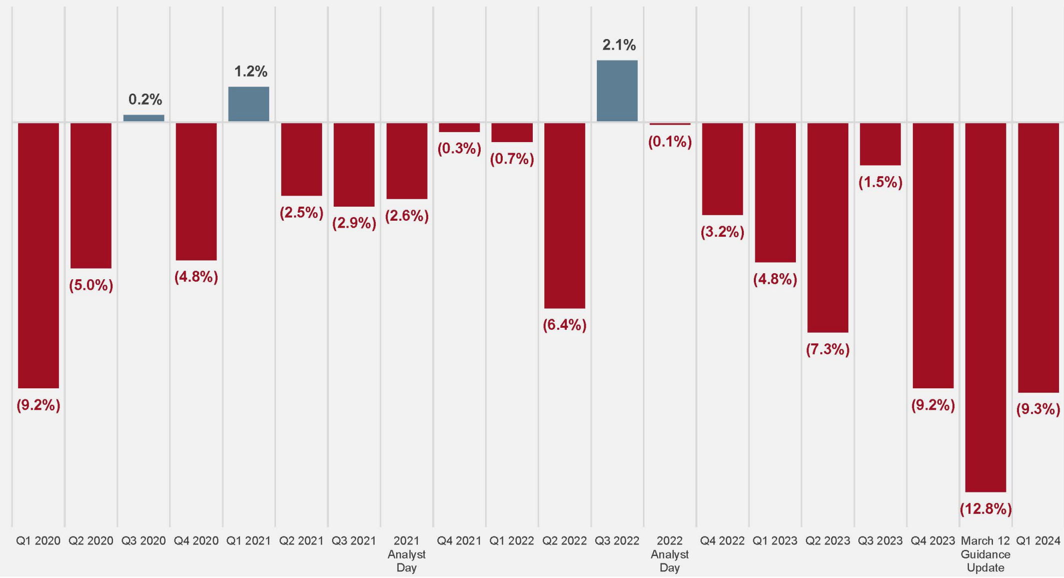
- **16 downgrades and 0 upgrades since year-end 2022(1)**
- **Estimates well below prior earnings power**
- **Market value of Southwest's aircraft exceeds the Company's enterprise value**

Source: Company filings, Bloomberg as of 6/7/2024, Cirium as of 6/7/2024. (1) Analyst upgrades and downgrades reflect cumulative net rating changes here and throughout these materials.

Four Years of Consistent Disappointments

Southwest has underperformed peers on **17 of its last 20** significant earnings events

1-Day Stock Performance vs. Peers After Significant Earnings Events



CEO Commentary Disconnected From Reality

In the face of deteriorating financial performance, CEO Bob Jordan claims that performance is “great” and that he is “very proud”

Event	Decline in EBIT Consensus[1]	Management Perspective on Performance
Q1’23 Earnings	(13%)	“But for the ops disruption, **we would have had a very strong profit** in the first quarter. Second quarter, our guide is **really strong**.” CEO Bob Jordan on CNBC
Q2’23 Earnings	(23%)	“You know, **the quarter was great** … We’re predicting record revenues again in the third quarter. **Record passengers. Record flights**.” CEO Bob Jordan on CNBC
Q3’23 Earnings	(60%)	“We had a **great quarter** in the third quarter. We’re forecasting **record revenue and record passengers** again for the fourth quarter.” CEO Bob Jordan on CNBC
Q4’23 Earnings	(72%)	“**We had a great 2023.** Record operating revenue, record passengers, record loyalty revenue.” CEO Bob Jordan on CNBC
Proxy Statement	(73%)	“I am **extremely proud** of our progress and accomplishments in 2023—**we ended the year a better Company**…” CEO Bob Jordan in 2024 Proxy Statement
Q1’24 Earnings	(78%)	“We had a **strong first quarter, despite the financial results**.” CEO Bob Jordan on CNBC
Annual Meeting	(85%)	“I’m **very proud** of the Company’s progress in 2023 … we entered 2024 a **stronger company**.” CEO Bob Jordan at Annual Shareholder Meeting

Source: Company filings, Company transcripts, Bloomberg as of 6/7/2024, CNBC. Note: Emphasis is added to all quotes. (1) Reflects change in consensus 2024E EBIT since 12/31/2022.

Leadership Has Ignored Calls for Change

Investors and research analysts have been calling for changes for years, but Southwest's management and Board have pressed forward with incrementalism and inaction

> Quite frankly, I think **[regaining the high ground] is going to require evolution**. We've been concerned about Southwest for some time, that it has mostly, not entirely, but mostly sat out the industry's evolution… They have a product and price points that skew more toward discount airlines but a cost structure overall that skews a bit more toward the Big 3. It's a bit of an identity crisis.
>
> J.P. Morgan Webcast, May 2023

> Everything [they're] doing is incremental. [They] **need to make radical changes**.
>
> Wolfe Research Weekly Webcast, October 2023

> …What might you consider strategically or put on the table that hasn't been on the table before? So if we think about things like seat assignments, basic economy, bags fly free, historically, those have been sacrosanct… **If you have lagging margins, it may require a harder look**.
>
> Evercore Analyst on Q3 2023 Earnings Call, October 2023

> There is **a lot of debate about the airline's lack of a premium product vs. peers and ancillary revenue opportunities** beyond boarding… The drum beat on closing the margin gap with the network airlines will continue to beat louder…
>
> Cowen, January 2024

> **Time to pull the RASM lever?**... The main – and perhaps only – lever they have now to overcome cost inflation is to boost RASM… LUV still remains at a relative disadvantage to all their major competitors in the pursuit of premiumization.
>
> Morgan Stanley, January 2024

> We have **long made the case that the Company's inability to monetize its cabin** and participate in various high-margin revenue streams was a drag on relative margin performance.
>
> Deutsche Bank, April 2024

Entrenched Views on Strategy

Southwest's leadership has written off key commercial innovations and revenue opportunities across the airline industry for the last 15 years

Management Has Historically Ruled Out Industry-Standard Commercial Initiatives…

	DELTA	UNITED	American Airlines	Southwest
Assigned Seating	✔	✔	✔	Until recently: "We are not looking at assigning seats right now. We are not talking about assigning seats now, and we're not talking about looking at it at some time in the future."
Premium Products	✔	✔	✔	"I think things like curtains and things like that are a bit far afield from [who] Southwest Airlines is."
Basic Economy	✔	✔	✔	"You're not going to see basic economy from Southwest. That's not what we do."
Checked Bag Fees	✔	✔	✔	"Absolutely never"

…Despite Skepticism From Investors and Industry Executives

> Exiting of competitive hub airports drives questions of long-term competitiveness of Southwest's **dated commercial strategy**… [We] are concerned Southwest may need a strategic overhaul…
>
> Barclays, April 2024

> They put out all this schlock about 'our passengers are our guests, and you wouldn't want to charge your guests for their bags,' but **why do you charge for the seats if that's the case? Give it all away for free**.
>
> Ryanair CEO Michael O'Leary, March 2024

Source: Company websites, Company transcripts, equity research, media reports. Note: Emphasis is added to all quotes.

Management Opted for Small Changes…

To date, Southwest's approach has focused on incrementalism rather than an unbiased evaluation of all available opportunities

Initiatives Portrayed as Transformative Are Actually Incremental

> **We have transformed before, adding things like WiFi, larger bins and in-seat power, and we will continue to adapt as needed.**
>
> **CEO Bob Jordan, April 2024**

Examples of Initiatives

- > Larger Overhead Bins
- > Upgraded Wi-Fi
- > In-Seat Power
- > Network Changes
- > Targeted Flight Adds
- > Growth in Core Cities
- > Mobility / Digital Tools
- > Flight Scheduling
- > Turn Execution
- > Training & Proficiency

> **Larger overhead bins? Improved WiFi? … We're not convinced [these] drive share shift** when Southwest fails to offer a pricing advantage vs. a nonstop competitor.
>
> J.P. Morgan, April 2023

> In-seat power, larger overhead bins and Wi-Fi are **table stakes**…
>
> Cowen, April 2024

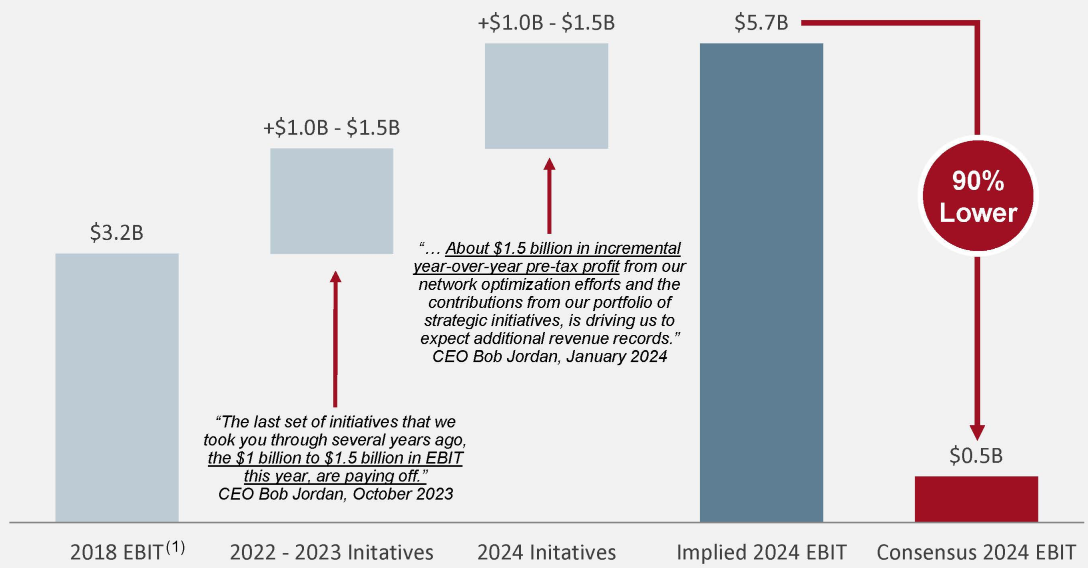
> …Management reduced [their guidance] to \$1.0 to \$1.5B (vs \$1.5B) of pre-tax profit improvements from network optimization and other initiatives. However, **on our revised outlook, we're now modeling \$0 benefit in 2024… Network optimization so far has been inadequate…**
>
> Seaport, April 2024

These initiatives do not deliver the strategic evolution required to remedy Southwest's challenges. They are a normal part of running the business

Which Failed to Bolster Profits

Management's initiatives have not been enough to reverse Southwest's declining profitability despite management's frequent reaffirmation that they are delivering

Incrementalism Has Not Bolstered Profitability



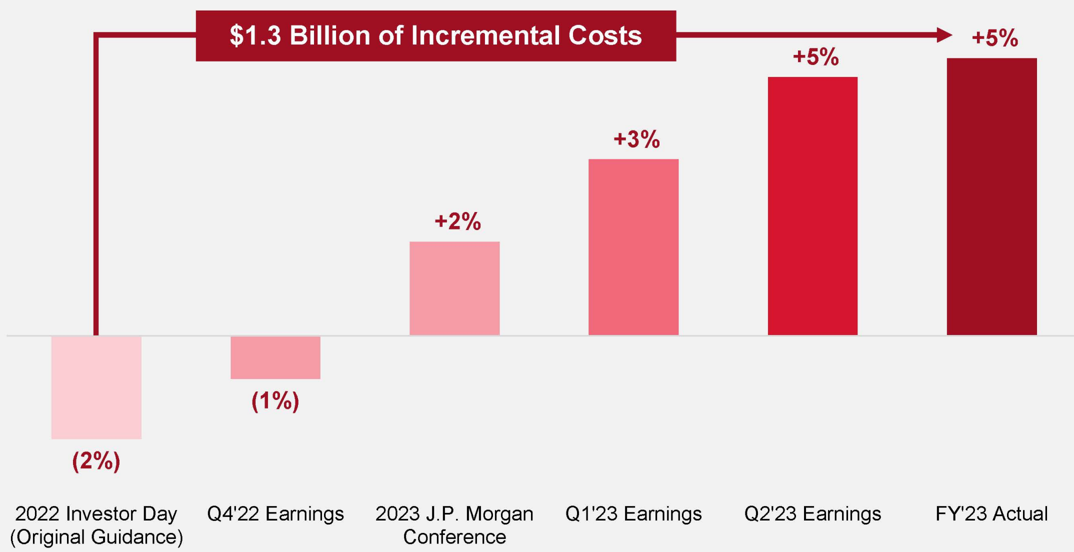
 Source: Company filings, Company transcripts, Bloomberg as of 6/7/2024. Note: Emphasis is added to all quotes. (1) Reflects adjusted EBIT.

2023 Cost Execution Missed Targets…

Management revised unit costs up four times in 2023. Poor execution has substantially eroded management's credibility and damaged Southwest's competitive positioning as a low-cost carrier

Unit Cost Guidance Revisions in 2023

FY'23 Unit Costs Excluding Fuel, Profit Sharing and Special Items ("CASMx") Growth Guidance vs. FY'22 Expectations Pre-Meltdown(1)



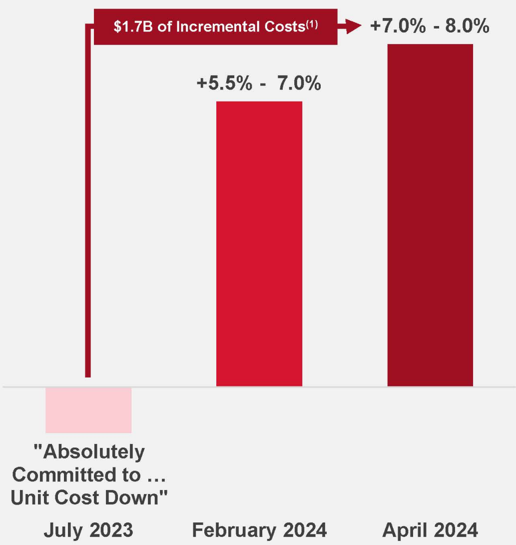
Source: Company filings. (1) 2022 baseline reflects FY'22 CASMx guidance as of the Company's December 2022 Investor Day and prior to the December 2022 meltdown.

And 2024 is Off to an Even Worse Start

Only 11 months ago, management said it was “absolutely committed” to driving unit costs down in 2024. Today, management is guiding to a 7-8% increase, representing $1.7B of incremental costs

Unit Costs have Substantially Missed Expectations

Guidance for FY'24 Unit Costs Excl. Fuel, Profit Sharing and Special Items or "CASMx" Growth vs. FY'23



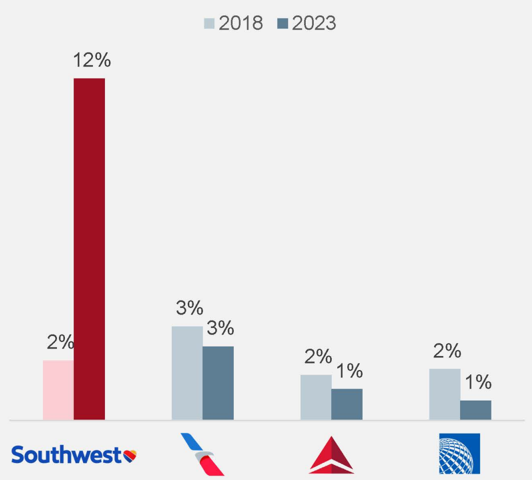
April 2023	“We are **<u>very focused</u> on bending our cost down again in 2024.”** CFO Tammy Romo
June 2023	“We've got a lot of **opportunity** to now go work on **bringing out inefficiencies…”** CEO Bob Jordan
July 2023	“As we look ahead to next year, **<u>we are absolutely committed to driving our unit cost down</u>**.” CFO Tammy Romo
Jan. 2024	“Our [FY'24] CASMx guidance of a **<u>6% to 7% increase</u>** year-over-year is also essentially driven by labor and maintenance cost pressures…” CFO Tammy Romo
April 2024	“[We expect] our full year CASM-X **<u>to increase in the range of 7% to 8%</u>** year-over-year, elevated from our previous full year CASM-X guidance due to lower capacity plans in the second half of the year.” CFO Tammy Romo

Source: Company filings, Company transcripts. Note: Emphasis is added to all quotes. (1) Baseline costs assume year-over-year CASMx declines of 1.5% for FY'23 (per FY'23 guidance provided with Q2'23 earnings) and 1.0% for FY'24 (estimated per management's commentary).

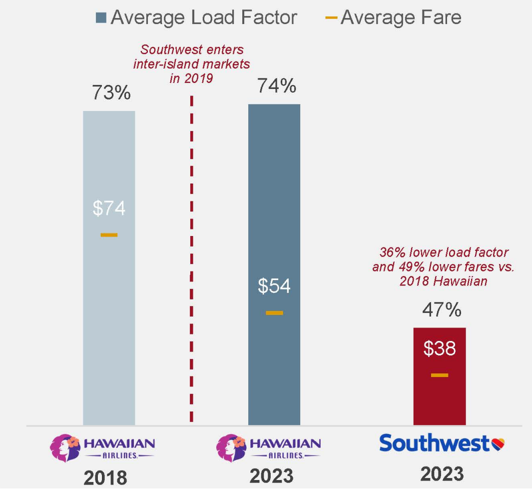
Simplistic Growth Strategy is Failing

A significant increase in unprofitable flying driven by a growth strategy focused on capacity expansion (rather than product innovation) appears to have driven substantial unnecessary losses

Substantial Increase in Uneconomic Flying
% of Domestic Capacity on Routes with Less than 70% Load Factor



Example of Growth Ambition: Hawaii Inter-island Markets
Average Inter-island Fares and Load Factors(1)



> If you look even at the big airlines that have lower margins than the top two, **there's a core airline within them that has the same kind of margins as United and Delta, but it's dragged down by the stuff that loses money.**
>
> United CEO Scott Kirby, June 2024

Source: Cirium as of 6/7/2024, media reports. Note: Emphasis is added to the quote. (1) Hawaii inter-island markets include HNL, ITO, KOA, LIH and OGG.

Leadership Must Be Upgraded

We believe new leadership is required at Southwest after years of consistent disappointments and a steadfast commitment to the status quo. **The Executive Chairman and CEO, who have spent a cumulative 74 years at Southwest, have presided over a period of stunning underperformance at the Company. Further, they have demonstrated that they are not up to the task of modernizing Southwest**

Bob Jordan's 2-Year Tenure as CEO

- **8 Negative Guidance Revisions**
- **-84% Decline in 2024 EBIT Expectations**
- **-43% TSR Underperformance Relative to Peers**
- **-36% TSR and a -34% Decline in Enterprise Value**
- **13 Analyst Downgrades and Not a Single Upgrade**
- **December 2022 Meltdown Stranded Over 2 Million Customers**
- **Share Price Underperformance on 10 of 11 Significant Earnings Events**

> **"So I think the [strategic] daylight between [me and Gary Kelly] is, yes, there's some, but it's really small, and it's absolutely none of the fundamentals.**
> CEO Bob Jordan, December 2021

Source: Company filings, Company transcripts, Bloomberg as of 6/7/2024, Department of Transportation.

Management is Viewed as Worst-in-Class

In an independent survey, Southwest ranked last on every metric and investors expressed low confidence in management's capabilities

Shareholders Rate Southwest Worst Among Peers
Independent Shareholder Survey

	Cost & Operations	Monetization	Strategy Innovation	Management Quality
DELTA	Best	Best	Best	Best
UNITED	2nd	2nd	2nd	2nd
American Airlines	3rd	3rd	3rd	3rd
Southwest	**Worst**	**Worst**	**Worst**	**Worst**

> The rate limiter on [a new strategy] is the CEO. I don't have a lot of confidence he is the right person at this stage… **The Street would be widely supportive of a change.**
> Southwest Shareholder

> I have **zero confidence this team can get this right**… I rarely call for wholesale change at a company, but that is what is needed here.
> Southwest Shareholder

> The CEO is a headwind to a turnaround. **Firing him is the tailwind.**
> Southwest Shareholder

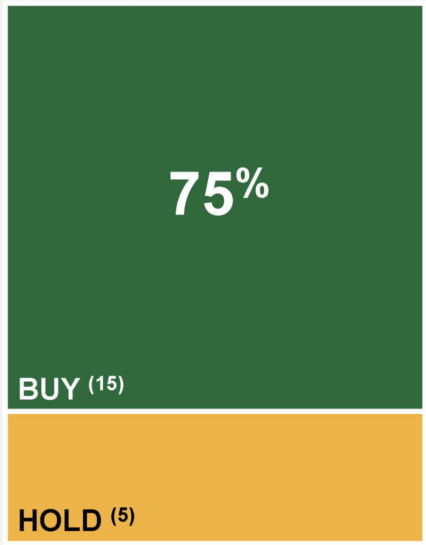
> I would rate them as the **worst performing management team in airlines.** This was a company that has **destroyed more value based on their own inaction** than anyone else in the industry. They need to go.
> Southwest Shareholder

Source: Shareholder survey. Note: Emphasis is added to all quotes.

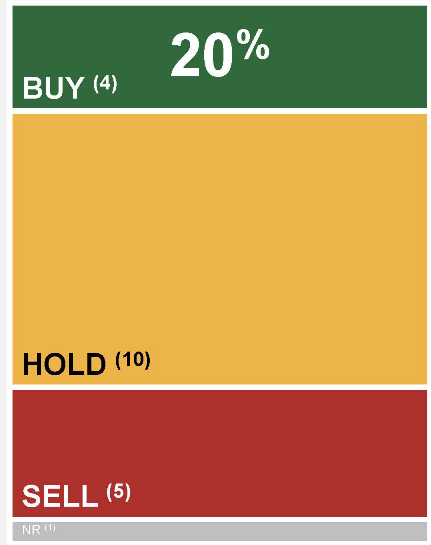
Analysts Have Given Up on Southwest

While once a consensus “Buy”, sentiment on Southwest has substantially deteriorated amid poor execution and failed efforts to get back on track

Analyst Ratings in December 2022[1]



Analyst Ratings in June 2024[1]



Source: Bloomberg as of 6/7/2024. (1) Analysts include Argus, Barclays, Bernstein, BNP Paribas, BofA, Citi, Deutsche Bank, Evercore, Goldman Sachs, Jefferies, J.P. Morgan, Melius Research, Morgan Stanley, Morningstar, Raymond James, Redburn Atlantic, Seaport, Susquehanna, TD Cowen and Wolfe Research here and throughout these materials. Excludes analysts that did not have ratings at either the start or end of the measured period.

Stronger Southwest

Board Changes

Southwest's Board needs new directors with the relevant experience to challenge the current strategy and the independence to hold management accountable

Upgraded Leadership

Southwest must bring in new leadership from **outside** of the Company to improve operational execution and lead the evolution of Southwest's strategy

Comprehensive Business Review

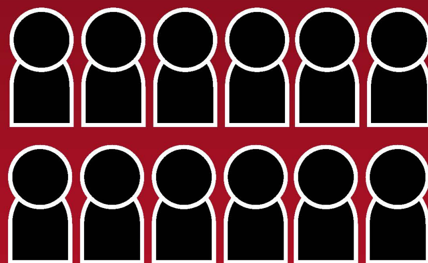
New management and Board-level committee will conduct a thorough review with the goal of modernizing Southwest's strategy and restoring best-in-class performance

Board Change is Needed at Southwest

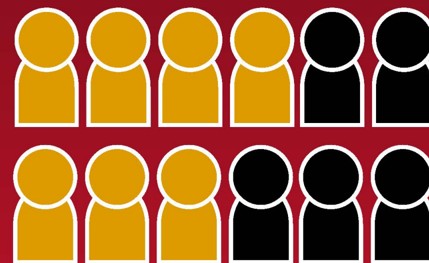
We believe Southwest's Board lacks the airline industry experience and independence required to hold management accountable and drive necessary strategic changes

Problematic Board Composition and Independence

No Independent Directors with Airline Operating Experience



Majority of Independent Directors were Recruited by Gary Kelly[1]



Key Board Roles are Populated by Long-Tenured Directors

Key Board Position	Director	Tenure
Chairman (Executive)	Gary Kelly	20
Lead Independent Director	William Cunningham	24
Chair of Nom./Gov. Committee	Veronica Biggins	13
Chair of Comp. Committee	David Biegler	18

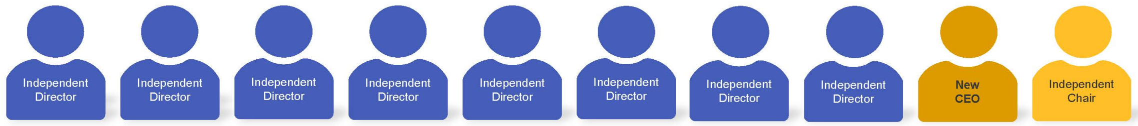
"Lead outside director William H. Cunningham, has been a board member for 22 years. Seven have served for more than a decade. In other words, they've remained in place, gripping their seats with what George Orwell referred to as "prehensile bottoms," throughout the company's period of declining customer service and during its scheduling disaster."

Michael Hiltzik, Los Angeles Times, January 2023

Source: Company filings, Company website, media reports. Note: Emphasis is added to the quote. (1) Seven of 12 independent directors were either proposed for consideration or identified as director candidates by Gary Kelly.

An Improved Southwest Board

Southwest needs new independent directors with relevant expertise to challenge entrenched thinking, drive strategic changes and hold management accountable



Airline Operating Experience ↗

Consumer and Hospitality Experience ↗

Retire "Executive Chairman" Structure ↗

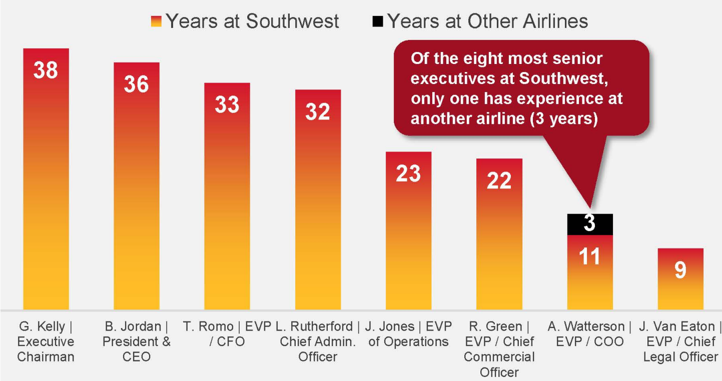
Reconfigured Committees ↗

Unimpeachable Independence ↗

New Leadership is Needed

Lack of outside perspectives and long tenure have contributed to Southwest's stagnation. Leadership from outside of Southwest is necessary for the strategy to evolve

Tenure of Southwest Executives



Gary Kelly, Executive Chairman	Bob Jordan, President & CEO
38 Years at Southwest	36 Years at Southwest
No External Airline Experience	**No External Airline Experience**
CEO for 18 Years CFO for 15 Years	EVP in Various Roles Since 2006
2023 Pay: $9 MM	2023 Pay: $9 MM
LUV Relative TSR During Tenure as Chairman(1) vs. DAL: (592)% vs. UAL: (220)% vs. SPX: (281)%	**LUV Relative TSR During Tenure as CEO(2)** vs. AAL: (6)% vs. DAL: (64)% vs. UAL: (60)% vs. SPX: (59)%

> "As Gary transitions to the Executive Chairman role, we are completely aligned in terms of the direction of the company. There are things, of course, that we want to work on, but **this is not a change to Southwest Airlines, 90 degrees either direction. We're extremely aligned**. **We're not reinventing the company post-pandemic**. It's quite the opposite... And I just want to stop and express my gratitude to my friend, Gary Kelly. He's been my sponsor, my mentor for 34 years. You couldn't have a better one. He's my friend.
>
> CEO Bob Jordan, December 2021

Source: Company website, Company filings, Company transcripts, Bloomberg as of 6/7/2024. (1) Cumulative TSR since 5/20/2008. (2) Cumulative TSR since 1/31/2022. Note: Emphasis is added to the quote.

Upgraded Leadership

We believe Southwest needs new leadership from outside the Company that has the capabilities to improve operational execution and drive strategic changes

- **Relevant Transportation Industry Experience**
- **Strong Operational Capabilities**
- **Track Record of Shareholder Value Creation**
- **External Hire with Fresh Perspectives**

New leadership to be laser-focused on executing against plan targets, with a refreshed Board providing strong oversight

Updated Strategy

Commercial Approach

Improved Value Proposition

Modernized Operations

Comprehensive Business Review

A new board-level committee, assisted by independent advisors, will lead a comprehensive business review to modernize Southwest and restore best-in-class profitability

Review Committee Focus

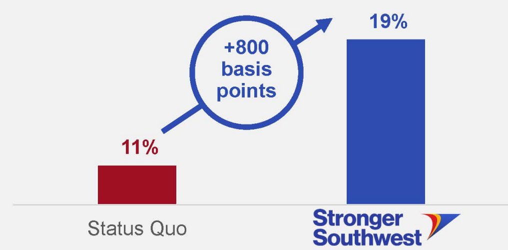
- Commercial Strategy
- Unit Cost Performance
- Network Performance and Optimization
- Capital Allocation and Fleet Plans
- Technology

OUTPUT OF REVIEW

- ↗ Improved Unit Revenue
- ↗ Lower Unit Costs
- ↗ Best-in-Class Profitability
- ↗ Substantial FCF Generation

Restoration of Best-in-Class Margins

2025E EBITDAR Margin(1)



The Opportunity at Southwest

We expect 67% - 87% share price upside as Southwest restores its best-in-class margins and we believe a turnaround is eminently achievable

Southwest's return to best-in-class margins should drive substantial share price upside of 67% - 87% and c.$3B - 4B of annual free cash flow

Share Price Upside

$ in Billions Unless Otherwise Noted				Best-in-Class		
Realized EBITDAR Margin	**15%**	**16%**	**17%**	**18%**	**19%**	**20%**
2025E Revenue	30.7	31.0	31.3	31.6	31.9	32.2
2025E EBITDAR	4.6	5.0	5.3	5.7	6.1	6.4
Peer Average TEV/EBITDAR[1]	4.8x	4.8x	4.8x	4.8x	4.8x	4.8x
Total Enterprise Value	**$22.1**	**$23.7**	**$25.5**	**$27.2**	**$29.0**	**$30.8**
Adjusted Net Cash[2]	0.8	0.8	0.8	0.8	0.8	0.8
In-the-Money Convert Above Face Value[3]	(0.0)	(0.2)	(0.3)	(0.4)	(0.5)	(0.6)
Market Capitalization	**$22.9**	**$24.4**	**$26.0**	**$27.7**	**$29.3**	**$31.0**
Shares Outstanding (M)	598	598	598	598	598	598
$/Share	**$38**	**$41**	**$43**	**$46**	**$49**	**$52**
Upside vs. Current Price	**38%**	**47%**	**57%**	**67%**	**77%**	**87%**
Memo: Equity Free Cash Flow	**$2.3**	**$2.6**	**$2.9**	**$3.2**	**$3.5**	**$3.8**

This upside is eminently achievable and may actually be conservative with strong execution; on a pro forma basis Southwest's relative margin performance vs. 2018 would still be in-line with or worse than peers

2025E Margin and EBITDAR vs. 2018 Levels Relative to Peers[4]

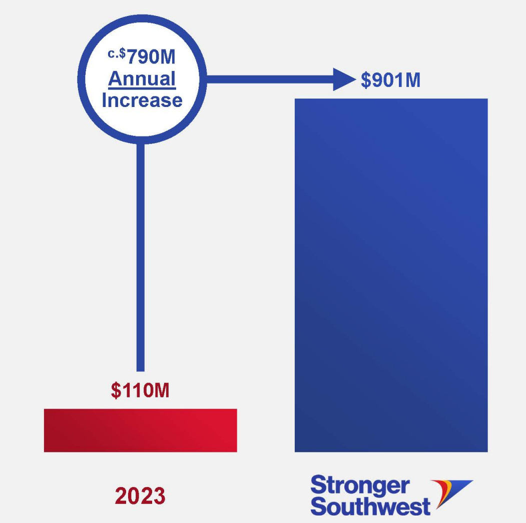
				Best-in-Class		
Southwest Pro Forma 2025E Margin vs. 2018	**(6%)**	**(5%)**	**(4%)**	**(3%)**	**(2%)**	**(1%)**
Delta	(1%)	(1%)	(1%)	(1%)	(1%)	(1%)
United	(0%)	(0%)	(0%)	(0%)	(0%)	(0%)
American	(2%)	(2%)	(2%)	(2%)	(2%)	(2%)
Peer Average 2025E EBITDAR Margin vs. 2018	**(1%)**	**(1%)**	**(1%)**	**(1%)**	**(1%)**	**(1%)**
Southwest Pro Forma 2025 $ EBITDAR vs. 2018	**2%**	**10%**	**17%**	**25%**	**34%**	**42%**
Delta	33%	33%	33%	33%	33%	33%
United	45%	45%	45%	45%	45%	45%
American	10%	10%	10%	10%	10%	110%
Peer Average 2025 $ EBITDAR vs. 2018	**29%**	**29%**	**29%**	**29%**	**29%**	**29%**

Source: Company filings, peer company filings, Bloomberg as of 6/7/2024, Elliott analysis and estimates. (1) TEV is adjusted for pension and capitalized aircraft leases. (2) Reflects cash net of debt, capitalized aircraft leases and pension. (3) Reflects dilution from in-the-money convertible debt in excess of face value. (4) Peer 2025E figures reflect consensus estimates.

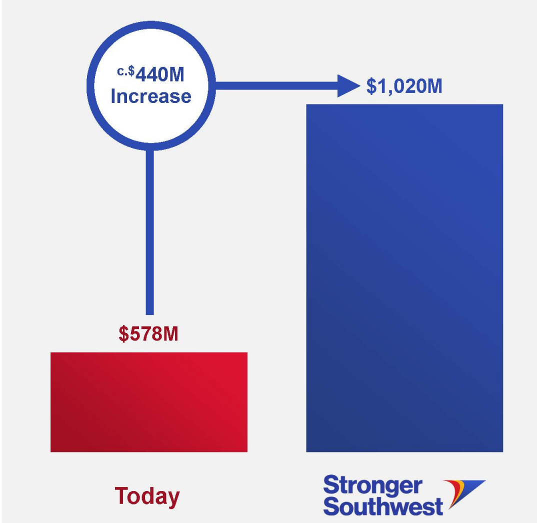
The Best Path Forward for Employees

We believe a Stronger Southwest would deliver substantially more value to employees from higher profit sharing driven by enhanced profitability and better share price performance

Annual Profit Sharing Expense[1]



Value of Retirement Plan's Southwest Stock[2]



Source: Company filings, Department of Labor, Bloomberg as of 6/7/2024, Elliott analysis and estimates. (1) Stronger Southwest reflects estimated 2025E profit sharing expense assuming Southwest realizes 19% EBITDAR margins. (2) Based on shares held by Southwest retirement plans as of year-end 2022 (latest available disclosure) and assuming the $49 target share price implied by the Stronger Southwest calculation.


Stronger Southwest
The Stronger Southwest plan ambitiously addresses the Company's key issues and delivers a brighter future for Southwest
Lagging Unit Revenue, Underperforming Unit Costs and Eroded Profitability
Leadership Unwilling to Change
$28 Share Price Below March 2020 Lows
Comprehensive Review to Modernize Strategy and Improve Profitability
Board Change and Upgraded Leadership
$49 Share Price Reflective of Southwest's Value
ELLIOTT
Source: Company filings, peer company filings, Bloomberg as of 6/7/2024, Elliott analysis and estimates.
Stronger Southwest
49

Next Steps

We believe that Southwest should begin the process of change immediately, enabling the Company to be in a position to update shareholders on its go-forward strategy by year-end 2024

01 Immediate announcement of leadership change

02 Appoint new, highly qualified board members, including board members with external airline expertise

03 Commence search for new CEO from outside Southwest and implement plan for Board leadership change

04 Undertake comprehensive business review overseen by new board-level committee

Elliott looks forward to engaging with our fellow shareholders and other Southwest constituents on the best path forward for the Company

Stronger Southwest

Contact Us

Website | StrongerSouthwest.com

Investors | Investors@StrongerSouthwest.com

Media | Casey Friedman
Direct: +1.212.478.1780
Email: cfriedman@elliottmgmt.com

EXHIBIT 99.2

ELLIOTT®

ELLIOTT INVESTMENT MANAGEMENT L.P.
360 S ROSEMARY AVE, 18TH FLOOR, WEST PALM BEACH, FL 33401

July 8, 2024

The Board of Directors
Southwest Airlines Co.
2702 Love Field Drive
Dallas, Texas 75235

Dear Members of the Board,

We write to you again on behalf of Elliott Associates, L.P. and Elliott International, L.P. (together, with its affiliates, "Elliott" or "we"). The purpose of today's letter is to summarize the feedback we have received and the key events that have occurred since the publication last month of our letter and presentation on the urgent need for leadership change at Southwest Airlines ("Southwest" or the "Company").

Since publishing our views on June 10, we've had the opportunity to engage with shareholders, equity research analysts, industry executives and current and former employees. Many new institutions and individuals have reached out to us, providing us with new sources of insight and information, and this trend is continuing. The feedback has been overwhelmingly consistent with our perspective that the Company's performance is unacceptable and that leadership change is required to return Southwest to its once-leading position in the industry.

The actions of Southwest's Board and management team since we published our views have only solidified the case for leadership change:

- On June 26, Southwest announced significantly reduced unit revenue guidance for the second quarter, continuing its disappointing trend of industry-lagging revenue performance (which appears to have become a habit). <u>This announcement marked the *eighth* guidance reduction in the last 18 months.</u>

- On July 3, this Board put its own self-interest ahead of the Company's by pursuing the entrenchment strategy of adopting an antiquated and shareholder-unfriendly "poison pill" to prevent Elliott from increasing its stake above 12.5%.

- And today, the Board announced that it had appointed a handpicked new director in a clear attempt to entrench itself and the current management team, thereby expanding the size of the current Board to 15 members. Among the criteria for selecting this new director was clearly that he would be supportive of Southwest's current leadership and status-quo approach, as he noted in the announcement that he was "look[ing] forward to supporting the Company's strategic direction."

These actions – and in particular the adoption of the "poison pill" – demonstrate how profoundly out of touch Southwest's Board has become with shareholder sentiment and with the reality of the situation. Contrary to the Company's statements, Elliott is not seeking control of Southwest. Quite simply, we are seeking to strengthen oversight, upgrade management and improve Company performance. Preventing shareholders who do not support the Company's failed leadership and oversight from purchasing additional stock reflects exceptionally poor governance and underscores the immediate need for accountability at Southwest. This is the worst kind of governance – a shield for failure and a sword for nothing except the fees of advisers who propose these anti-shareholder devices.

In light of these actions, we have become increasingly concerned by the "self-help" half-measures that the Board appears to be contemplating and adopting, none of which will do anything to allay the lost credibility of Southwest's management. Elliott does not make calls for leadership change lightly or without regard to potential consequences. In this instance, **given the long record of falling short and the deep loss of confidence in Southwest's leadership among shareholders and other constituents, it is simply untenable for the same Board and management team to continue to lead Southwest.**

Shareholder Feedback Supports Leadership Change

The feedback we have received since releasing our materials on June 10 underscores a profound lack of confidence in Southwest's leadership, strategy and performance, and has reinforced our conclusion that Board and leadership change is necessary to put Southwest on the right path.

Since the release of our letter, we have spoken with numerous shareholders representing a significant percentage of Southwest's shareholder base. While these conversations have been confidential, we can characterize the sentiments expressed by these shareholders as being overwhelmingly supportive of leadership change. This was well illustrated by the public support for our campaign offered by Southwest shareholder Artisan Partners on June 12, when it called on the Board to "reconstitute itself and upgrade the Company's leadership such that it can objectively assess the best path forward for Southwest's shareholders, employees, and customers. We believe this process needs to commence immediately."

Other conversations echoed the feedback we received in the shareholder survey we commissioned before publishing our views. Below, we have included a representative sample of perspectives shared by some of Southwest's largest investors as part of the survey, with such sentiments having been confirmed in our most recent discussions:

> "The CEO is a headwind to a turnaround. Firing him is the tailwind." – *Top 10 Active Shareholder*
>
> "I would rate them as the worst-performing management team in the airlines. This was a Company that has destroyed more value based on their own inaction than anyone else in the industry. They need to go." – *Top 10 Active Shareholder*

> "They need a new look across the board and you are only going to get that with [a CEO] who is not from Southwest… This is a classic example of where a disruptor stayed in the original model as the industry passed them by and now they have a problem." – *Top 10 Active Shareholder*

> "I have zero confidence this team can get this right and certainly not in the timeframe that is needed. I rarely call for wholesale change at a company, but that is what is needed here." – *Top 10 Active Shareholder*

> "Having the current CEO drive the process for a new strategy is not a good idea. I think that means we get glacial change and even if they say they are going to become SpaceX there is still going to be a fairly material overhang in the stock because of skepticism about the execution. This is a good time for the change." – *Top 10 Active Shareholder*

> "Would you ever see anyone issue a press release that says '35 year veteran of the company to drive significant strategic, operational and financial turnaround,' which is what you would have to believe is possible if you think that Bob Jordan is the right CEO. You need a really different leader to right the ship." – *Top 10 Active Shareholder*

> "I don't think this is the right CEO to lead the company and I would view his removal positively… Is this the leader you think is able to lead the company into the transformational change that is needed? I don't think so and I am not sure other investors do either. I would be surprised if they did." – *Top 10 Active Shareholder*

> "So it is really [the CEO] has not done a good job running the company and what they have in front of them is considerably different than the job he came into, so this really is a natural time for a leadership succession. **The Street would be widely supportive of a change.**" – *Top 10 Active Shareholder (emphasis added)*

In short, shareholders are demanding change now, and Elliott remains committed to providing them with a clear choice between continued industry-lagging performance under an incumbent leadership team that has repeatedly failed to deliver on its promises, versus fundamental leadership change involving new and proven airline industry executives capable of returning Southwest to its rightful place as an industry leader.

Other Constituents Have Also Expressed Deep Concerns with Southwest's Leadership

In addition to hearing from shareholders, we have received feedback on our views both publicly and privately from some of Southwest's employees. For an illustrative example of the feedback we've heard, consider the sentiments expressed by SWAPA's leadership on July 1:

> "We see the numbers, not just every quarter when we have the board meeting here, but we know where the trajectory has been. Then actually when we meet with Bob Jordan and Andrew Watterson, we bring these concerns up… We have years of disdain from leadership, and that's how labor has been treated… I mentioned the word disdain before and I'm going to say it again because that's the only way that really we can describe how labor has been treated and SWAPA and our data-driven analysis has been treated. It's been disregarded. And here we are with an activist investor basically saying everything we've said… Right now we just can't [get behind the Company] because we're again disdained and there's very little concern right now at the C-suite, you know, outside of their jobs. There's not a concern for the employees. And that's something we can never forget and really won't." – *SWAPA Leadership*, *The SWAPA Number* Podcast (July 1)

In addition to this sort of public commentary, we have also received a deluge of unsolicited private expressions of support from individuals representing themselves as current and former employees of Southwest – many of whom were in strong agreement with our analysis of the Company's recent performance and our calls for change:

> "I'm a retired Southwest Captain and I couldn't agree with you more on the next steps for Southwest… When I started at Southwest in 1997, it was 'us against the world!' Now it's every man for himself as our famous culture is dying a slow, painful death. I believe it can be fixed, and I'm hoping you and your group can make it happen." – *Former Employee*
>
> "Not only do I have a vested interest in the success of the company (my SWA stock has lost over half of its value) but I have spent 50% of my life flying and working for a company that was once the envy of every other airline operating in the world. Without any doubt I agree that a new leadership team is needed." – *Current Employee*
>
> "As a SWA employee of more than 23 years, I am in complete agreement with your analysis. I have been screaming this for 15 years." – *Current Employee*
>
> "I am a former 21 year employee retiree and stock holder of SWA who completely agrees with your perspective of current senior management at SWA. [Bob Jordan] has driven the airline into the ground. Thank you for taking a bold stance and insisting on making some changes." – *Former Employee*

This candid feedback is only a small sample of what we have received so far. We believe sentiment regarding Southwest's Board and management is particularly negative among these constituents because, in their view, Southwest's leadership has ignored their feedback for years and stood idly by as the Company's performance deteriorated.

The Path Forward

While it appears that the Company is now finally considering certain piecemeal changes in the face of public pressure from Elliott, it is crucial that the Board understand that **Southwest's leadership has already lost the trust of its shareholders.** Following years of complacency and – to paraphrase the Company's own words in announcing its latest failure to meet guidance – a total inability to adapt to the complexity of the current airline operating environment, **shareholders simply do not believe this Board and management team are capable of devising and executing a bold new plan to turn around Southwest**.

In fact, one of the biggest risks we see to Southwest in the short term would be the announcement by the Board of a package of half-measures with the objective of further entrenching itself and avoiding more fundamental change – such as, for example, replacing the current CEO without running a comprehensive search process. Such unilateral measures, developed hurriedly and lacking the buy-in of shareholders, are the very definition of "short-term thinking" and will inevitably lead to worse performance over time.

Simply put, investors do not want to see a new plan from the same leadership team whose record at the Company has been one of failure. They want new leaders who will bring outside perspectives and proven expertise to the task of preserving all that was great about Southwest while charting a higher-performing future for the airline.

We are calling on the Board to collaborate on the following changes to strengthen oversight and select the best new CEO to lead the Company into the future:

1. **Board Changes**: Elliott has identified a number of highly qualified former airline executives and other industry leaders with relevant experience who are eager to serve on Southwest's Board. These individuals are independent from Elliott and have a demonstrated track record of value creation in their former roles. We believe each would be highly additive to the Board, and unlike the individual added to the Board today, their appointment would not be conditioned on support for the status-quo leadership and plan. Rather, they would join the Board with an open mind and would evaluate the business and its leadership without any preconceived commitments or allegiances. The Company should immediately begin the process of working with us to reconstitute the Board to include these leaders. We believe shareholders will strongly agree that these individuals' expertise stands in stark contrast to the existing Board's demonstrated lack of independence and relevant experience, which has resulted in years of deteriorating performance with no accountability for management. Additionally, as we have conveyed to you, we believe the role of Executive Chairman should be retired and Southwest should appoint an independent chair from outside the Company.

2. **Upgraded Leadership**: The Company should immediately announce a CEO transition and select an interim CEO who can earn the trust of investors. This person could be one of the newly appointed Board members. Following a reconstitution of the Board, **Southwest should form a CEO search committee composed of both new and existing directors to lead a search for the best candidate to become Southwest's next CEO**. We believe the new CEO should be sourced from external candidates and possess relevant airline or other transportation industry experience, strong operational capabilities and a demonstrated track record.

3. **Comprehensive Business Review**: Following a Board refresh and the appointment of a highly qualified and credible new CEO, Southwest would be well positioned to develop and execute a new strategy to restore the airline to industry-leading performance. This comprehensive business review should be led by a new Board-level Business Review Committee. We believe that fresh perspectives, operational excellence and an openness to evaluating all options are imperative to Southwest's future success.

As one of the Southwest's largest investors, Elliott is focused on the sustainable, long-term success of the Company. This Board, however, refuses to hold itself and the management team accountable for the long-term value destruction endured by Southwest's shareholders. Indeed, the "poison pill" announced on July 3 indicates that this Board feels it needs *protection* from the Company's owners, rather than to earn their support. It is tantamount to an admission of failure.

Entrenchment maneuvers by the Board like this "poison pill" and the unilateral appointment of a new director handpicked by the Company's incumbent leaders to support the status quo will not be effective in the face of the deep shareholder frustration that exists today. We are open to collaborating with the Board on a path forward consistent with the framework outlined above, but absent alignment, we intend to move expeditiously to give shareholders a direct say on the necessary leadership changes.

We are committed to realizing the substantial opportunity of improving Southwest's performance with an updated strategy guided by accomplished, best-in-class industry executives and leaders. Based on the feedback we have received to date, we believe our fellow shareholders will be equally committed to supporting that new direction. We will make ourselves available at your earliest convenience for further discussions.

Sincerely,

John Pike
Partner

Bobby Xu
Portfolio Manager