Southwest®

2022 Investor Day

New York Stock Exchange

December 7, 2022

Welcome

Ryan Martinez

Vice President Investor Relations

Cautionary Statement Regarding Forward-Looking Statements

The Company's 2022 Investor Day presentations and slides contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are based on, and include statements about, the Company's current estimates, intentions, beliefs, expectations, goals, strategies, and projections for the future and are not guarantees of future performance. Specific forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and include, without limitation, statements related to (i) the Company's financial outlook, goals, expectations, plans, position, strategies, and projected results of operations, including factors and assumptions underlying the Company's expectations and projections; (ii) the Company's strategic priorities and initiatives, including the Company's plans for focus areas in 2023; (iii) the Company's Vision; (iv) the Company's hiring plans and expectations; (v) the Company's network and growth plans, expectations, and opportunities, and the associated utilization of its fleet, including with respect to the restoration of the Company's network and maturation of new markets; (vi) the Company's plans and expectations with respect to its revenue management system modernization; (vii) the Company's goals related to diversity, equity, and inclusion, and environmental sustainability; (viii) the Company's plans and expectations regarding its fleet and fleet delivery schedule, including fleet retirements and modernization and other factors and assumptions underlying the Company's plans and expectations; (ix) the Company's plans and expectations with respect to Southwest Business and Global Distribution Systems (GDS), including with respect to managed business revenues; (x) the Company's plans, expectations, and goals with respect to capacity; (xi) the Company's expectations with respect to fuel costs, fuel efficiency, hedging gains, and the Company's related management of risks associated with changing jet fuel prices, including factors underlying the Company's expectations; (xii) the Company's plans, estimates, and assumptions related to repayment of debt obligations, interest expense, and capital spending; (xiii) the Company's capital allocation priorities, including its goals and expectations with respect to dividends and share repurchases; (xiv) the Company's plans and expectations with respect to Customer experience enhancements, including upgrades to WiFi hardware, larger bins, and seat power installations; (xv) the Company's productivity goals, including factors and assumptions underlying the Company's plans and expectations; (xvi) the Company's plans for improving operating leverage; (xvii) the Company's plans for improving operating quality; (xviii) the Company's plans for frontline staffing and tools; and (xix) the Company's plans for driving value from the Southwest Business Model. Forward-looking statements involve risks, uncertainties, assumptions, and other factors that are difficult to predict and that could cause actual results to vary from those expressed in or indicated by them. Factors include, among others, (i) the impact of fears or actual outbreaks of diseases, extreme or severe weather and natural disasters, actions of competitors (including, without limitation, pricing, scheduling, capacity, and network decisions, and consolidation and alliance activities), consumer perception, economic conditions, fears of terrorism or war, socio-demographic trends, and other factors beyond the Company's control, on consumer behavior and the Company's results of operations and business decisions, plans, strategies, and results; (ii) any negative developments related to the COVID-19 pandemic, including, for example, with respect to the duration, spread, severity, or any recurrence of the COVID-19 pandemic or any new variant strains of the underlying virus; the effectiveness, availability, and usage of COVID-19 vaccines; the impact of government mandates, directives, orders, regulations, and other governmental actions related to COVID-19 on the Company's business plans and its ability to retain key Employees; the extent of the impact of COVID-19 on overall demand for air travel and the Company's related business plans and decisions; and the impact of the COVID-19 pandemic on the Company's access to capital; (iii) the Company's dependence on its workforce, including its ability to employ sufficient numbers of qualified Employees to effectively and efficiently maintain its operations; (iv) the Company's ability to timely and effectively implement, transition, and maintain the necessary information technology systems and infrastructure to support its operations and initiatives; (v) the Company's dependence on Boeing with respect to the Company's fleet delivery schedule, operations, strategies, and goals; (vi) the Company's dependence on other third parties, in particular with respect to its fuel supply; environmental sustainability initiatives and the production, transport, storage, blending, and distribution of sustainable aviation fuel; operational improvements; and corporate travel enhancements; and the impact on the Company's operations and results of operations of any third party delays or nonperformance; (vii) the impact of governmental regulations and other governmental actions on the Company's business plans and operations; (viii) the impact of fuel price changes, fuel price volatility, volatility of commodities used by the Company for hedging jet fuel, and any changes to the Company's fuel hedging strategies and positions, on the Company's business plans and results of operations; (ix) the impact of legislative and regulatory activity related to environmental sustainability, in particular with respect to carbon emissions, sustainable aviation fuel tax credits, and compliance requirements; (x) the Company's ability to timely and effectively implement and maintain the necessary processes to support the utilization of sustainable aviation fuel; (xi) the continuation of government support for renewable fuels generally; (xii) the consequences of competition with other existing and new sources of aviation fuel, whether or not sustainable; (xiii) the Company's dependence on Boeing and the Federal Aviation Administration with respect to the certification of the Boeing MAX 7 aircraft; (xiv) the impact of labor matters on the Company's business decisions, plans, and strategies; and (xv) other factors, as described in the Company's filings with the Securities and Exchange Commission, including the detailed factors discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2022.

Presentation

Bob Jordan

Chief Executive Officer

Proven Track Record

We have an unmatched record of financial performance in the U.S. airline industry, emerging from the pandemic with an improved competitive position

Southwest has a proven track record of industry leadership, and its business model and Vision remain intact

Southwest has improved its competitive position in the industry due to managing well through the pandemic

Southwest is restoring its route network and preparing for growth, with a goal to return to its superior pre-pandemic financial performance

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Strategic Priorities Support our Purpose and Vision

Our five strategic priorities remain unchanged through 2026

Purpose

Connect People to what's important in their lives through friendly, reliable, and low-cost air travel

Vision

To be the world's most loved, most efficient, and most profitable airline

2022 Focus Areas

We focused on 'the basics' this year with a goal to stabilize our business, and we made significant progress in each area

Get properly staffed

- Expect to hire >10,000 net Employees in 2022
- Surpassed 2019 staffing levels in May 2022

Focus on our People and our Culture

- Implemented initiatives to champion inclusive environment and experience for all Employees

Get back to our historic operational reliability and efficiency

- Significant operational performance improvement since May 2022

Restore our Customer Service advantage

- Returned to #1 Customer Service position and remain in lead per DOT reporting[1]

Return to consistent profitability

- Returned to profitability in March 2022, and continue to expect full year 2022 profit

1. The Department of Transportation (DOT) ranks all U.S. carriers based on the lowest ratio of complaints per 100,000 passengers enplaned, as published in the DOT Air Travel Consumer Report (ATCR). Southwest earned the best Customer Satisfaction ranking among U.S. Marketing Carriers for January through September 2022, the most recent time period published in the ATCR.

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2023 Focus Areas

We are ready to move past 'the basics' of recovering from the pandemic as our business has stabilized, and we aim to thrive in 2023

Live our Southwest Way Values

- We win when we support each other, serve others, and work together as a Team

Build on our legendary Hospitality

- Offer service our Employees are proud of and our Customers trust
- This is how we create Customer loyalty

Be consistently reliable and operate with excellence

- Provide modern tools and procedures that enable an energetic pace, while keeping Safety our top focus

Restore our network and fly the full fleet

- Staff properly and show up to support each other and our Customers, which allows for better productivity

Produce strong financial results and improve our low-cost edge

- Win Customers and out-hustle the competition

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Strategic Initiatives

Our strategic initiatives are performing in line with expectations, and we continue to expect significant financial benefits in 2022 and 2023

Win more Customers and grow revenue

Maintain our low-cost advantage

Southwest Business and Global Distribution System (GDS) participation	New fare product and Revenue Management System (RMS) modernization	New Chase co-brand credit card agreement	Fleet modernization
Full GDS launch in 2021 ✓	New fare product launched in 2022 ✓ RMS expected in mid-2023	Agreement effective December 2021 ✓	New 737 MAX deliveries and 737-700 retirements ✓

=

Currently expect EBIT contribution of ~$700M in 2022, and continue to estimate $1 billion to $1.5 billion EBIT contribution in 2023

Planned launch in 2023 ✓ Completed / Ongoing

Diversity, Equity, and Inclusion

Our Diversity, Equity, and Inclusion (DEI) goals are aimed at strengthening our Culture, and our Board of Directors set a goal to increase diverse representation by 2025

In 2020, we set the following Company goals:

Executive diversity
Double the percentage of racial diversity and increase gender diversity of our Senior Management Committee (Executive group) by 2025

Senior Leadership diversity
Measure progress in increasing diversity in Senior Leaders

Hiring and development
Evolve hiring and development practices to support diversity goals, including posting all open Leadership positions (Supervisor to Vice President)

Community partners
Engage breadth of community partners to leverage the Company's relationships as we source diverse talent

Key actions taken:

- Formed cross-functional Executive Steering Committee to support strategic direction of DEI efforts and progress
- Launched DEI Report
- Expanded and increased our Diversity Council
- Held Company-wide Inclusion Summit
- Bolstered DEI talent pipeline and Leadership hiring requirements
- Published Human Rights Policy
- Refined our Supplier Diversity Program
- Provided DEI Training for Employees and required Diversity Hiring training for Hiring Leaders

We made great progress toward our goals in 2022 and were named one of Forbes' 2022 Best Employers for Diversity in America

Environmental Sustainability

We have made progress toward our goal to achieve full carbon neutrality by 2050 and continue to expect to achieve our near-term goals by 2030

Environmental sustainability targets through 2030:

Maintain carbon neutral growth to 2019 levels every year through 2030

Cap net carbon emissions at 2019 levels as available seat mile (ASM) growth resumes

Reduce: At least 20% reduction in carbon emissions intensity by 2030 vs. 2019

Reduce carbon emissions per ASM through a combination of fleet modernization and operational fuel conservation efforts

Replace: 10% of total fuel replaced with SAF by 2030

Secure a diverse portfolio of sustainable aviation fuel (SAF) through offtake agreements

Offset: Purchase carbon offsets for remaining gap to meet 2030 target

Launch a Customer carbon offset program, with matching and Rapid Rewards points; and purchase additional carbon offsets, as needed

Key actions taken:

- Published SAF policy
- Secured SAF offtake agreements with Neste and Velocys
- Launched SAF use at Oakland Airport
- Invested in SAFFiRE Renewables
- Continued fleet modernization and plan to retire 26 older 737-700 aircraft in 2022
- Launched Wanna Offset Carbon program
- Purchased carbon offsets to offset Employee business and charitable travel for 2021[1]
- Launched work to support TCFD[2] reporting for 2022 reporting year
- Committed $10M to Yale University's Center for Natural Carbon Capture

We made great progress in 2022 with line of sight to achieving 2030 goals

1. The funds used to purchase the 2021 offsets came from the Southwest Airlines Foundation, a corporate advised fund facilitated by Silicon Valley Community Foundation. The 2021 offsets were purchased through a donation to Carbonfund, a non-profit that provides carbon offsetting and greenhouse gas reduction options to individuals, businesses, and organizations. Business travel represents Company Non-Revenue Must Ride (NRMR) flights, inclusive of all Frontline and Headquarters Employees' work-related travel, including deadheading Employees. This excludes flights flown on other airlines. Charitable travel represents E-passes donated to national and local charitable partners and programs.
2. Task Force on Climate-Related Financial Disclosures (TCFD)

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Presentation

Tammy Romo

EVP & Chief Financial Officer

Fourth Quarter 2022 Guidance Update

Our guidance remains unchanged with the exception of fuel costs, which are estimated to decline ~$.05 per gallon compared with previous guidance

Guidance metric	4Q 2022
Operating revenues (vs. 4Q 2019)	Up 13% to 17%
Managed business revenues (vs. 4Q 2019)	Down 20% to 25%
Available seat miles (ASMs, or capacity) (vs. 4Q 2019)	Down ~2%
Fuel costs per gallon[1]	$3.10 to $3.20
Non-fuel unit costs (CASM-X[2]) (vs. 4Q 2019)	Up 14% to 18%
Scheduled debt repayments (millions)	~$320
Interest expense (millions)	~$70

Strong leisure and business revenue trends continue in fourth quarter 2022, and we continue to expect strong profits and margins

1. Includes fuel taxes, fuel hedging premium expense of $0.03 per gallon, and favorable cash settlements from fuel derivative contracts of $0.37 per gallon. Based on market values as of November 30, 2022. Previous guidance of $3.15 to $3.25.
2. Cost per Available Seat Mile, excluding fuel and oil expense, profitsharing, and special items

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2023 Guidance Update

We expect to make significant progress in 2023 toward our financial goals, with a focus on restoring our route network and growing profits, margins, and returns on invested capital

Guidance metric	1Q 2023	2023
Aircraft[1]	Not provided	841
Available seat miles (ASMs, or capacity) (vs. 2022)	Up ~10%	Up ~15%
Fuel costs per gallon[2]	$3.00 to $3.10	$2.85 to $2.95
Non-fuel unit costs (CASM-X[3]) (vs. 2022)	Flat to Up 2%	Down 1% to 3%
Scheduled debt repayments (millions)	~$20	~$80
Interest expense (millions)	~$65[4]	~$250[4]
Capital spending (CapEx) (billions)	Not provided	$4.0 to $4.5[5]

Based on current bookings, strong leisure revenue trends are estimated to continue in first quarter 2023, and we also expect continued managed business revenue improvement. CASM-X trends are expected to improve from first half to second half 2023, with second half 2023 CASM-X estimated to decrease in the range of 4 percent to 6 percent, year-over-year

1. Aircraft on property, end of period; net of 27 retirements planned in 2023
2. Includes fuel taxes, fuel hedging premium expense of $0.06 and $0.06 per gallon, and favorable cash settlements from fuel derivative contracts of $0.16 and $0.13 per gallon for 1Q 2023 and full year 2023, respectively. Based on market values as of November 30, 2022
3. Cost per Available Seat Mile, excluding fuel and oil expense, profitsharing, and special items
4. Based on scheduled debt repayments and current interest rates, the Company currently expects 2023 interest income to more than offset 2023 interest expense
5. Represents current contractual payments to The Boeing Company (Boeing) for firm aircraft, in addition to ~$1.2 billion in non-aircraft CapEx

Fuel Hedging Protection

In 2023, we will continue to maintain our multi-year fuel hedging program to provide insurance against material spikes in jet fuel prices

Estimated fuel hedging settlement gains
(Brent crude price per barrel; hedging gains per gallon)

Brent Crude	1Q 2023	2023
$70	$.01	$.02
Current Market[1]	$.16	$.13
$90	$.19	$.18
$100	$.29	$.27
$110	$.41	$.37
$120	$.53	$.48
Fair market value[1] (in millions)	~$88	~$387
Max percentage hedged[2]	56%	50%

We are currently 15 percent hedged for 2024 with hedging gains beginning at Brent crude prices of ~$70 per barrel. We intend to continue building multi-year fuel hedging protection with a goal to be at least 50 percent hedged beyond 2023

1. Brent crude oil average market prices as of November 30, 2022, were approximately $87 and $85 for 1Q 2023 and 2023, respectively.
2. Based on the Company's forecasted fuel consumption and available seat miles.

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Fleet Modernization

Our Boeing order book supports growth and fleet modernization plans, and we have significant fleet flexibility

Contractual Boeing order book
As of December 7, 2022

	-7 firm orders	-8 firm orders	-7 or -8 options	Total
2022	14	100	--	114[1]
2023	21	69	--	90
2024	41	--	45	86
2025	30	--	56	86
2026	30	15	40	85
2027	15	15	6	36
2028+	35	100	--	135
Total	186[2]	299[3]	147	632

We are currently planning for 66 MAX deliveries in 2022 and ~100 in 2023, with 26 and 27 planned retirements, respectively. This represents fewer deliveries than our contractual order book due to -7 certification delays and anticipated Boeing supply chain challenges

Note: Boeing 737-7 (-7); Boeing 737-8 (-8)
1. The Company has received a total of 50 -8 deliveries this year through November 30, 2022. While the Company is contractually scheduled to receive 114 MAX deliveries this year, a portion of its deliveries are expected to shift out of 2022 due to Boeing's supply chain challenges and the current status of the -7 certification.
2. The delivery timing for the -7 is dependent on the Federal Aviation Administration (FAA) issuing required certifications and approvals to Boeing and the Company. The FAA will ultimately determine the timing of the -7 certification and entry into service, and the Company therefore offers no assurances that current estimations and timelines are correct.
3. The Company has flexibility to designate firm orders or options as -7s or -8s, upon written advance notification as stated in the contract.

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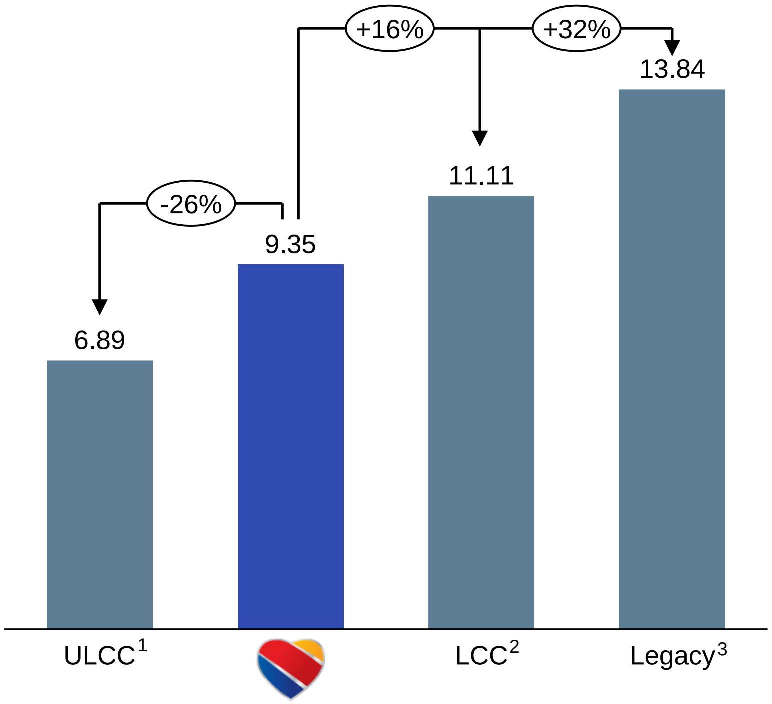
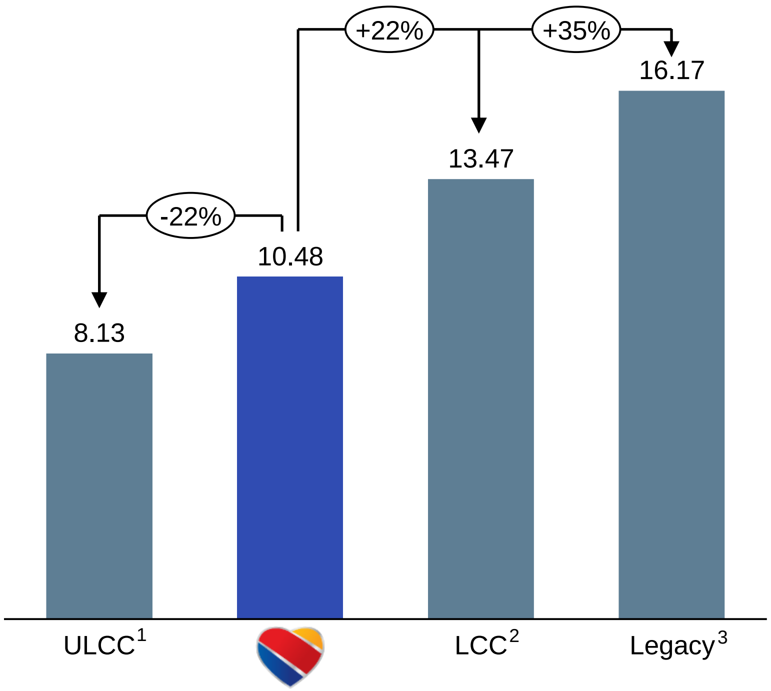
Sustainable Cost Position

Our industry cost position has improved, supported by a moat of business model advantages—all Boeing 737 fleet, point-to-point route network, and short turn times

Pre-pandemic unit costs
2Q 2019, excluding fuel, stage-length adjusted[4]



Current unit costs
2Q 2022, excluding fuel, stage-length adjusted[4]



Since 2019, our unit cost position improved against each industry group average: 4 pts versus ULCC, 6 pts versus LCC, and 3 pts versus Legacy

1. ULCC airlines: Spirit, Allegiant, Frontier
2. LCC airlines: JetBlue, Alaska
3. Legacy airlines: American, Delta, United
4. Cost per Available Seat Mile, excluding fuel and oil expense, and transport related expenses. Source: DOT form 41 and T100 data, through June 30, 2022. Estimated unit costs have been stage-length adjusted to Southwest's average 2019 stage-length, represents domestic mainline. Amounts may differ from airline public filings.

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Financial Goals

Our annual goals are to generate consistent profitability, grow the route network and revenue, and enhance Shareholder value by generating consistent returns on invested capital in excess of weighted average cost of capital

Focus areas	Annual goals
Available seat miles (ASMs)	Modest new market growth and leverage robust network to connect dots and add depth and breadth
Non-fuel unit costs (CASM-X[1])	Maintain competitive cost position and manage inflationary increases
Unit revenues (RASM[2])	Growth in excess of CASM growth
Pre-tax margin	Maintain industry-leading position
After-tax return on invested capital (ROIC)	Well above weighted average cost of capital (WACC)
Balance Sheet	Maintain adequate cash reserves, investment-grade rating, and modest leverage

Our 2023 goals are to grow profits, margins, and ROIC, year-over-year, and restore the route network to fully utilize our fleet by end-of-year

1. Cost per Available Seat Mile, excluding fuel and oil expense, profitsharing, and special items
2. Revenue per Available Seat Mile (RASM)

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Capital Allocation Priorities

Our investment-grade balance sheet continues to be an enduring strength and remains top in the U.S. airline industry

1 Maintain adequate cash reserves

- Cash balance of $13.5B[1]
- Long-term minimum cash target of ~$6B plus revolver
- Earmarking cash for step-up in debt repayments scheduled in 2025 and 2026

2 Invest in the business to fund growth

- 2023 capital spending (CapEx) in the range of $4.0B to $4.5B
- 2024 through 2026 average CapEx of ~$4B
- Continue investing in the business to restore the route network, scale for future growth, and replace 737-700 fleet

3 Reduce debt and leverage

- Repaid ~$2.6B of debt in 2022[1]
- Modest scheduled debt obligations in 2023 and 2024
- ~$3.4B of scheduled debt payments in 2025 and 2026[1]
- Current leverage of 46%[1]; long-term goal in the low-to-mid 30% range

4 Enhance Shareholder returns

- Reinstated and declared quarterly dividend of $.18 per share, or $.72 per share annualized
- Dividend reflects solid results since March 2022, and a solid plan for 2023
- Continue to evaluate longer-term plans to utilize excess cash and free cash flow

1. As of November 30, 2022.

Presentation

Ryan Green

EVP & Chief Commercial Officer

Revenue and Customer Initiatives

We have several areas of focus for 2023 designed to drive revenue performance

REVENUE	1	**Network restoration**	Focus on lower risk capacity additions as we restore and mature the network
	2	**New market maturation**	
	3	**Southwest Business and GDS**	Portfolio of revenue initiatives is expected to provide significant financial value
	4	**New fare product**	
	5	**Revenue management system modernization**	
	6	**Co-brand and loyalty**	
CUSTOMER	7	**Inflight Customer Experience enhancements**	Initiatives focused on the Customer Experience to further strengthen our product offering
	8	**Enhanced flexibility**	

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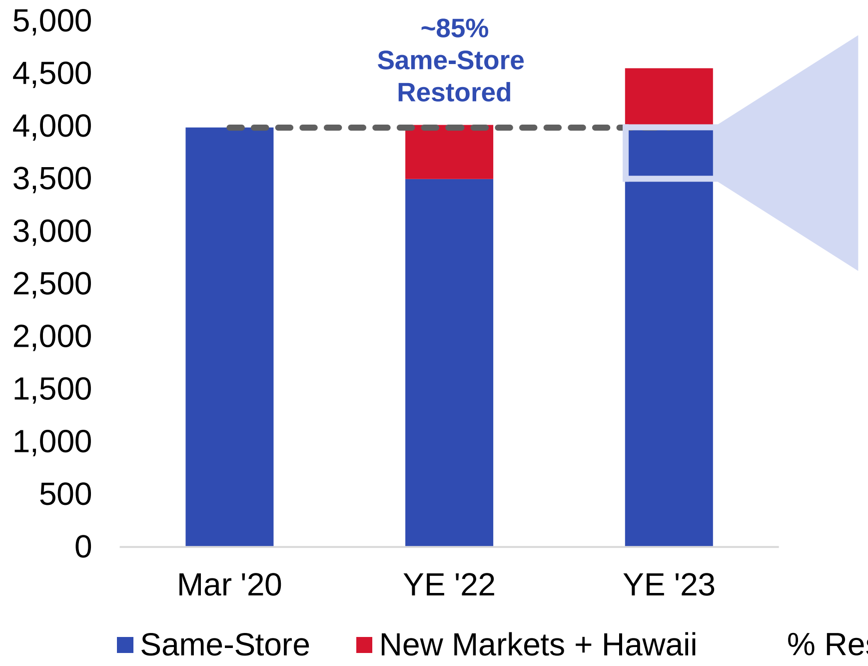
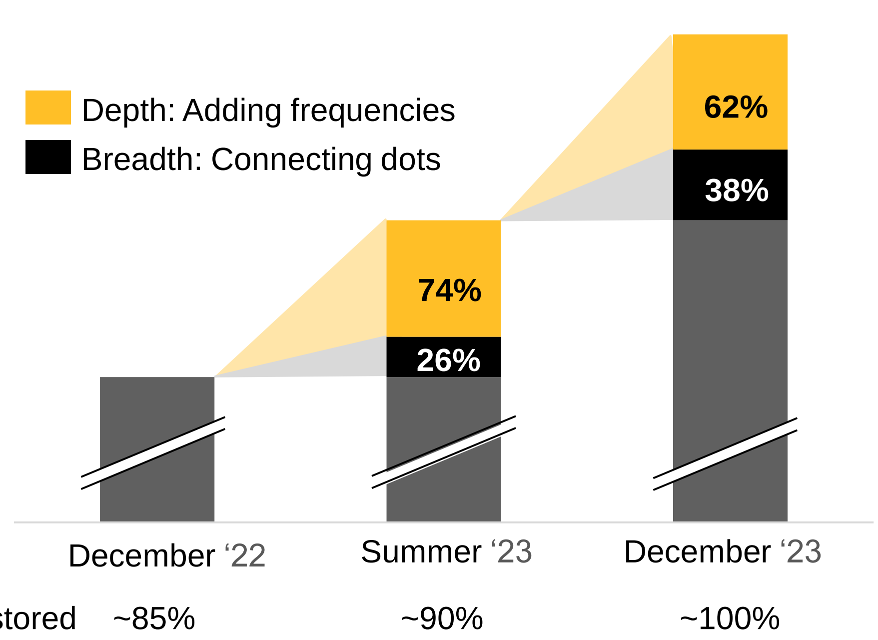
Network Restoration

Network restoration is a priority in 2023 as we rebuild a robust post-pandemic network in key Southwest markets through lower-risk capacity growth

Historical and projected trips
Pre-pandemic through year-end 2023



Trips per day
Monday schedule



2023 capacity growth

Carryover from 2022	Rebuild core markets
~35%	~65%

Full network restoration in 2023 plus new markets added during the pandemic result in ~115 percent of pre-pandemic trips by year-end 2023

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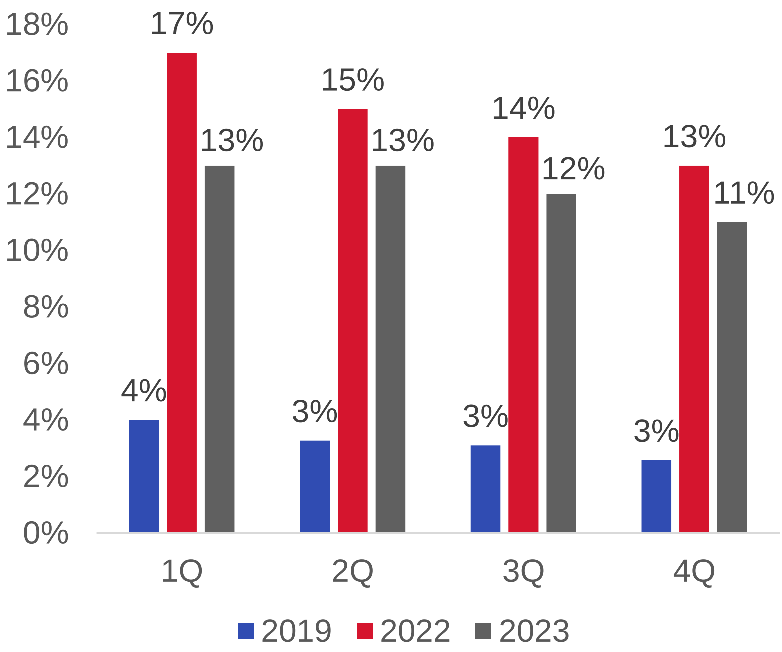
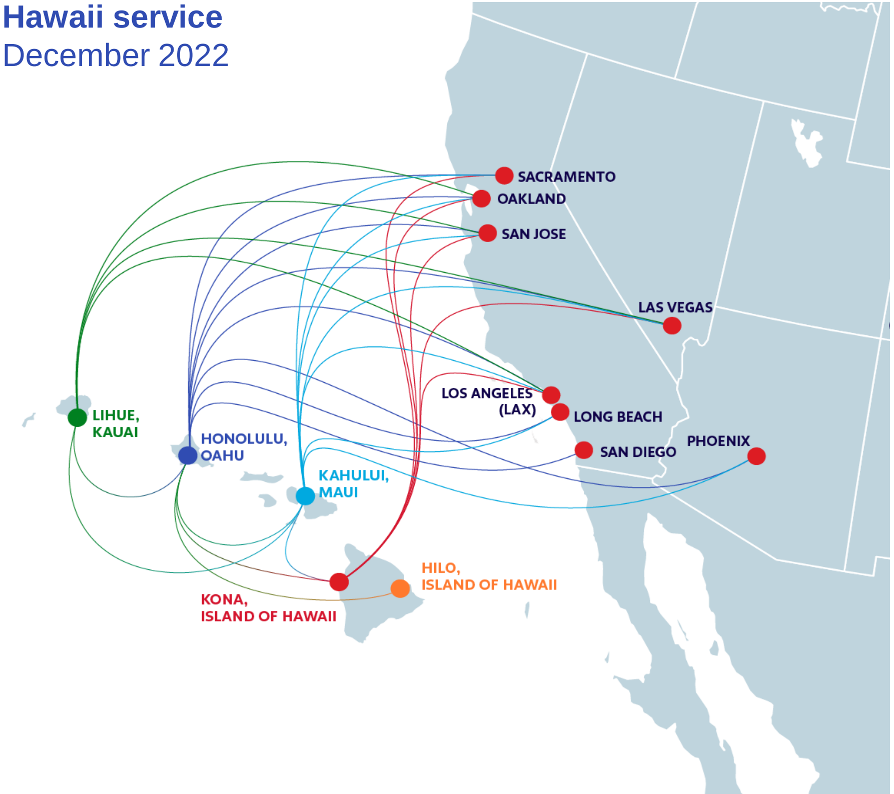
New Market Maturation

We are focused on maturing new markets that launched during the pandemic, and shifting capacity growth to restoring core markets

Percent of system ASMs in development
2022 and 2023 vs. 2019, by quarter



Hawaii service
December 2022



We have made great progress increasing Customer awareness and improving revenue performance in new markets; however, the percentage of ASMs in development is expected to remain elevated in 2023 and 2024

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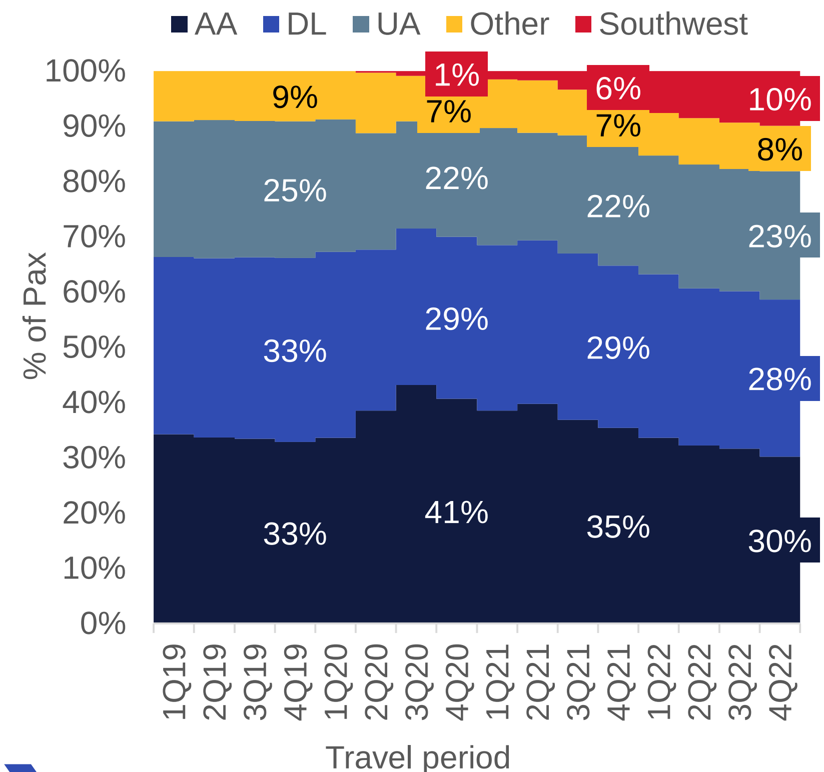
Southwest Business and GDS

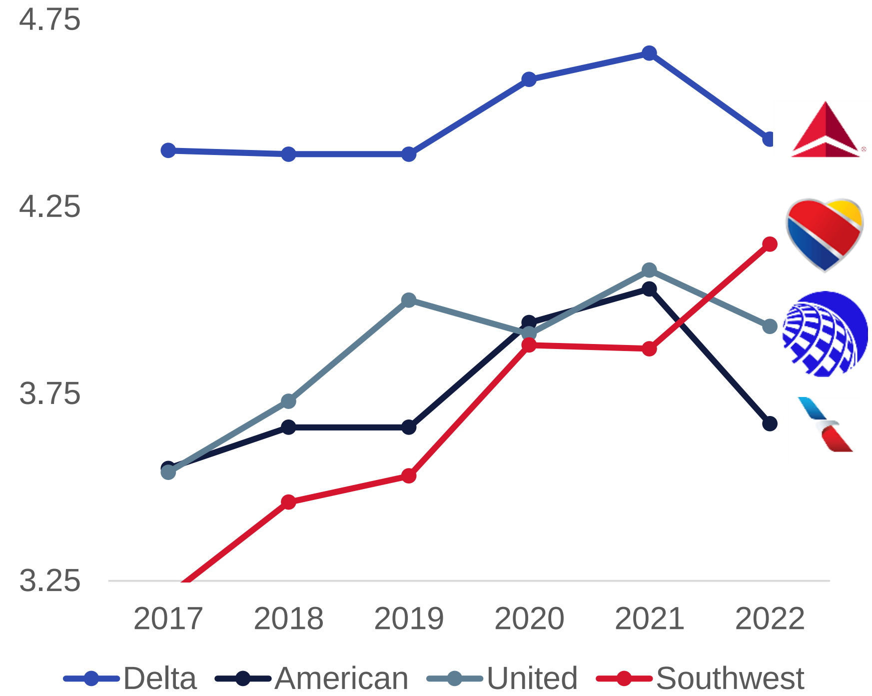
We have invested in People, processes, and technology to grow our presence in the corporate travel space, and have grown our passenger share by 10 percent

ARC Share: Business[1] agencies only



Southwest vs industry

Business Travel News (BTN) survey results;
Scores range from 0 (lowest) to 5 (highest)



We expect to continue realizing the planned EBIT contribution from our GDS initiative in 2023, and we have significantly improved our BTN survey score among Corporate Travel Managers over the past five years

1. Data from Airline Reporting Corporation (ARC) and includes top corporate travel agencies; domestic bookings only (US origin to US destination); Carriers included: Southwest, Delta (DL), American (AA), United (UA), Alaska (AS), and JetBlue (B6); data through November 20, 2022

Southwest

New Fare Product

With the May launch of our new fare product, Wanna Get Away Plus™, we now provide Customers even more flexibility, choice, and rewards for modest buy-ups

Fare Product Offerings

Attributes	Business Select®	Anytime	Wanna Get Away *plus*	Wanna Get Away®
Rapid Rewards® Pts / $	**12**	**10**	**8**	**6**
Funds Flexibility	Refundable ***Transferable*** Flight Credit	Refundable ***Transferable*** Flight Credit	***Transferable*** Flight Credit	Flight Credit
Same-Day Standby	✓	✓	✓	Fare Diff
Same-Day Change	✓	✓	✓	Fare Diff
Priority/Express Lanes	✓	✓	*N/A*	*N/A*
Auto-Boarding Assign	A1-15	EarlyBird Auto-assign	$	$
Premium Drink	✓	$	$	$

Wanna Get Away Plus

Likelihood to repurchase[1]

85%

Customers have an 85% likelihood to repurchase the Wanna Get Away Plus fare after trying

We have seen a decrease in Customers purchasing Wanna Get Away, replaced by purchases of higher-priced fare products

1. Internal Company research

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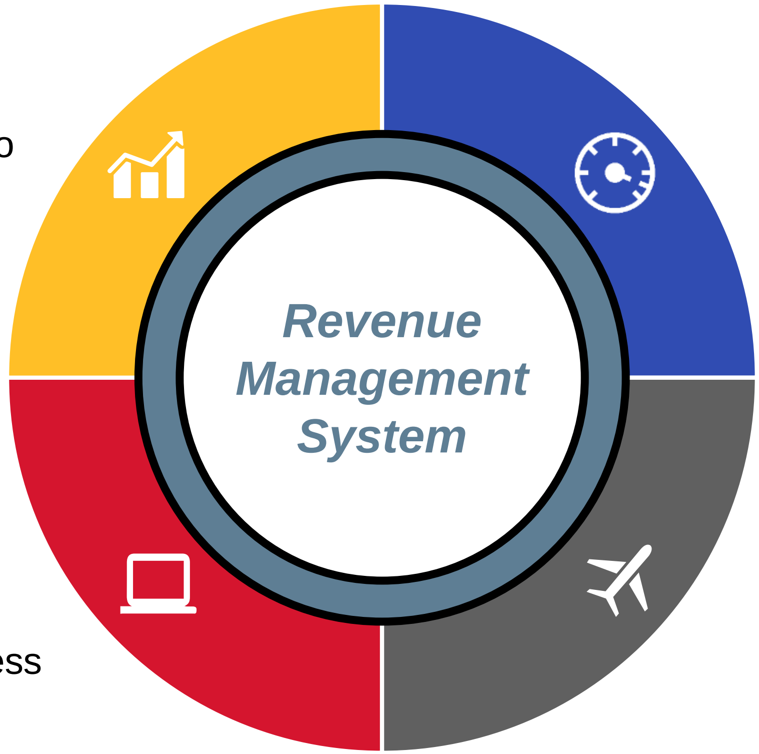
Revenue Management System

Revenue Management System modernization creates the opportunity for incremental revenue by improving forecasting and optimization science

Quickly adapt forecast to ***recent trends***

Upgrade ***optimization science***



Improve ***workflow*** to drive analyst effectiveness

Modernize ***forecasting*** science

We are currently evaluating two production pilots and plan to make our final selection in mid-2023

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Co-Brand and Loyalty

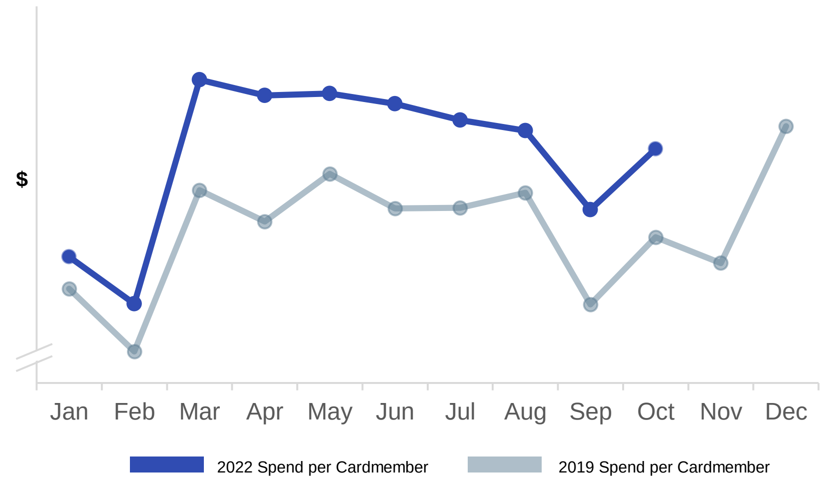
In addition to our Chase agreement benefits, we are seeing momentum in acquiring new Cardmembers and increased spend per Cardmember, with very low attrition

Co-brand acquisition performance[1]

+32%

32% more acquisitions than pre-pandemic

Spend per Cardmember



The improved economics from the December 2021 co-brand credit card agreement are driving value, and we are also experiencing an increased rate of acquisitions and retail spend

1. Co-Brand Acquisitions 3Q22 versus 3Q19

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Inflight Customer Experience Enhancements

To further strengthen our brand, we are investing in a cabin experience tailored to our Customers' needs

Inflight enhancements

WiFi upgrades

In-seat power installations

Larger bin installations

Upgrades to WiFi hardware are expected to continue through 3Q 2023; larger bin installations are expected to begin in early 2023; and in-seat power installations are expected to begin in mid-2023

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Enhanced Flexibility

Flexibility has become more important to our Customers, and flight credits that don’t expire further strengthens our competitive position

Program feature engagement effectiveness[1]

80%

80% of Corporate Travel Managers think “Flight Credits Don’t Expire” is extremely or very effective in driving program engagement

Flexible policies[2]
Domestic airlines

Two bags fly free®	✓						
No change fees	✓						
No cancel fees	✓						
Points / Miles don’t expire	✓	✓		✓	✓		✓
Flight credits don’t expire	✓						

Southwest offers unmatched flexibility with two free checked bags[3]; no change[4] or cancellation[5] fees on all fare types; points that don’t expire; and flight credits that don’t expire, which extends flexibility even further

1. Internal Company research
2. On all fare types, all loyalty statuses, and all credit card member types
3. Baggage weight and size limits apply
4. A fare difference may apply
5. Failure to cancel a reservation at least 10 minutes prior to scheduled departure may result in forfeited travel funds

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New Capability and Initiative Pipeline

As we have historically done, we are continually planning and investing in the next set of opportunities that continue to supplement revenue performance

Commercial development pipeline

Multi-year projects to enhance revenue capabilities have continued to be funded throughout the pandemic

2016-2017
- Amadeus reservation system
- Southwest Business launch

2018-2019
- Revenue management capabilities (Bid Price, 26 Fare Classes, Time of Day pricing) to build upon new reservation system capabilities
- Hawaii launch
- southwest.com and mobile improvements and optimization

2020-2021
- Launch of 18 new cities and Hawaii expansion
- GDS implementations
- Revenue management capabilities (Dual Reservation Booking Designator)

2022-2023
- Network restoration
- New market maturation
- Southwest Business / GDS
- New fare product
- Revenue Management System modernization
- New co-brand credit card agreement

As we strive to maintain a full pipeline to drive revenue growth, we are already planning the next set of revenue initiatives for 2024 and beyond

Southwest

Presentation

Andrew Watterson

Chief Operating Officer

Productivity Goals

By the end of 2023, we expect to achieve 3 of the 4 productivity goals set last year, and we intend to leverage business model advantages to drive additional improvements

210M+ ASMs per aircraft[1]	**~80** FTEs per aircraft[2]	**6+** Average trips per gate[3]	**80+** ASMs per gallon

Unexpected Challenges

- Growing pains coming out of the pandemic
- Unplanned fleet mix changes
- Additional headcount required to support operational reliability

While we do not expect to achieve our People productivity goal in 2023, each of our operations focus areas are aimed at improving overall efficiency

1. Aircraft on property
2. Excludes contractors; part-time Employees counted as 0.5 fulltime equivalent Employees (FTEs); aircraft on property
3. Includes common use, preferential use, and exclusive use gates

Operations Focus Areas

As we move beyond the pandemic, we are leveraging the strengths of our business model to drive efficient growth, operational reliability, and an enhanced experience for our Employees and Customers

Aircraft productivity	Operating leverage	Operating quality	Frontline staffing & tools
Increase asset utilization	*Pursue efficient growth*	*Further strengthen operational Reliability and Hospitality*	*Get properly staffed and better equip our Employees*

These focus areas will reinforce and build upon each other to improve our productivity, while also enhancing the quality of our product

Aircraft Productivity

We plan to increase our asset utilization while speeding up the tempo of the operation

Aircraft productivity

Increase asset utilization

- **Turn execution**
- **Maintenance optimization**
- **Flight scheduling**
- **Block execution**
- **Overnight flying**

Planned 2023 delivery

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Operating Leverage (1 of 2)

We have many opportunities to pursue efficient growth across the core of our network by aligning network restoration plans with staffing and facility capacity; we also have several initiatives designed to improve operating leverage

Operating leverage

Pursue efficient growth

- **Targeted flight adds**
- **NG[1] engine maintenance**
- **Service modernization**
- **Growth in core cities**

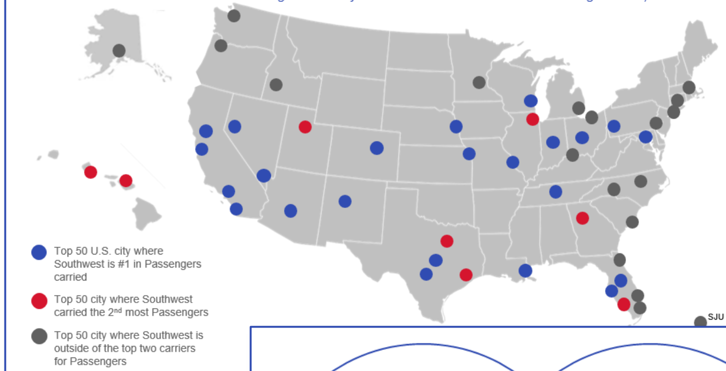
Planned 2023 delivery

Points of strength

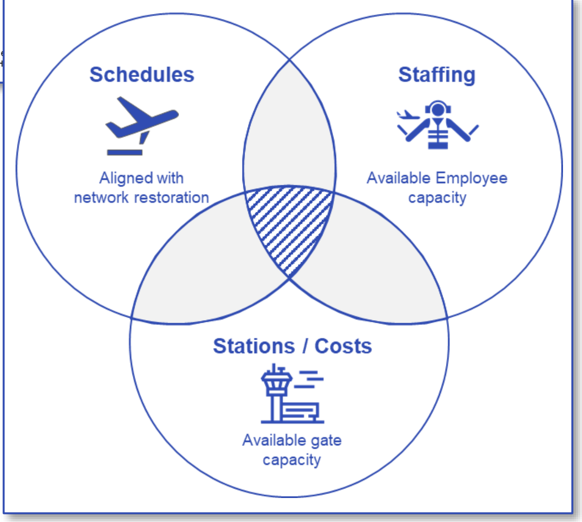
Our unique point-to-point network, low fares, and famous Hospitality have made Southwest the first choice for Customers in cities across the U.S.

Top 50 U.S. Domestic Cities: Southwest was #1 in 23 of Top 50[1]

Cities where Southwest carried more Passengers than any other airline in the last 12 months ending June 30, 2022



Source: U.S. DOT O&D Survey data for the twelve months e
1. Top 50 cities includes co-terminals (NYC, LAX, SFO, CH

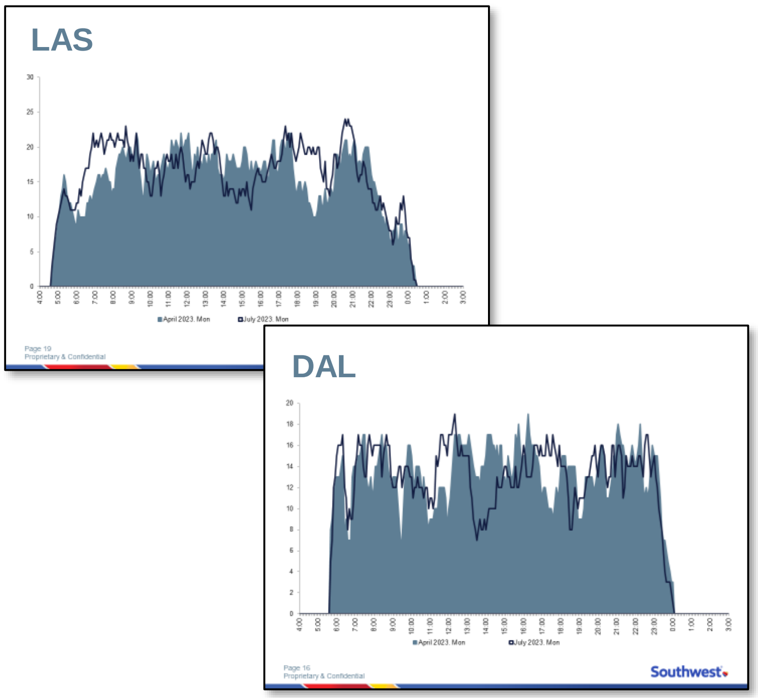


1. Boeing 737 Next Generation (NG) aircraft

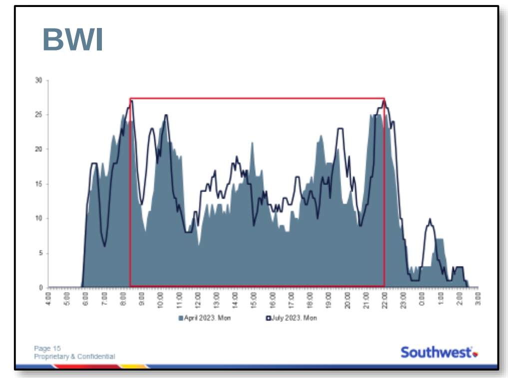
Operating Leverage (2 of 2)

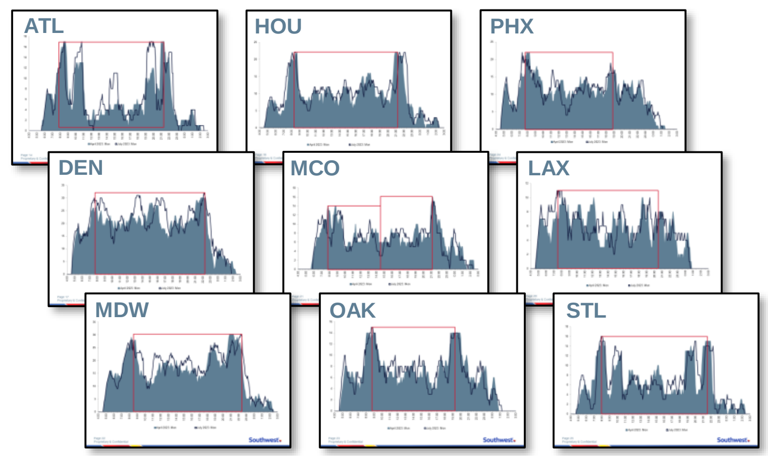
We have significant growth opportunities in our largest airports within existing flight volume peaks, enabling better utilization of existing ground staff and facilities

Several of our large airports have consistently high flight activity across the day…



…while many have valleys that represent opportunities for efficient growth





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Operating Quality

We intend to lessen the impact of irregular events and reduce the causes of disruption

Operating quality

Further strengthen operational Reliability and Hospitality

- **Originator performance**
- **Transfer operations**
- **Network design & recovery**
- **Station command centers**

Planned 2023 delivery

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Frontline Staffing and Tools

We intend to rapidly close gaps and increase investment in the Frontline Employee experience

Frontline staffing & tools

Get properly staffed and better equip our Employees

- **Targeted staffing levels**
- **Training and proficiency**
- **Mobility / digital tools**
- **Continuous improvement**

Planned 2023 delivery

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Driving Value from the Southwest Business Model

Our operations focus areas are expected to continue to build upon and enhance the key operational strengths of our business model

Operations focus areas

- Aircraft productivity
- Operating quality
- Operating leverage
- Frontline staffing & tools

Key operational strengths

- The simplicity of our operating model
- The strength of our point-to-point network
- Flexibility driven by the scale of our operation
- The power of our People
- The strength of our brand

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Break 10 minutes

Q&A Panel

Bob Jordan
Tammy Romo
Ryan Green
Andrew Watterson

Thank you for attending!

Southwest