

December 7, 2022



SOUTHWEST AIRLINES REINSTATES QUARTERLY DIVIDEND

DALLAS, Dec. 7, 2022 /PRNewswire/ -- [Southwest Airlines Co.](https://www.southwestairlines.com) (NYSE: LUV) (the "Company") announced that its Board of Directors (the "Board"), at the close of business yesterday, reinstated and declared a quarterly cash dividend of \$.18 per share to Shareholders of record at the close of business on January 10, 2023, on all shares then issued and outstanding. With the exception of the time period from early 2020 through third quarter 2022—when the Company's dividend was suspended due to the uncertainties of the pandemic and the requirements of the Company's Coronavirus Aid, Relief, and Economic Security Act (CARES Act) financings—the quarterly dividend declared on December 6, 2022 represents the Company's 175th quarterly dividend dating back more than 40 years. The Company's quarterly dividend of \$.18 per share, or \$.72 per share annualized, is equivalent to its dividend prior to the pandemic, and amounts to approximately \$428 million¹, and an approximate 1.8 percent dividend yield² on an annual basis. The quarterly dividend will be paid on January 31, 2023. Consistent with prior practice, all future dividend determinations are subject to approval by the Company's Board.

Bob Jordan, Chief Executive Officer, stated: "We are pleased with the Board's decision to reinstate our quarterly dividend for Shareholders. Today's announcement reflects the strong return in demand for air travel and the Company's solid operating and financial results since March 2022. As we bring the year to a close, our fourth quarter 2022 outlook remains strong, and we have a solid plan for 2023³. The reinstatement of our quarterly dividend also reflects our balance sheet strength and continued focus on generating consistently healthy earnings, margins, and long-term capital returns."

The quarterly dividend will result in an adjustment to the exercise price of, and the number of shares issuable under, the Company's warrants issued to the U.S. Treasury under the CARES Act financings and an adjustment to the conversion rate for the Company's 1.250% Convertible Senior Notes due 2025.

¹Based on approximately 594 million shares of common stock outstanding on December 5, 2022.

²Based on the closing stock price of \$39.50 on December 5, 2022.

³For more information, reference the Company's 2022 Investor Day presentation furnished in its Form 8-K filing dated December 7, 2022.

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