

Southwest Airlines Reaches Agreement In Principle On The Payroll Support Program Under The CARES Act

[Southwest Airlines Co.](#) (NYSE: LUV) (the "Company") today announced it has reached an agreement in principle with the United States Department of Treasury about the general terms expected on the Payroll Support Program ("program") under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Under the agreement in principle, Southwest will receive the funding support necessary to protect the jobs of its more than 60,000 Employees through at least September 30, 2020, with the fundamental goal to maintain the carrier's unprecedented 49-year history absent a single involuntary furlough.

"We are extremely appreciative of the work of our federal leaders. President Trump, Secretaries Mnuchin and Chao, and the entire United States Congress recognize the unprecedented health and economic crisis that our nation is currently facing due to COVID-19, as well as the importance of airlines to our overall national economy, the supply chain, and the nation's future recovery after this crisis subsides," said Southwest Chairman and CEO Gary Kelly. "As we are now in the implementation phase of the CARES Act, we applaud the quick action by the U.S. Department of Treasury to infuse liquidity into the economy and try to keep businesses open and people on the job—and that certainly includes the airlines and our Employees. So, on behalf of Southwest Airlines, my sincere thanks to Secretary Mnuchin and his entire team, who have been working so incredibly hard over the past few weeks to implement the core elements of the CARES Act."

The Company's expected disbursements under the program total more than \$3.2 billion, consisting of more than \$2.3 billion in direct payroll support and a nearly \$1 billion unsecured term loan ("loan"). The loan is expected to have a 10-year term with low interest rates and may be repaid at any time prior to maturity at par. The loan is expected to include approximately 2.6 million warrants issued to the U.S. Department of Treasury. The program includes certain conditions, such as: prohibitions against involuntary furloughs and reductions in employee pay rates and benefits through September 30, 2020; the elimination of share repurchases and dividends until September 30, 2021; and limits on executive compensation until March 24, 2022.

The general terms described above are subject to the negotiation and execution of final documents between the Company and the U.S. Department of Treasury.

ABOUT SOUTHWEST AIRLINES CO.

In its 49th year of service, Dallas-based [Southwest Airlines Co.](#) (NYSE: LUV) continues to differentiate itself from other air carriers with exemplary Customer Service delivered by more than 60,000 Employees to a Customer base topping 130 million passengers in 2019. Southwest became the nation's largest domestic air carrier in 2003 and maintains that ranking based on the U.S. Department of Transportation's most recent reporting of domestic originating passengers boarded. In peak travel seasons during 2019, Southwest operated more than 4,000 weekday departures among a network of 103 destinations in the United States and 10 additional countries.

SOURCE Southwest Airlines Co.

ABOUT SOUTHWEST AIRLINES CO.

[Southwest Airlines Co.](#) operates one of the world's most admired and awarded airlines, offering its one-of-a-kind value and Hospitality at 120 airports across 12 countries. Southwest took flight in 1971 to democratize the sky through friendly, reliable, and low-cost air travel and now carries more air travelers flying nonstop within the United States than any other airline(fn. 1). By empowering its more than 73,000(fn. 2) People to deliver unparalleled Hospitality, the maverick airline cherishes a passionate loyalty among more than 134 million Customers carried in 2025. Southwest leverages a unique legacy and mission to serve communities around the world including harnessing the power of its People and Purpose to put communities at the Heart of its success. Learn more by visiting [Southwest.com/citizenship](#).

1. Based on U.S. Dept. of Transportation quarterly Airline Origin & Destination Survey as of Q4 2025
2. Fulltime-equivalent active Employees as of March 31, 2026

Media Contacts:

Visit the Southwest Newsroom at [swamedia.com](#) for multimedia assets and other Company news.

###