Southwest Airlines Co.

LUV

NYSE; other; SIC 4512, Air Transportation, Scheduled; CIK 0000092380

None

No letter

6 of 14 inputs computable; 7 are required, with a score in every sleeve

Scoreboard	
Reliability	0.94 AUC filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over $2.67B assets total assets $29.1B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	thin data not computable: distress
Inputs computable	6 of 14
Graded from	filings received through Feb 6, 2026 260 days before the rescan; latest periodic filing 10-Q received Oct 22, 2026
Last close	$41.75 2026-10-23; market equity $20.4B; no price enters the letter

Share price, twelve months to the rescan



Split-adjusted close. Each lollipop is a rescan and carries the letter held then.

Letter at every rescan, 2012 to 2026



Sector percentile at each rescan, stronger toward the top; facts filed by each date only.

Business, in the company's words

opening of Item 1 of the 10-K received Feb 5, 2026

Southwest Airlines Co. (the "Company" or "Southwest") operates Southwest Airlines, a major passenger airline that provides scheduled air transportation in the United States and near-international markets. Southwest commenced service on June 18, 1971, with three Boeing 737 aircraft serving three Texas cities: Dallas, Houston, and San Antonio. Southwest's unique route network, competitive fares, and famous Hospitality continue to make the Company an attractive choice for Customers in cities across the United States and near-international destinations.

The fourteen inputs

lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight

Input	Value	Peer median	Percentile, 0 to 100	Pct	Peers	Period end
Profitability, sleeve percentile 66.8						
Gross profitability	not computable	27.1%				
one or more required annual facts are missing						
Return on invested capital	3.9%	10.0%		74.7	151	2025-12-31

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Accruals ratio	(4.5%)	(5.8%)	58.9	502	2025-12-31
Gross margin stability, five years	not computable	2.2 pts			
five annual gross margins are required; found 0					
Solvency, sleeve percentile 88.5					
Twelve-month failure probability	not computable	0.04%			
liabilities and a nearby cover-page share count are required at 2026-09-30					
Altman Z double-prime	not computable	2.05			
one or more required annual facts are missing					
Net debt to EBITDA	not computable	2.52x			
one or more required annual facts are missing					
Interest coverage	not computable	2.18x			
latest aligned inputs end 2019-12-31; latest annual assets end 2025-12-31					
Current ratio	0.52x	1.33x	88.5	504	2025-12-31
Growth and financing, sleeve percentile 43.0					
Revenue growth, three-year compound	5.6%	5.1%	45.0	399	2025-12-31
Free cash flow growth, three-year compound	not computable	8.9%			
current FCF must be positive and base FCF must exceed $100,000					
Reinvestment rate	not computable	11.9%			
one or more required annual facts are missing					
Asset growth, three years	(6.3%)	4.1%	83.6	435	2025-12-31
Net share issuance, one year	(17.1%)	(0.5%)	0.3	354	2026-02-03

Warnings

1 of 7 checks triggered; none of them enters the letter

Check	Measured
Thin data	6 of 14 grade factors are computable; minimum is 7

What the price implies

at the 2026-10-23 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	21.7%	2.0%	68
Distance from 52-week high	(23.8%)	(25.2%)	52
EBIT to enterprise value	2.1%	4.3%	27
Free cash flow yield	(4.1%)	4.1%	18
Book value to price	0.36	0.34	54
Sales to price	1.37	0.72	71
Composite equity issuance, five years	(26.8%)	(8.8%)	17
Relative strength against the sector, log excess return	0.05	(0.13)	68

Diagnostics

shown on every report; none enters the grade

Measure	Value
Piotroski F-score None of 9, period end 2025-12-31	
Return on assets above zero	pass
Operating cash flow above zero	pass
Return on assets improved	pass
Operating cash flow exceeds net income	pass
Long-term leverage fell	fail
Current ratio improved	fail
No new shares issued	pass
Gross margin improved	fail
Asset turnover improved	pass

Cash, filings, liquidity	
Cash and equivalents	$3.6B
Operating cash flow, four quarters	$2.8B
Months of runway	not finite
Days since last periodic filing	2 (10-Q received Oct 22, 2026)
Median daily dollar volume, 63 sessions	$213.1M

Sources

every fact behind the inputs; each row links to its filing index on sec.gov

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	operating income	us-gaap:OperatingIncomeLoss	$428.0M	2025-12-31	2026-02-05	10-K	26-000004
2	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$563.0M	2025-12-31	2026-02-05	10-K	26-000004
3	income tax	us-gaap:IncomeTaxExpenseBenefit	$122.0M	2025-12-31	2026-02-05	10-K	26-000004
4	total debt	us-gaap:LongTermDebtAndCapitalLeaseObligations	$4.6B	2025-12-31	2026-02-05	10-K	26-000004
5	book equity	us-gaap:StockholdersEquity	$8.0B	2025-12-31	2026-02-05	10-K	26-000004
6	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$3.2B	2025-12-31	2026-02-05	10-K	26-000004
7	total debt	us-gaap:LongTermDebtAndCapitalLeaseObligations	$5.1B	2024-12-31	2026-02-05	10-K	26-000004
8	book equity	us-gaap:StockholdersEquity	$10.3B	2024-12-31	2026-02-05	10-K	26-000004
9	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$7.5B	2024-12-31	2026-02-05	10-K	26-000004
10	net income	us-gaap:NetIncomeLoss	$441.0M	2025-12-31	2026-02-05	10-K	26-000004
11	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$1.8B	2025-12-31	2026-02-05	10-K	26-000004
12	assets	us-gaap:Assets	$29.1B	2025-12-31	2026-02-05	10-K	26-000004
13	assets	us-gaap:Assets	$33.8B	2024-12-31	2026-02-05	10-K	26-000004
14	operating income	us-gaap:OperatingIncomeLoss	$3.0B	2019-12-31	2022-02-07	10-K	22-000007
15	interest expense	us-gaap:InterestExpense	$118.0M	2019-12-31	2020-02-04	10-K	20-000024
16	current assets	us-gaap:AssetsCurrent	$5.6B	2025-12-31	2026-02-05	10-K	26-000004
17	current liabilities	us-gaap:LiabilitiesCurrent	$10.9B	2025-12-31	2026-02-05	10-K	26-000004
18	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$28.1B	2025-12-31	2026-02-05	10-K	26-000004
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$27.5B	2024-12-31	2026-02-05	10-K	26-000004
20	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$26.1B	2023-12-31	2026-02-05	10-K	26-000004
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$23.8B	2022-12-31	2025-02-07	10-K	25-000024
22	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	$2.7B	2025-12-31	2026-02-05	10-K	26-000004
23	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$462.0M	2024-12-31	2026-02-05	10-K	26-000004
24	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	$2.1B	2024-12-31	2026-02-05	10-K	26-000004
25	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$3.2B	2023-12-31	2026-02-05	10-K	26-000004
26	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	$3.5B	2023-12-31	2026-02-05	10-K	26-000004
27	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$3.8B	2022-12-31	2025-02-07	10-K	25-000024
28	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	$3.9B	2022-12-31	2025-02-07	10-K	25-000024
29	assets	us-gaap:Assets	$36.5B	2023-12-31	2025-02-07	10-K	25-000024
30	assets	us-gaap:Assets	$35.4B	2022-12-31	2024-02-06	10-K	24-000027
31	shares outstanding	dei:EntityCommonStockSharesOutstanding	491,317,990	2026-02-03	2026-02-06	10-K/A	26-000006
32	shares outstanding	dei:EntityCommonStockSharesOutstanding	592,661,084	2025-02-05	2025-02-07	10-K	25-000024

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