

# Southwest Airlines | A/c purchase | 02-23 | \$539m | 39x737-700

US carrier Southwest Airlines agreed to purchase 39 Boeing 737-700 aircraft in the fourth quarter of last year from Aercap.

The US carrier signed an aircraft sale agreement with the lessor on 5 December to purchase the aircraft, which were under finance lease terms.

The Aercap batch was manufactured between 2000 and 2007.

The aircraft were on lease from the lessor with some lease terms up to 2027.

In a 10Q filing, Southwest said it completed the purchase of 31 aircraft by the end of last year. The remaining eight are expected to be finalised by the end of February 2023.

Southwest paid the lessor \$365 million as part of this transaction, of which \$191 million was recorded as the elimination of the remaining finance lease obligation for the aircraft, and which was also reflected within payments of long-term debt and finance lease obligations.

The remaining \$174 million was the net purchase price of the aircraft and is included as part of Southwest’s capital expenditures for 2022.

Upon completion of this purchase, it will have 28 finance leased aircraft remaining.

Transaction Overview

Structure

**Product category:** Aircraft sale & purchase  
**Product type:** Aircraft sale & purchase  
**Structure** Aircraft sale & purchase  
**Use of proceeds** Aircraft Purchase

Transaction Categories

Regions:  
[North America](#) | [United States](#) |

Tagged as:  
[G8](#) |

Transaction Roles

Lawyers

Company Name	Role	Client
Smith Gambrell & Russell	Advisor	

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Transaction Timeline

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08/02/2023	Financial close	<a href="#">Skyworks to arrange Spirit 2024 SLBs</a>
05/12/2022	Finance mandated	<a href="#">Southwest Airlines pays \$365m for 737 batch</a>

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MSN	Quantity	Model	BodyType	Manufacturer
MSN 1234 39		737-700	Narrowbody	Boeing

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## Coverage

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In the market with two separate RFPs

### [Southwest reports second quarter cash burn](#)

Eyes \$2.9bn of maturities to address

### [Southwest net cash balances fleet headwinds](#)

Elliott criticism of Southwest overlooks strong balance sheet metrics

### [Southwest slashes Max delivery schedule](#)

As losses mount

### [Southwest slashes 2024 Max delivery schedule](#)

Cuts over 30 Max from prior OEM delivery schedule

### [Southwest Airlines invests \\$30m in SAF](#)

Vinson & Elkins advise on the deal.

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Debt repayments this year are a tiny fraction of those in 2022

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Replaces Chris Monroe

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Southwest 2023 delivery schedule reduced by nearly one-third since last year.

### [Southwest signs for carbon credits with SMBC AC](#)

Last September, SMBC AC launched its sustainability solution for its airline customers, including an initial \$53m investment in high quality carbon credit programmes.

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The aviation market stands to avoid billions of dollars in claims if confidential talks do not fall foul of the international sanctions regime, Insurance Insider reports

## [Southwest Airlines pays \\$365m for 737 batch](#)

US carrier also extinguished debt on several 737s last year using cash on hand.

## [Skyworks to arrange Spirit 2024 SLBs](#)

Details fourth quarter 2022 activities.

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