



Monthly Statistical Report

To: Russell J. Handy, Aviation Director
From: Brian Pratte, Chief Air Service Development Officer
Copies: San Antonio Regional Stakeholders
Subject: December 2018 Monthly Statistics
Date: January 23, 2019

AIRPORT ACHIEVES RECORD 10 MILLION PASSENGERS IN 2018

SUMMARY

For the first time in history, San Antonio International Airport (SAT) achieved 10 million passengers in 2018, a year of unprecedented growth for the South Texas airport which has experienced record passengers for the last 30 consecutive months. A total of 10,044,411 passengers flew through SAT during the year, exceeding 2017 levels by almost exactly one million. Full-year traffic increased by nearly 11%, with an 11% increase in domestic traffic and international traffic up 13%, despite the ongoing challenging economic and political environment between the U.S. and Mexico. This remarkable growth, reflects an ongoing trend of progress at the airport in its effort to attain and retain air service with multiple new routes added in the past three years. In 2018, 19 new flights were added to destinations such as Fort Lauderdale, Oakland, Philadelphia and Raleigh-Durham.

In December 2018, the airport recorded 875,437 passengers, a 12% increase compared to the same month the prior year. Domestic traffic also rose nearly 12% driven largely by capacity increases by almost all of the domestic carriers and new routes on American, Frontier and Southwest. International traffic increased by an impressive 9%.

In regards to air cargo, 272,265,967 pounds moved through SAT in 2018 representing an increase of nearly 9%, reaching YTD levels not experienced since 2010. This growth further supports the economic momentum apparent in the San Antonio region.

(Please see Exhibit A for a detailed breakdown of all passenger and cargo stats)

Since 2016, 35 new flights have either been added or announced at SAT contributing to the recent passenger growth at the airport. These additions are telling indicators of a flourishing economy in San Antonio, now the fastest growing city in the country by total volume. According to the Bureau of Labor Statistics, unemployment rates continue to fall year after year and are consistently below the national average. From July 2017 to July 2018, 25,000 jobs were added in the Alamo City with significant growth in the tech, cybersecurity, bioscience and manufacturing sectors. Finally, below national average cost of living continues to make San Antonio an increasingly attractive place to live, work and do business.

(Sources: U.S. Census Bureau, San Antonio Economic Development Foundation and Visit San Antonio)

SAN ANTONIO INTERNATIONAL AIRPORT

9800 AIRPORT BOULEVARD | SAN ANTONIO, TX 78216 | T: 210.207.SAIA (7242) | F: 210.207.3500



DOMESTIC PASSENGERS

Scheduled domestic capacity, or seats, increased 7.4% or 33,822 seats in December 2018 vs. December 2017 with a total of 489,895 monthly departure seats. During the month, nearly every domestic carrier increased capacity at the airport, with airlines routinely making monthly or seasonal adjustments to the number of flights and seats available to match market demand trends.

During the month, American and United both increased capacity by over 13% with the launch of Philadelphia by American in February and increased frequency and/or aircraft gauge to multiple markets by both carriers. Southwest also grew their capacity by nearly 6% including the launch of Fort Lauderdale and Oakland in July along with added seats to several other existing markets during the year.

For the year, all but one carrier added seats to the domestic market whether by adding new flights or adding capacity (increased frequency/aircraft gauge) to existing markets with an overall increase of 9.4%. For a breakdown of new flights, see the “Recent Schedule Changes” below.

Airline	DEC 2018 Seat Change	DEC 2018 Passenger Change	YE 2018 Seat Change	YE 2018 Passenger Change
Alaska	0.3%	0.5%	1.7%	2.8%
Allegiant	(1.1%)	(3.9%)	(29.6%)	(27.0%)
American	13.3%	12.3%	10.2%	9.2%
Delta	0.2%	6.5%	0.9%	2.0%
Frontier	1.8%	4.4%	146.4%	134.4%
Southwest	5.6%	12.3%	4.0%	7.4%
United	13.6%	17.5%	8.2%	10.9%

When comparing year-over-year domestic capacity changes, the results were based on the following:

- American Airlines: began daily nonstop service to Philadelphia in February 2018 and increased aircraft gauge to Chicago O’Hare in May 2018, Charlotte in September 2018 and Los Angeles in November 2018
- Delta: increased frequency to Salt Lake City June 2018
- Frontier Airlines: launched seasonal service to Cincinnati, Colorado Springs, Orlando, Raleigh-Durham and San José, CA in April 2018. Service to 11 additional markets began in August 2018
- Southwest Airlines: launched new daily service to Fort Lauderdale and Oakland in July 2018 with recent added capacity to several markets
- United Airlines: increased frequency to Newark in October 2018



INTERNATIONAL PASSENGERS

Scheduled international capacity experienced a slight decrease in December 2018 at (1.2%) with 25,898 monthly departure seats. Despite the decrease, total international passengers increased considerably by 9.1% YOY in December. This was likely due to a strong holiday demand period and seasonal increases by Interjet and Volaris to Guadalajara.

For the year, international traffic was up a remarkable 12.7% with added capacity by Interjet and Volaris to Mexico markets such as Guadalajara, Mexico City and Monterrey. Since Air Canada's Toronto service began May 2017, new capacity by the airline was also reflected for the first four months of 2018.

Current macro-level economic and political uncertainties continue to suppress demand between Mexico, SAT and the United States as a whole. The valuation of the Peso to the U.S. Dollar continues to struggle to gain significant improvement since its collapse in 2015. However, to some degree, San Antonio's strong cultural and economic ties to Mexico limit the negative effect these external factors play on air service between Mexico and our region. To illustrate beyond SAT's international growth in 2018, the airport ranked #3 among all U.S. medium-hubs in terms of total seat growth to Mexico year-end December 2018, behind San José, CA and Houston-Hobby respectively. SAT's air service team continues to monitor these macro-level factors closely and any effect they may have on service levels to/from Mexico.

Airline	DEC 2018 Seat Change	DEC 2018 Passenger Change	YE 2018 Seat Change	YE 2018 Passenger Change
Air Canada	(8.9%)	(18.1%)	43.4%	43.1%
Aeromexico	(20.3%)	(16.4%)	(11.3%)	(13.1%)
Interjet	4.3%	12.1%	8.6%	13.9%
Southwest*	(40.0%)	(34.3%)	(6.2%)	(6.0%)
United*	N/A	N/A	0.0%	7.6%
Volaris	5.3%	34.0%	64.0%	54.4%

*Southwest and United offer seasonal service to Cancún, Mexico.

When comparing year-over-year international capacity changes, the results were based on the following:

- Air Canada: reduced daily service to 5-6X weekly during off-peak travel months (Nov-May)
- Interjet: increased capacity to Guadalajara during peak summer months (Jun-Aug, Dec) and Monterrey (Jun-Oct)
- Southwest & United: offers service to Cancún on a seasonal basis
- Volaris: increased seasonal capacity to Guadalajara in June 2018 during peak months only



RECENT SCHEDULE CHANGES

In January 2019, Sun Country announced the addition of SAT to their growing network. Nonstop, seasonal service to Minneapolis (MSP) and Portland, OR (PDX) begins May 23 and Jun 5, respectively. Prior to the announcement, PDX was a top unserved market for the airport with MSP currently served by Delta. Sun Country will be SAT's 12th carrier.

In October 2018, American Airlines announced new daily nonstop service to New York's JFK Airport beginning February 2019. American joins Delta and United with nonstop service to the New York area, a top underserved market for SAT prior to this announcement. The new American flight will be operated on a 160-seat Boeing 737-800 aircraft.

In August 2018, Frontier launched weekly service to 11 **NEW** seasonal and year-round markets. They include Albuquerque, Charlotte, Cleveland, Columbus, Jacksonville, Memphis, Oklahoma City, Omaha, Orange County, Salt Lake City and Tulsa with all but Charlotte and Salt Lake previously unserved markets. This is in addition to 10 other routes launched within the last year bringing the total number of Frontier destinations served from SAT to 25, the largest amount of any carrier at SAT.

Also in August, Frontier and Volaris launched a first of its kind codeshare agreement between the two ultra-low-cost carriers. The codeshare allows for each airline to sell combined passenger itineraries for seamless transfer between the U.S. and Mexico and is anticipated to have a positive impact on passenger traffic between the two carriers at SAT.

In July 2018, Southwest Airlines began **NEW** daily, year-round, nonstop service to Oakland (OAK) and Fort Lauderdale (FLL). Prior to launch, OAK was an unserved market and FLL was only served seasonally. Both markets bring much needed capacity to the Bay Area and Southeast Florida and are flown on 143/175-seat Boeing 737 aircraft. Southwest has also recently increased frequencies to multiple cities, mostly during the peak summer season.

In March 2018, Mexican low-cost carrier Interjet, announced **NEW** daily nonstop service to León, Mexico (BJX), the fourth Mexican city served by the carrier and fifth from SAT. Service to BJB was initially set to begin June 2018, but has since been pushed back to an unknown date due to aircraft delivery delays. The flight was scheduled to be operated on a 93-seat Sukhoi Superjet 100 aircraft offering convenient central access to Mexico's thriving Bajío region.

In February 2018, American Airlines launched **NEW** daily, year-round, nonstop service to Philadelphia, a market previously served only seasonally by Frontier. The new service is operated on a 150-seat Airbus A320 aircraft and provides added capacity to the East Coast and American's primary transatlantic gateway.



In January 2018, Southwest Airlines began daily, direct (one-stop, no plane change) service to Ronald Reagan Washington National Airport (DCA). Though the layover city fluctuates, the schedule remains consistent each day.

Volaris recently launched **NEW** nonstop service to Mexico City in September 2017 flown on a 179-seat Airbus A320 aircraft which is operated seasonally during peak travel periods. With this added service, SAT now offers four peak-day nonstop flights to Mexico's capital city.

In May 2017, San Antonio International Airport welcomed a **NEW** international carrier with Air Canada's daily nonstop service to Toronto, Ontario, Canada- the airport's first to Canada.



EXHIBIT A

San Antonio International Airport Passenger & Air Cargo Activity Summary Report

	December			Calendar Year-to-Date		
	2018	2017	% Change	2018	2017	% Change
Passengers						
Domestic Enplanements	422,171	376,035	12.3%	4,820,522	4,335,919	11.2%
Domestic Deplanements	411,689	370,098	11.2%	4,808,788	4,359,242	10.3%
Total Domestic Passengers	833,860	746,133	11.8%	9,629,310	8,695,161	10.7%
Intl Enplanements	21,587	19,506	10.7%	208,263	185,692	12.2%
Intl Deplanements	19,990	18,591	7.5%	206,838	182,689	13.2%
Total Intl Passengers	41,577	38,097	9.1%	415,101	368,381	12.7%
Grand Total All Passengers	875,437	784,230	11.6%	10,044,411	9,063,542	10.8%

Air Cargo (in Pounds)						
Domestic Freight Enplaned	7,652,775	7,985,982	-4.2%	80,872,569	68,752,585	17.6%
Domestic Freight Deplaned	10,153,156	9,952,435	2.0%	107,854,005	99,866,214	8.0%
Total Domestic Freight	17,805,931	17,938,417	-0.7%	188,726,575	168,618,799	11.9%
Intl Freight Enplaned	944,210	499,931	88.9%	7,350,207	6,882,220	6.8%
Intl Freight Deplaned	259,728	224,735	15.6%	2,801,527	2,021,087	38.6%
Total Intl Freight	1,203,938	724,666	66.1%	10,151,734	8,903,307	14.0%

Total Freight	19,009,869	18,663,083	1.9%	198,878,309	177,522,106	12.0%
----------------------	-------------------	-------------------	-------------	--------------------	--------------------	--------------

Mail Enplaned	2,008,350	2,356,130	-14.8%	27,631,744	28,035,979	-1.4%
Mail Deplaned	3,356,398	3,657,885	-8.2%	45,755,915	45,133,611	1.4%
Total Mail	5,364,748	6,014,015	-10.8%	73,387,658	73,169,590	0.3%

Grand Total All Air Cargo	24,374,617	24,677,098	-1.2%	272,265,967	250,691,696	8.6%
----------------------------------	-------------------	-------------------	--------------	--------------------	--------------------	-------------

SAN ANTONIO INTERNATIONAL AIRPORT

9800 AIRPORT BOULEVARD | SAN ANTONIO, TX 78216 | T: 210.207.SAIA (7242) | F: 210.207.3500