



**SAN ANTONIO
INTERNATIONAL AIRPORT**

NOVEMBER 2018

MONTHLY STATISTICAL REPORT





Monthly Statistical Report

To: Russell J. Handy, Aviation Director
From: Brian Pratte, Chief Air Service Development Officer
Copies: San Antonio Regional Stakeholders
Subject: November 2018 Monthly Statistics
Date: December 19, 2018

NOVEMBER YTD PASSENGERS EXCEED FULL YEAR 2017 LEVELS

SUMMARY

San Antonio International Airport (SAT) continued its record setting pace through the month of November with year-to-date totals exceeding 2017 full-year levels by over 100,000. A total of 888,698 passengers, a significant increase of nearly 10% or over 78,000 passengers, flew through the airport during the month with year-to-date totals up nearly 11% or 9.2M. This unprecedented growth at SAT 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 two years and record passengers for the last consecutive 29 months. With the busy December holiday travel season still ahead, SAT anticipates continued record breaking growth through the balance of 2018.

Domestic traffic for November rose nearly 10% compared to the same month last year driven largely by capacity increases by almost all of the domestic carriers and new routes on American, Frontier and Southwest. International traffic increased over 9%, with year-to-date totals up an astounding 13%, or 373,524 passengers.

Additionally, a total of 23,226,587 pounds of air cargo moved through SAT in November 2018 with year-to-date totals up nearly 10% reaching levels not experienced since the same period in 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, 33 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. The visitor and tourism industry continues to outpace their hotel occupancy targets set for the next several years and 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)

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DOMESTIC PASSENGERS

Scheduled domestic capacity, or seats, increased 11.5% or 50,634 seats in November 2018 vs. November 2017 with a total of 492,734 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.

Since fall 2017, Frontier Airlines has launched new nonstop service to 21 markets which contributed to a 70% surge in capacity for the airline in November. Furthermore, American increased capacity by an impressive 18% with the launch of Philadelphia in February and added capacity to all of their served markets from SAT. United and Southwest both grew capacity by over 8% by increasing frequency and/or aircraft gauge to multiple markets with Southwest launching new service to Fort Lauderdale and Oakland in July.

Airline	Seat Capacity Change	Passenger Change
Alaska Airlines	0.2%	(2.0%)
Allegiant Air	1.2%	(0.6%)
American Airlines	18.4%	14.7%
Delta Air Lines	(1.4%)	(3.6%)
Frontier Airlines	70.0%	56.4%
Southwest Airlines	8.2%	8.5%
United Airlines	8.8%	8.1%

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 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 continued its upward trend in November 2018 with 25,167 monthly departure seats or 6.4%. This was primarily driven by added seats on Interjet to Mexico City and Monterrey and Volaris to Guadalajara.

Overall, total international passengers increased considerably by 9.2% YOY in November. This was due, as noted earlier, by capacity increases by Interjet and Volaris. However, 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, SAT ranked #3 among all U.S. medium-hubs in terms of total seat growth to Mexico year-end November 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	Seat Capacity Change	Passenger Change
Air Canada	14.5%	(0.4%)
Aeromexico	(9.6%)	(11.2%)
Interjet	12.2%	16.8%
Southwest*	(33.3%)	(37.4%)
United*	N/A	N/A
Volaris	4.8%	27.8%

*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) and Monterrey which began June 2018
- 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 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 BJX 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.

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EXHIBIT A

San Antonio International Airport Passenger & Air Cargo Activity Summary Report

	November			Calendar Year-to-Date		
	2018	2017	% Change	2018	2017	% Change
Passengers						
Domestic Enplanements	423,889	387,106	9.5%	4,398,351	3,959,884	11.1%
Domestic Deplanements	428,303	389,959	9.8%	4,397,099	3,989,144	10.2%
Total Domestic Passengers	852,192	777,065	9.7%	8,795,450	7,949,028	10.6%
Intl Enplanements	18,152	16,658	9.0%	186,676	166,186	12.3%
Intl Deplanements	18,354	16,772	9.4%	186,848	164,098	13.9%
Total Intl Passengers	36,506	33,430	9.2%	373,524	330,284	13.1%
Grand Total All Passengers	888,698	810,495	9.6%	9,168,974	8,279,312	10.7%

Air Cargo (in Pounds)						
Domestic Freight Enplaned	6,802,658	6,644,177	2.4%	73,219,795	60,766,603	20.5%
Domestic Freight Deplaned	9,469,622	8,526,358	11.1%	97,700,849	89,913,779	8.7%
Total Domestic Freight	16,272,280	15,170,535	7.3%	170,920,643	150,680,382	13.4%
Intl Freight Enplaned	706,796	520,186	35.9%	6,405,997	6,382,289	0.4%
Intl Freight Deplaned	281,915	144,780	94.7%	2,541,799	1,796,352	41.5%
Total Intl Freight	988,711	664,966	48.7%	8,947,796	8,178,641	9.4%

Total Freight	17,260,991	15,835,501	9.0%	179,868,439	158,859,023	13.2%
Mail Enplaned	2,162,634	2,244,453	-3.6%	25,623,393	25,679,849	-0.2%
Mail Deplaned	3,802,962	3,717,078	2.3%	42,399,517	41,475,726	2.2%
Total Mail	5,965,596	5,961,531	0.1%	68,022,911	67,155,575	1.3%
Grand Total All Air Cargo	23,226,587	21,797,032	6.6%	247,891,350	226,014,598	9.7%

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