



**SAN ANTONIO
INTERNATIONAL AIRPORT**



OCTOBER 2018

MONTHLY STATISTICAL
REPORT



Monthly Statistical Report

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From: Brian Pratte, Chief Air Service Development Officer
Copies: San Antonio Regional Stakeholders
Subject: October 2018 Monthly Statistics
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DOUBLE-DIGIT PASSENGER & CARGO GROWTH CONTINUES THROUGH OCTOBER

SUMMARY

San Antonio International Airport (SAT) continued its record setting pace through the month of October with double-digit growth in both domestic and international passenger categories as well as air cargo. A total of 899,696 passengers, a remarkable increase of nearly 12% or just over 96,000 passengers, flew through the airport during the month with year-to-date totals up nearly 11% or 8.3M. 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 28 months. With some of the busiest travel periods of the year still ahead, SAT anticipates continued record breaking growth through the balance of 2018.

Broken down, domestic traffic for October rose 12% compared to the same month last year driven largely by capacity increases by many of the domestic carriers and new routes on American, Frontier and Southwest. International traffic increased by over 10%, with year-to-date totals up an astounding 13%, or 336,758 passengers.

Additionally, a total of 24,256,571 pounds of air cargo moved through SAT in October 2018 with year-to-date totals up 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 12.7% or 57,758 seats in October 2018 vs. October 2017 with a total of 512,812 monthly departure seats. Airlines routinely make 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 129% surge in capacity for the airline in October. Furthermore, United increased capacity over 14% by increasing frequency to Newark and utilizing larger aircraft to Houston, and Washington-Dulles with Southwest growing their capacity by over 8% with added frequency to Denver and Phoenix and new routes to Fort Lauderdale and Oakland which began in July. American grew their capacity by nearly 7% with the launch of Philadelphia in February and deploying larger aircraft and/or increasing frequency to Charlotte and Chicago O'Hare while Alaska Airlines utilized a larger aircraft on their Seattle route. Finally, Allegiant reduced capacity with seasonal reductions to Las Vegas.

Airline	Seat Capacity Change	Passenger Change
Alaska Airlines	5.0%	5.5%
Allegiant Air	(8.7%)	(7.0%)
American Airlines	6.6%	4.9%
Delta Air Lines	1.7%	2.6%
Frontier Airlines	129.1%	115.3%
Southwest Airlines	8.5%	8.8%
United Airlines	14.4%	16.2%

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 and Charlotte in September 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 and increased aircraft gauge to Washington-Dulles in November 2017



INTERNATIONAL PASSENGERS

Scheduled international capacity continued its upward trend in October 2018 with 25,490 monthly departure seats or 9.7%. This was primarily driven by added seats on Interjet to Mexico City and Monterrey.

Overall, total international passengers increased considerably by 10.3% YOY in October. This was due, as noted earlier, by capacity increases by Interjet. 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 October 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	7.8%	8.3%
Aeromexico	(0.5%)	17.4%
Interjet	18.6%	16.4%
Southwest*	N/A	N/A
United*	N/A	N/A
Volaris	(0.6%)	6.9%

*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: launched daily service to Mexico City in September 2017 which has since become seasonal, operating only during peak travel periods. 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.



EXHIBIT A

San Antonio International Airport Passenger & Air Cargo Activity Summary Report

	October			Calendar Year-to-Date		
	2018	2017	% Change	2018	2017	% Change
Passengers						
Domestic Enplanements	431,672	383,345	12.6%	3,974,462	3,572,778	11.2%
Domestic Deplanements	435,626	390,956	11.4%	3,968,796	3,599,185	10.3%
Total Domestic Passengers	867,298	774,301	12.0%	7,943,258	7,171,963	10.8%
Intl Enplanements	15,934	14,629	8.9%	168,394	149,528	12.6%
Intl Deplanements	16,464	14,737	11.7%	168,364	147,326	14.3%
Total Intl Passengers	32,398	29,366	10.3%	336,758	296,854	13.4%
Grand Total All Passengers	899,696	803,667	11.9%	8,280,016	7,468,817	10.9%

Air Cargo (in Pounds)						
Domestic Freight Enplaned	7,099,861	6,426,485	10.5%	66,417,137	54,122,426	22.7%
Domestic Freight Deplaned	9,712,964	8,374,127	16.0%	88,231,227	81,387,421	8.4%
Total Domestic Freight	16,812,825	14,800,612	13.6%	154,648,363	135,509,847	14.1%
Intl Freight Enplaned	753,174	841,470	-10.5%	5,699,201	5,862,103	-2.8%
Intl Freight Deplaned	284,278	140,976	101.6%	2,259,884	1,651,572	36.8%
Total Intl Freight	1,037,452	982,446	5.6%	7,959,085	7,513,675	5.9%

Total Freight	17,850,277	15,783,058	13.1%	162,607,448	143,023,522	13.7%
Mail Enplaned	2,425,118	2,302,644	5.3%	23,460,759	23,435,396	0.1%
Mail Deplaned	3,981,176	3,939,051	1.1%	38,596,555	37,758,648	2.2%
Total Mail	6,406,294	6,241,695	2.6%	62,057,315	61,194,044	1.4%
Grand Total All Air Cargo	24,256,571	22,024,753	10.1%	224,664,763	204,217,566	10.0%