



Monthly Statistical Report

To: Russell J. Handy, Aviation Director
From: Brian Pratte, Chief Air Service Development Officer
Copies: San Antonio Regional Stakeholders
Subject: June 2019 Monthly Statistics
Date: July 18, 2019

36 CONSECUTIVE MONTHS OF RECORD PASSENGER GROWTH AT SAT

SUMMARY

In an unprecedented run, San Antonio International Airport (SAT) achieved 36 consecutive months of record passenger growth as of June. A total of 943,469 passengers flew through the airport representing an over 6% increase, the highest of any June on record and the first time to exceed 900,000 passengers for that same month. Over 143,000 more passengers flew through SAT in June 2019 compared to June 2016, or 18%, a remarkable increase for a medium-hub airport. Also for the first time, calendar year-to-date totals exceeded five million with some of the airport's busiest travel periods yet to come. The growth in June was further highlighted with Sun Country Airlines' launch of new nonstop service to Portland, OR, a previously unserved market for SAT.

Domestic traffic for June rose nearly 6%, or a total of 896,231 passengers, compared to the same month last year while international traffic increased a remarkable 24%, a total of 47,238 passengers. Additionally, a total of 22,926,222 pounds of air cargo moved through SAT during the month, representing a 0.2% increase.

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

Since 2016, the airport has welcomed multiple new flights which have contributed to the recent passenger growth and retention at the airport. These flights are not only to new destinations, but also represent added capacity to existing markets as well. As a result, SAT exceeded 10 million passengers for the first time in 2018, an 11% increase from the prior record year. Furthermore, a recently conducted retention analysis indicated that more passengers residing in SAT's catchment area are choosing to utilize their local airport as opposed to alternatives, leading to a four-point increase, from 83% to 87%, in passenger retention in 2018 versus 2015. The study also found that SAT's fares are on average \$4.94 higher in domestic markets the airport shares with Austin-Bergstrom International (AUS) in 2018, compared to \$11 higher in 2015. As SAT continues to add more flight options for its customers, fares will likely continue to decrease, resulting in even more passenger growth and retention at the airport.



DOMESTIC PASSENGERS

Domestic passenger growth for June increased 5.5% on a 4.9% increase in capacity with almost all domestic carriers adding seats to the market during the month. This seat absorption is a strong indicator of a continued surge in demand and a strong economic environment at SAT with more seats being filled than added.

In June, SAT's newest carrier, Sun Country Airlines continued its expansion at the airport by launching nonstop service to Portland, OR. American Airlines, who has grown significantly at SAT during the last few years, increased seats by nearly 12% during the month by adding flights/capacity to almost every market the airline serves and launching nonstop flights to New York-JFK in February. Equally impressive, United also grew capacity to multiple markets including Chicago O'Hare, Houston and Newark representing a nearly 8% increase for the month. Delta also grew capacity by almost 7% with added seats Atlanta and Salt Lake City. Frontier Airlines was the only carrier at SAT to decrease capacity in June by discontinuing service or making seasonal cutbacks to multiple markets.

Airline	Seat Capacity Change	Passenger Change
Alaska Airlines	0.0%	1.0%
Allegiant Air	5.1%	12.6%
American Airlines	11.5%	12.7%
Delta Air Lines	6.6%	3.0%
Frontier Airlines	(16.1%)	(17.6%)
Southwest Airlines	0.3%	1.4%
Sun Country Airlines*	100%	100%
United Airlines	7.5%	9.7%

*Sun Country Airlines inaugurated service at SAT in May 2019

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

- American Airlines: began daily nonstop service to New York JFK in February 2019 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: Seasonal route adjustments and some route discontinuations began in late 2018, early 2019
- Southwest Airlines: launched new daily service to Fort Lauderdale and Oakland in July 2018 with recent added capacity to several markets
- United Airlines: increased seasonal frequency to Denver in June 2018, year-round frequency to Newark in October 2018 and an additional frequency to Chicago O'Hare in March 2019



INTERNATIONAL PASSENGERS

International passengers grew by over 24% in June on an 18% increase in scheduled capacity, with a total of 29,516 monthly departure seats. This growth was driven by Interjet increasing flights to Guadalajara from weekly to daily and seasonal adjustments made by Volaris to Mexico City.

In June, international capacity growth was outpaced by seats filled, an impressive feat given the current macro-level economic and political uncertainties which continue to strain demand between the U.S. and Mexico. With international passengers up nearly 17% year-to-date, SAT continues to see positive indicators of an improving international environment.

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 #1 among all U.S. medium-hub in terms of total seat growth to Mexico year-end June 2019, ahead of St. Louis and San José, CA. 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
Aeromexico	0.2%	15.2%
Interjet	16.7%	39.6%
Southwest*	(21.0%)	(18.1%)
United*	13.7%	43.6%
Volaris	309.4%	290.0%

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

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

- Interjet: increased frequency from weekly to daily to Guadalajara in March 2019
- 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 June 2019, Sun Country Airlines, a new carrier for SAT, launched **NEW** nonstop, 4X weekly seasonal service to Portland, OR having launched seasonal service to Minneapolis in May with Las Vegas service to follow this September. As a top unserved market for the airport, Portland is a welcomed addition to SAT's air service portfolio while the added service to Las Vegas and Minneapolis will complement SAT's current level of service. All flights will operate on B737-700/800 aircraft with up to 183 seats.

In response to the global grounding of the Boeing 737 MAX aircraft, American and Southwest have made some adjustments to their summer/fall schedule at SAT. American has since suspended their PHL flight through the first week of November while Southwest has reduced capacity to a few SAT markets also through the first week of November. SAT expects capacity growth to slow slightly during these months, but anticipates the airport's growth trend to regain its momentum once the 737 MAX is back in service, though that date is still unknown.

In February 2019, American Airlines launched **NEW** daily nonstop service to New York's JFK Airport. The airline joined Delta and United with nonstop service to the New York City area, a top underserved market for SAT prior to this additional flight. The new American flight departs SAT in the mid-morning and returns late evening on a 160-seat Boeing 737-800 aircraft.

Over the past several months, Frontier Airlines has launched seasonal and year-round service to several markets from SAT that will continue throughout 2019. These markets include Atlanta, Colorado Springs, Denver, Las Vegas, New Orleans, Ontario, CA, Orlando, San Diego and Washington-Dulles.

In August 2018, 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.



EXHIBIT A

San Antonio International Airport Passenger & Air Cargo Activity Summary Report

	June			Calendar Year-to-Date		
	2019	2018	% Change	2019	2018	% Change
Passengers						
Domestic Enplanements	452,373	431,360	4.9%	2,442,278	2,310,580	5.7%
Domestic Deplanements	443,858	417,754	6.2%	2,411,115	2,286,892	5.4%
Total Domestic Passengers	896,231	849,114	5.5%	4,853,393	4,597,472	5.6%
Intl Enplanements	24,683	21,013	17.5%	107,058	95,120	12.6%
Intl Deplanements	22,555	17,042	32.3%	110,024	90,949	21.0%
Total Intl Passengers	47,238	38,055	24.1%	217,082	186,069	16.7%
Grand Total All Passengers	943,469	887,169	6.3%	5,070,475	4,783,541	6.0%
Air Cargo (in Pounds)						
Domestic Freight Enplaned	7,140,804	6,810,609	4.8%	42,165,347	39,178,017	7.6%
Domestic Freight Deplaned	9,019,034	9,012,242	0.1%	54,561,144	51,098,327	6.8%
Total Domestic Freight	16,159,837	15,822,851	2.1%	96,726,492	90,276,344	7.1%
Intl Freight Enplaned	1,143,044	598,595	91.0%	4,236,295	3,117,174	35.9%
Intl Freight Deplaned	232,029	254,900	-9.0%	1,285,465	1,159,687	10.8%
Total Intl Freight	1,375,073	853,495	61.1%	5,521,760	4,276,861	29.1%
Total Freight	17,534,910	16,676,346	5.1%	102,248,252	94,553,205	8.1%
Mail Enplaned	1,866,889	2,392,493	-22.0%	12,839,615	14,044,575	-8.6%
Mail Deplaned	3,524,423	3,821,287	-7.8%	23,574,633	22,751,085	3.6%
Total Mail	5,391,312	6,213,780	-13.2%	36,414,247	36,795,660	-1.0%
Grand Total All Air Cargo	22,926,222	22,890,126	0.2%	138,662,499	131,348,865	5.6%

SAN ANTONIO INTERNATIONAL AIRPORT

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