



AUGUST 2018

MONTHLY STATISTICAL REPORT



Monthly Statistical Report

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From: Brian Pratte, Air Service Administrator
Copies: San Antonio Regional Stakeholders
Subject: August 2018 Monthly Statistics
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LARGEST MONTHLY PASSENGER GROWTH IN OVER A DECADE

SUMMARY

San Antonio International Airport (SAT) continued its upward trajectory with again achieving record passenger growth during the month of August. A total 881,896 passengers –an astounding increase of nearly 17% or over 125,000 passengers- flew through the airport during the month, the largest monthly growth at the airport in nearly 16 years. This unprecedented growth continued to boost calendar year-to-date totals at 10.4% which is expected to climb with the 11 new flights that began during the month. The recent 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 26 months.

Domestic traffic for the month rose over 17% compared to August 2017 driven largely by capacity increases by many of the domestic carriers and new routes on American, Frontier and Southwest. International traffic also increased by over 7%, with year-to-date totals up a remarkable 14%, or 278,142 passengers.

Additionally, a total of 24,541,807 pounds of air cargo moved through SAT in August 2018-monthly levels that have only been experienced one additional time in the past seven years. 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. According to the Bureau of Labor Statistics, unemployment rates continue to fall year after year and are consistently below the national average. From June 2017 to June 2018, over 15,000 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 8.6% or 40,378 seats in August 2018 vs. August 2017 with a total of 510,049 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 264% surge in capacity for the airline in August. Furthermore, American Airlines grew their capacity by over 12% with the launch of Philadelphia in February and deploying larger aircraft and/or increasing frequency to Chicago O'Hare and Phoenix while Southwest grew capacity by 3% with the launch of Fort Lauderdale and Oakland in July. United reduced capacity by 6% in August with adjustments to San Francisco and Chicago O'Hare while Allegiant reduced capacity with the ending of Fort Lauderdale service.

Airline	Seat Capacity Change	Passenger Change
Alaska Airlines	1.3%	4.0%
Allegiant Air	(22.6%)	(24.8%)
American Airlines	7.9%	12.1%
Delta Air Lines	1.9%	7.1%
Frontier Airlines	263.8%	239.8%
Southwest Airlines	2.9%	11.6%
United Airlines	(6.2%)	14.5%

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 and Phoenix in spring 2018
- Frontier Airlines: began service to New Orleans, Ontario, CA, Phoenix, San Diego and Washington-Dulles in fall 2017 and 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 while reducing frequency to Nashville
- United Airlines: increased aircraft gauge and/or frequency to Denver in June 2018 as well as to Washington-Dulles in fall 2017



INTERNATIONAL PASSENGERS

Scheduled international capacity continued its growth trend in August 2018 at 29,335 monthly departure seats or 29.7%. This was primarily driven by added seats on Interjet to Guadalajara, Mexico City and Monterrey and Volaris to Mexico City. Seasonal schedules to Cancún on Southwest and United fluctuated YOY.

Overall, total international passengers increased considerably by 7.5% YOY in August. This was due, as noted earlier, by capacity increases by both 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. SAT's air service team continues to monitor this closely and any effect it may have on service levels to/from Mexico.

Airline	Seat Capacity Change	Passenger Change
Air Canada	4.1%	6.8%
Aeromexico	(0.3%)	(7.9%)
Interjet	20.0%	14.4%
Southwest*	(56.0%)	(58.6%)
United*	52.9%	49.7%
Volaris	261.6%	116.8%

*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: 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 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 22, but has since been pushed back to November due to aircraft delivery delays. The flight will operate 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 128-seat Airbus A319 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

	August			Calendar Year-to-Date		
	2018	2017	% Change	2018	2017	% Change
Passengers						
Domestic Enplanements	414,785	350,929	18.2%	3,166,435	2,858,619	10.8%
Domestic Deplanements	428,232	369,249	16.0%	3,154,150	2,875,906	9.7%
Total Domestic Passengers	843,017	720,178	17.1%	6,320,585	5,734,525	10.2%
Intl Enplanements	18,803	17,587	6.9%	139,473	122,820	13.6%
Intl Deplanements	20,076	18,595	8.0%	138,669	120,269	15.3%
Total Intl Passengers	38,879	36,182	7.5%	278,142	243,089	14.4%
Grand Total All Passengers	881,896	756,360	16.6%	6,598,727	5,977,614	10.4%
Air Cargo (in Pounds)						
Total Domestic Freight	16,932,615	14,669,738	15.4%	122,518,200	105,640,894	16.0%
Total Intl Freight	833,938	613,230	36.0%	5,964,843	5,916,149	0.8%
Total Freight	17,766,553	15,282,968	16.3%	128,483,043	111,557,043	15.2%
Total Mail	6,775,254	6,817,655	-0.6%	49,430,593	48,636,256	1.6%
Grand Total All Air Cargo	24,541,807	22,100,623	11.0%	177,913,636	160,193,299	11.1%