



Monthly Statistical Report

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From: Brian Pratte, Air Service Administrator
Copies: San Antonio Regional Stakeholders
Subject: April 2018 Monthly Statistics
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FINAL FOUR, EASTER BOOSTS PASSENGER GROWTH IN APRIL 2018

SUMMARY

San Antonio International Airport (SAT) continued unprecedented passenger growth into the year's second quarter- achieving double-digit passenger and cargo growth in April 2018. A record 836,492 total passengers flew through the airport during the year's fourth month, a remarkable 13.5% increase or nearly 100,000 more passengers than the same month last year. That represents the highest level of single month growth in well over a decade surpassing the record that was broken only in March. Furthermore, April's growth bolstered calendar year-to-date totals 10.7% exceeding three million passengers for the first time ever. These increases reflect an ongoing trend of progress at SAT with the last 22 consecutive months having record passengers.

Domestic traffic for the month climbed over 13% compared to April 2017 due to increased demand driven heavily by departing traffic for the NCAA Men's Final Four and Easter. Capacity increases by most of the domestic carriers and new routes on Frontier and American also contributed to the growth. Moreover, international traffic surged 18.2% as a result of new and additional service to Toronto and Mexico City added last year.

With respect to air cargo, a total of 21,496,182 pounds moved through SAT in April 2018 representing a near 10% increase YOY.

(Please see Exhibit A for a detailed breakdown)

Since the spring of 2016, 31 new flights have either been added or announced at SAT contributing to the recent passenger growth at the airport. These additions along with remarkable population growth are telling indicators of a flourishing economy in the San Antonio area. According to the Bureau of Labor Statistics, unemployment rates continue to fall year after year and are consistently below the national average. From Feb 2017 to Feb 2018, nearly 25,000 jobs were added in the Alamo City with notable 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 continue 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)

DOMESTIC PASSENGERS

Scheduled domestic capacity, or seats, increased 8.4% or 36,598 seats in April 2018 vs. April 2017 with a total of 470,524 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 launched new non-stop service to 10 markets which contributed to a 214% surge in capacity for the airline in April. Furthermore, United Airlines increased their capacity over 11% by adding seats to many of their markets from SAT while American Airlines grew their capacity by nearly 6% with the launch of Philadelphia and by deploying larger aircraft and/or increasing frequency to Charlotte, Chicago O'Hare and Phoenix. Southwest added over 4% capacity to a number of their markets while Alaska's and Delta's growth remained flat YOY. Seasonal adjustments were made on Allegiant with reduced frequency to Las Vegas.

Airline	Seat Capacity Change	Passenger Change
Alaska Airlines	(0.3%)	0.1%
Allegiant Air	(12.4%)	(9.1%)
American Airlines	5.8%	9.7%
Delta Air Lines	(0.2%)	7.8%
Frontier Airlines	213.8%	219.3%
Southwest Airlines	4.4%	9.5%
United Airlines	11.1%	11.7%

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 Charlotte and Phoenix in April 2017
- 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
- Southwest Airlines: Added capacity to several markets
- United Airlines: increased aircraft gauge and/or frequency to Chicago O'Hare and Denver in January 2018 as well as to Washington-Dulles in November 2017



INTERNATIONAL PASSENGERS

Scheduled international capacity again continued its upward trend in April 2018 at 21,991 monthly departure seats or 17.4%. This increase was primarily due to Volaris' new service to Mexico City which began September 2017, Air Canada's inaugural service to Toronto which began May 2017 and Interjet's added capacity to both Monterrey and Mexico City which collectively added nearly 5,000 seats to the international market in April.

Overall, total international passengers increased by 18.2% YOY in April 2018. However, as mentioned in previous reports, the low value of the Peso and current macro-level economic and political uncertainties continue to suppress demand between Mexico and SAT. While the valuation of the Peso to the U.S. Dollar improved into 2018 YOY, the Peso still remained over 18% less than it did in April 2015. SAT's air service team continues to monitor this closely and is hopeful that as the Peso continues to regain value, leisure and VFR traffic between Mexico and the U.S. will also improve.

Airline	Seat Capacity Change	Passenger Change
Air Canada	100%	100%
Aeromexico	(32.3%)	(32.4%)
Interjet	8.3%	26.3%
Southwest*	0.0%	(6.5%)
United*	N/A	N/A
Volaris	84.6%	12.7%

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

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

- Aeromexico: reduced frequency in April 2018
- Air Canada: new daily service to Toronto began May 2017
- Southwest & United: offers service to Cancun 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. Decreased seasonal capacity to Guadalajara in June 2017



RECENT SCHEDULE CHANGES

In May 2018, Frontier announced weekly service to nine **NEW** markets set to begin in August. They include Albuquerque, Charlotte, Cleveland, Columbus, Jacksonville, Memphis, Oklahoma City, Omaha and Tulsa with all but Charlotte previously unserved markets. This is in addition to the 10 new routes they have launched within the last year. In total, these new flights bring the total number of Frontier destinations either announced or served from SAT to 23, the largest amount of any carrier at SAT.

In March 2018, Mexican low-cost carrier Interjet, announced **NEW** daily nonstop service to León, Mexico, the fourth Mexican city served by the carrier and fifth from SAT. Service to Del Bajío International Airport (BJX) was initially set to begin June 22, but has 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, non-stop service to Philadelphia, a market previously served only seasonally by Frontier. The new service is operated on a 128-seat Airbus A319 aircraft.

In November 2017, Southwest Airlines announced **NEW** daily, year-round, non-stop service to Oakland and Fort Lauderdale beginning July 8, 2018. Prior to this announcement, Oakland was an unserved market and Fort Lauderdale was only served on a seasonal basis. Both markets will bring much needed capacity to the Bay Area and Southeast Florida and will be flown on 143-seat Boeing 737 aircraft. Southwest has also recently added additional frequencies to multiple cities, mostly during the peak summer season.

Volaris recently launched **NEW** non-stop service to Mexico City in September 2017 flown on a 179-seat Airbus A320 aircraft. With this added service, SAT now offers four peak-day non-stop flights to Mexico's capital city.

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

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



EXHIBIT A

San Antonio International Airport Passenger & Air Cargo Activity Summary Report

	April			Calendar Year-to-Date		
	2018	2017	% Change	2018	2017	% Change
Passengers						
Domestic Enplanements	418,101	357,551	16.9%	1,469,685	1,325,046	10.9%
Domestic Deplanements	388,785	354,669	9.6%	1,467,349	1,341,576	9.4%
Total Domestic Passengers	806,886	712,220	13.3%	2,937,034	2,666,622	10.1%
Intl Enplanements	15,605	12,532	24.5%	58,397	47,130	23.9%
Intl Deplanements	14,001	12,523	11.8%	59,690	46,628	28.0%
Total Intl Passengers	29,606	25,055	18.2%	118,087	93,758	25.9%
Grand Total All Passengers	836,492	737,275	13.5%	3,055,121	2,760,380	10.7%
Air Cargo (in Pounds)						
Total Domestic Freight	14,621,833	12,903,650	13.3%	58,216,786	50,230,444	15.9%
Total Intl Freight	884,938	648,799	36.4%	2,604,295	3,162,619	-17.7%
Total Freight	15,506,771	13,552,449	14.4%	60,821,081	53,393,063	13.9%
Total Mail	5,989,411	6,021,270	-0.5%	24,099,173	23,502,820	2.5%
Grand Total All Air Cargo	21,496,182	19,573,719	9.8%	84,920,254	76,895,883	10.4%