



JUNE 2018

MONTHLY STATISTICAL REPORT



Monthly Statistical Report

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From: Brian Pratte, Air Service Administrator
Copies: San Antonio Regional Stakeholders
Subject: June 2018 Monthly Statistics
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ALL-TIME PASSENGER RECORD IN JUNE 2018

SUMMARY

San Antonio International Airport (SAT) reached new heights during the month of June with all-time record passenger growth. A total 887,169 passengers -an increase of 6.3% or over 52,000 passengers- flew through the airport during the month, the most of any month on record. Furthermore, June's growth continued to boost calendar year-to-date totals at 9.4% which is expected to climb with 12 new routes yet to begin in 2018. 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 past two consecutive years.

Domestic traffic for the month rose nearly 7% compared to June 2017 driven largely by capacity increases by many of the domestic carriers and new routes on American and Frontier. International traffic slipped by nearly 5% now that Air Canada's Toronto service has exceeded one year of operation, seasonal schedule adjustments made by Aeromexico and Volaris to Mexico City and a challenging economic/political environment that exists between the U.S. and Mexico.

Additionally, a total of 22,890,126 pounds of air cargo moved through SAT in June 2018 representing a notable 8% increase YOY and the 11th consecutive month of growth.

(Please see Exhibit A for a detailed breakdown)

Since the spring of 2016, 33 new flights have either been added or announced at SAT contributing to the recent passenger growth at the airport. These additions, along with extraordinary 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 May 2017 to May 2018, over 29,000 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 2.6% or 12,343 seats in June 2018 vs. June 2017 with a total of 483,999 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 10 markets which contributed to an 88% surge in capacity for the airline in June. Furthermore, American Airlines grew their capacity by over 9% with the launch of Philadelphia in February and deploying larger aircraft and/or increasing frequency to Chicago O'Hare and Phoenix while Alaska Airlines utilized a larger aircraft to Seattle. Allegiant reduced capacity in June with the ending of Fort Lauderdale service in addition to a frequency reduction to Nashville on Southwest.

Airline	Seat Capacity Change	Passenger Change
Alaska Airlines	2.2%	2.6%
Allegiant Air	(45.9%)	(42.1%)
American Airlines	9.3%	12.7%
Delta Air Lines	(2.9%)	(1.2%)
Frontier Airlines	88.4%	95.7%
Southwest Airlines	(1.1%)	2.6%
United Airlines	(2.7%)	5.2%

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 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
- Southwest Airlines: Added capacity to several markets while reducing frequency to Nashville in June 2018
- United Airlines: increased aircraft gauge and/or frequency to Chicago O'Hare in January 2018 as well as to Washington-Dulles in fall 2017



INTERNATIONAL PASSENGERS

Scheduled international capacity slowed its upward trend in June 2018 at 24,933 monthly departure seats or 1.4%. This was driven by added seats on Interjet to Guadalajara and Mexico City and Volaris to Guadalajara. The reduced pace can also be attributed to the month's data no longer accounting for Air Canada's service to Toronto which has exceeded one year of operation and seasonal schedule adjustments that Aeromexico and Volaris made to Mexico City and Southwest made to Cancún.

Overall, total international passengers decreased by 4.6% YOY in June 2018. This was due, in part, by a later start to Southwest's seasonal service to Cancún as well as current macro-level economic and political uncertainties that 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%	5.6%
Aeromexico	(16.9%)	(16.8%)
Interjet	6.7%	(3.3%)
Southwest*	(6.2%)	(5.5%)
United*	0.0%	(12.7%)
Volaris	25.0%	2.7%

*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)
- 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- peak months only



RECENT SCHEDULE CHANGES

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 May and June 2018, Frontier announced weekly service to 11 **NEW** markets- all set to begin in August. 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 additional routes launched within the last year bringing the total number of Frontier destinations either announced or served from SAT to 25, the largest amount of any carrier at SAT.

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.

At the beginning of 2018, Frontier and Volaris announced a first of its kind codeshare agreement between the two ultra low-cost carriers. The codeshare is anticipated to begin implementation late summer 2018 and is expected to have a positive impact on passenger traffic between the two carriers at SAT, though specific flight details are not yet available.

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

	June			Calendar Year-to-Date		
	2018	2017	% Change	2018	2017	% Change
Passengers						
Domestic Enplanements	431,360	402,792	7.1%	2,310,430	2,106,661	9.7%
Domestic Deplanements	417,754	392,251	6.5%	2,286,742	2,104,458	8.7%
Total Domestic Passengers	849,114	795,043	6.8%	4,597,172	4,211,119	9.2%
Intl Enplanements	21,013	21,218	-1.0%	95,120	82,622	15.1%
Intl Deplanements	17,042	18,656	-8.7%	90,949	78,561	15.8%
Total Intl Passengers	38,055	39,874	-4.6%	186,069	161,183	15.4%
Grand Total All Passengers	887,169	834,917	6.3%	4,783,241	4,372,302	9.4%
Air Cargo (in Pounds)						
Total Domestic Freight	15,822,851	14,052,957	12.6%	90,276,344	78,130,522	15.5%
Total Intl Freight	853,495	723,586	18.0%	4,276,861	4,606,551	-7.2%
Total Freight	16,676,346	14,776,543	12.9%	94,553,205	82,737,073	14.3%
Total Mail	6,213,780	6,373,941	-2.5%	36,795,660	36,115,700	1.9%
Grand Total All Air Cargo	22,890,126	21,150,484	8.2%	131,348,865	118,852,773	10.5%