



**SAN ANTONIO
INTERNATIONAL AIRPORT**

MARCH 2019

MONTHLY STATISTICAL
REPORT



Monthly Statistical Report

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

IMPRESSIVE, RECORD PASSENGER GROWTH IN MARCH

SUMMARY

One year after exceeding 800,000 passengers for the first time in the month of March, San Antonio International Airport (SAT) exceeded 900,000 in March 2019. A total of 907,349 passengers flew through the airport representing a significant increase of 7%, the highest of any March on record. The increase in passenger traffic is even more impressive considering during this time last year, San Antonio hosted the NCAA Final Four, which brought in thousands of fans from across the country. This growth 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 three years and record passengers for the last consecutive 33 months. With capacity forecasted to increase between 6-7% in 2019, SAT anticipates this record growth to continue.

Domestic traffic for February rose 6.8% compared to the same month last year, absorbing most of the capacity growth which increased 7.9%, suggesting a healthy economic environment where demand is matching supply. Notably, international traffic increased 12.1% on a capacity increase of only 7%.

Additionally, a total of 23,429,086 pounds of air cargo moved through SAT in March 2019, reaching levels not experienced during the month of March since 2008. 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, the airport has welcomed multiple new flights which have contributed to the recent passenger growth at the airport, including exceeding 10 million passengers for the first time in 2018. These flights are not only to new destinations, but also represent added capacity to existing markets. These additions are telling indicators of a flourishing economy in San Antonio, one of the fastest growing cities in the country. According to the U.S. Census Bureau, the San Antonio-New Braunfels metropolitan statistical area (MSA) ranked fifth in the nation in growth during the period 2010-2018. 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 7.9%, or 38,078 seats in March 2019 vs. March 2018, with a total of 522,048 monthly departure seats. This growth illustrates the confidence and continued investment our airline partners continue to have in San Antonio International Airport.

Multiple airlines increased capacity during the month of March. American Airlines, who has grown aggressively at SAT during the last few years, increased seats by nearly 23% during the month following the launch of daily flights to New York-JFK and additional flights/capacity to almost every other market the airline served. Southwest grew capacity by almost 8% by launching Fort Lauderdale and Oakland in July 2018 and by increasing frequency and/or aircraft gauge to multiple markets. United also increased capacity by nearly 8% with a second daily flight to Newark, additional flight to Chicago and larger gauge of aircraft to Washington-Dulles. Airlines that made seasonal cutbacks included Allegiant, Delta and Frontier.

Airline	Seat Capacity Change	Passenger Change
Alaska Airlines	0.7%	(3.5%)
Allegiant Air	(5.4%)	(9.7%)
American Airlines	22.5%	23.5%
Delta Air Lines	(5.5%)	(8.0%)
Frontier Airlines	(11.6%)	(12.4%)
Southwest Airlines	7.6%	3.8%
United Airlines	7.5%	11.1%

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 and year-round frequency to Newark in October 2018



INTERNATIONAL PASSENGERS

Scheduled international capacity increased by 7.0% in March 2019, with a total of 26,141 monthly departure seats. This increase was driven by seasonal adjustments made by Volaris to Guadalajara and Mexico City and Interjet increasing flights and capacity to Guadalajara.

The increase in capacity translated to an increase in international passengers which grew by 12.1% during the month. This growth is a positive indicator of an improving international environment, particularly to/from Mexico. Nevertheless, current macro-level economic and political uncertainties continue to strain 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.

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 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	0.0%	(1.9%)
Aeromexico	1.3%	10.1%
Interjet	3.1%	11.3%
Southwest*	0.0%	22.0%
United*	N/A	N/A
Volaris	21.2%	37.4%

*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 5X weekly during off-peak travel months (Nov-May)
- Interjet: increased capacity to Guadalajara during peak summer months (Jun-Aug) and Monterrey which both began June 2018
- 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

This month, American Airlines launched **NEW** daily nonstop service to New York's JFK Airport. The airline joins 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 9:00 am, returns at 10:30 pm and is operated on a 160-seat Boeing 737-800 aircraft.

In January 2019, Sun Country Airlines, a new carrier for SAT, announced **NEW** nonstop, 4X weekly service to Minneapolis and Portland, OR beginning May 23 and June 5, respectively. Prior to this announcement, Portland was one of the airport's top unserved destinations while the carrier's service to Minneapolis will complement SAT's incumbent service on Delta. In addition, the airline will add 4X weekly seasonal service to Las Vegas effective September 5th. All flights will operate on B737-700/800 aircraft with up to 182 seats.

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.

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 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.



EXHIBIT A

San Antonio International Airport Passenger & Air Cargo Activity Summary Report

San Antonio International Airport Passenger & Air Cargo Activity Summary Report						
	March			Calendar Year-to-Date		
	2019	2018	% Change	2019	2018	% Change
Passengers						
Domestic Enplanements	436,577	400,199	9.1%	1,135,210	1,051,584	8.0%
Domestic Deplanements	433,048	414,371	4.5%	1,137,677	1,078,564	5.5%
Total Domestic Passengers	869,625	814,570	6.8%	2,272,887	2,130,148	6.7%
Intl Enplanements	18,594	15,700	18.4%	46,573	42,792	8.8%
Intl Deplanements	19,130	17,963	6.5%	49,496	45,689	8.3%
Total Intl Passengers	37,724	33,663	12.1%	96,069	88,481	8.6%
Grand Total All Passengers	907,349	848,233	7.0%	2,368,956	2,218,629	6.8%
Air Cargo (in Pounds)						
Domestic Freight Enplaned	7,576,041	6,845,035	10.7%	19,831,838	18,954,506	4.6%
Domestic Freight Deplaned	9,479,765	8,642,534	9.7%	26,243,523	24,640,447	6.5%
Total Domestic Freight	17,055,806	15,487,569	10.1%	46,075,361	43,594,953	5.7%
Intl Freight Enplaned	54,322	480,616	-88.7%	1,339,242	1,314,655	1.9%
Intl Freight Deplaned	4,262	209,195	-98.0%	513,318	404,702	26.8%
Total Intl Freight	58,584	689,811	-91.5%	1,852,560	1,719,357	7.7%
Total Freight	17,114,390	16,177,380	5.8%	47,927,921	45,314,310	5.8%
Mail Enplaned	2,227,150	2,510,598	-11.3%	6,673,220	6,844,992	-2.5%
Mail Deplaned	4,087,546	4,025,988	1.5%	12,325,945	11,264,770	9.4%
Total Mail	6,314,696	6,536,586	-3.4%	18,999,165	18,109,762	4.9%
Grand Total All Air Cargo	23,429,086	22,713,966	3.1%	66,927,086	63,424,072	5.5%

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