



SAN ANTONIO INTERNATIONAL AIRPORT

OCTOBER 2019

MONTHLY STATISTICAL REPORT





Monthly Statistical Report

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From: Brian Pratte, Chief Air Service Development Officer
Copies: San Antonio Regional Stakeholders
Subject: October 2019 Monthly Statistics
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SAT EXPERIENCES SLIGHT PASSENGER DECREASE IN OCTOBER

SUMMARY

Due to the continual worldwide grounding of the Boeing 737 MAX aircraft as well as schedule changes by Frontier Airlines, San Antonio International Airport (SAT) experienced a minor decrease in passengers in October 2019. Overall, a total of 895,948 passengers flew through the airport during the month, a decrease of (0.4%) from October 2018. Notwithstanding this decrease, year-to-date passenger totals remain 4% higher than last year and are anticipated to be up 3-4% by the year's end, despite the prolonged MAX grounding. By year-end 2019, it is estimated that SAT will have experienced an unprecedented 20% increase in passengers since 2016.

Domestic traffic for October decreased 0.7%, or a total of 861,129 passengers, compared to the same month last year. International traffic continued its impressive upward trend with passengers up 6.6% and YTD up 13.2%. This increase was driven largely by capacity increases by Interjet to Guadalajara. Additionally, a total of 24,543,194 pounds of air cargo moved through SAT during the month, representing a 1.2% increase compared to October 2018 with year-to-date totals up 3.1%.

(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. However, the volume of new flights are only one of many indicators of SAT's recent air service successes. In terms of scheduled seats and passengers, SAT is among the fastest growing medium-hub airports in the United States. Furthermore, during the second quarter of 2019, SAT experienced an impressive average 86% load factor (the percentage of seats occupied), the highest of any quarter on record and one point higher than the national average.



DOMESTIC PASSENGERS

As noted earlier, domestic passengers remained relatively flat in October with several domestic carriers making schedule changes in the market during the month.

This year, Sun Country Airlines inaugurated seasonal service to Las Vegas, Minneapolis and Portland, OR which have contributed to the overall yearly increase. Additionally, other carriers such as Alaska, American and United have all grown significantly at SAT in 2019. In July, Alaska doubled its service by adding a second daily flight to Seattle while American has increased overall 2019 capacity by 13% including launching nonstop flights to New York-JFK in February. United grew seats by 8% with additional frequencies or aircraft upgauges to Chicago, Denver and Newark.

Frontier Airlines has decreased capacity this fall by discontinuing service to multiple seasonal markets. These markets ended after a strategic network-wide shift at the carrier caused routes nationwide to be withdrawn. Other markets that were heavily impacted include Austin, San José, CA and Cincinnati. The majority of these flights operated 2-3 times per week and since many of them began in late August 2018, the YOY impact is now being experienced. Frontier continues to serve nine markets from SAT with added seats to many of them this year.

Airline	Seat Capacity Change	Passenger Change
Alaska Airlines	97.5%	72.9%
Allegiant Air	(45.5%)	(57.9%)
American Airlines	3.1%	(1.8%)
Delta Air Lines	(0.1%)	(0.2%)
Frontier Airlines	(28.1%)	(23.6%)
Southwest Airlines	0.0%	(0.2%)
Sun Country Airlines*	100.0%	100%
United Airlines	9.7%	(1.4%)

*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:

- Alaska Airlines: began second daily flight to Seattle in July 2019
- American Airlines: began daily nonstop service to New York JFK in February 2019 and increased aircraft gauge to Chicago O'Hare in May 2019 and Los Angeles in November 2018
- Delta: increased gauge to Atlanta and Salt Lake City June 2019
- Frontier Airlines: seasonal route adjustments and some route discontinuations began in late 2018, early 2019; capacity increase to Las Vegas began in August 2019
- Southwest Airlines: market adjustments due to 737MAX grounding from July forward
- United Airlines: increased year-round frequency to Denver in 2019 and frequency or gauge to Chicago in March 2019



INTERNATIONAL PASSENGERS

International traffic grew by nearly 7% in October on a slight decrease of (1.5%) in scheduled capacity, with a total of 25,108 monthly departure seats. Despite some seat reductions to Mexico City on Volaris and Monterrey on Interjet, SAT still experienced an increase in international traffic due, in part, to added capacity to Guadalajara on Interjet. This growth is 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 13% 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 #2 among all U.S. medium-hub in terms of total seat growth to Mexico year-end October 2019, while cities such as Austin and Houston-Hobby experienced a decrease in capacity to Mexico.

Airline	Seat Capacity Change	Passenger Change
Aeromexico	0.5%	10.7%
Interjet	13.7%	25.3%
Southwest*	N/A	N/A
United*	N/A	N/A
Volaris	(1.0%)	7.2%

*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



RECENT SCHEDULE CHANGES

In response to the global grounding of the Boeing 737 MAX aircraft, American and Southwest have made some adjustments to their fall/winter schedule at SAT. American will temporarily suspend their Philadelphia flight in early January while Southwest will temporarily suspend service to Oakland in early January with both flights scheduled to resume in March. In addition, Southwest will continue to reduce frequencies to a few other SAT markets as they work to mitigate the negative MAX impact. SAT expects capacity growth to slow slightly during affected 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.

This year, Sun Country Airlines, a new carrier for SAT, launched **NEW** nonstop, seasonal service to Las Vegas, Minneapolis and Portland, OR. As a previously top unserved market for the airport, Portland is a welcome 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 July, Alaska Airlines doubled their current service to Seattle by offering a second daily flight from SAT. This growth is a strong indicator for both the airline's success on the route as well as increased demand between the two markets. The second daily flight is scheduled to depart SAT early morning and return late evening making it now possible for passengers to make day trips to the Pacific Northwest city.

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.



EXHIBIT A

San Antonio International Airport Passenger & Air Cargo Activity Summary Report

	October			Calendar Year-to-Date		
	2019	2018	% Change	2019	2018	% Change
Passengers						
Domestic Enplanements	427,640	431,672	-0.9%	4,133,911	3,974,462	4.0%
Domestic Deplanements	433,489	435,626	-0.5%	4,105,358	3,968,796	3.4%
Total Domestic Passengers	861,129	867,298	-0.7%	8,239,269	7,943,258	3.7%
Intl Enplanements	17,416	16,064	8.4%	186,649	168,524	10.8%
Intl Deplanements	17,403	16,594	4.9%	194,884	168,494	15.7%
Total Intl Passengers	34,819	32,658	6.6%	381,533	337,018	13.2%
Grand Total All Passengers	895,948	899,956	-0.4%	8,620,802	8,280,276	4.1%
Air Cargo (in Pounds)						
Domestic Freight Enplaned	6,912,955	7,099,861	-2.6%	69,205,019	66,581,516	3.9%
Domestic Freight Deplaned	10,088,978	9,712,964	3.9%	93,210,559	88,318,263	5.5%
Total Domestic Freight	17,001,933	16,812,825	1.1%	162,415,577	154,899,778	4.9%
Intl Freight Enplaned	1,162,319	753,174	54.3%	8,365,551	5,699,201	46.8%
Intl Freight Deplaned	353,614	284,278	24.4%	2,245,983	2,259,884	-0.6%
Total Intl Freight	1,515,933	1,037,452	46.1%	10,611,534	7,959,085	33.3%
Total Freight	18,517,866	17,850,277	3.7%	173,027,111	162,858,863	6.2%
Mail Enplaned	1,992,094	2,425,118	-17.9%	20,399,943	23,460,759	-13.0%
Mail Deplaned	4,033,234	3,981,176	1.3%	38,400,629	38,596,555	-0.5%
Total Mail	6,025,328	6,406,294	-5.9%	58,800,573	62,057,315	-5.2%
Grand Total All Air Cargo	24,543,194	24,256,571	1.2%	231,827,684	224,916,178	3.1%

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