



Monthly Statistical Report

To: Russell J. Handy, Aviation Director
From: Brian Pratte, Chief Air Service Development Officer
Copies: San Antonio Regional Stakeholders
Subject: September 2019 Monthly Statistics
Date: October 21, 2019

SAT EXPERIENCES BUSIEST SEPTEMBER ON RECORD

SUMMARY

A year of progress continued at San Antonio International Airport (SAT) with record passengers in September. Overall, a total of 818,420 passengers flew through the airport during the month, a record for the month and a 4.7% increase over September 2018. Year-to-date totals were also up 4.7% or nearly 350,000 more passengers. The increase comes despite unforeseen challenges associated with the worldwide grounding of the Boeing 737 MAX aircraft as well as schedule changes by Frontier Airlines. SAT fully anticipates another record year in 2019 with projected passengers to be up 4 to 5% from 2018. By year-end 2019, it is estimated that SAT will have experienced an unprecedented 21% increase in passengers since 2016.

Domestic traffic for September increased 4.1%, or a total of 786,011 passengers, compared to the same month last year. International traffic increased a remarkable 23.6%, or a total of 32,409 passengers. This increase was driven largely by capacity increases by Interjet to Mexico. Additionally, a total of 21,683,871 pounds of air cargo moved through SAT during the month, representing a (4.7%) decrease compared to September 2018 with year-to-date totals still up 3.3%.

(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. Calendar year-to-date, SAT's total available seats increased by 4.7% compared to the same time period last year. As noted earlier, SAT's total passengers also increased 4.7% demonstrating a prosperous economic environment where new seats are being absorbed at the same rate they are being added. 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

Domestic passengers increased 4.1% on a 2.7% increase in capacity with several domestic carriers adding seats to the market during the month.

This month, Sun Country Airlines inaugurated seasonal service to Las Vegas having added seasonal service to Minneapolis and Portland, OR earlier this year. Additionally, Alaska Airlines launched their second daily flight to Seattle in July which all contributed to the seat increase in September. American and United Airlines, who have both grown significantly at SAT during the last few years, increased seats by 6% and 13% during the month by adding flights/capacity to multiple markets with American also launching nonstop flights to New York-JFK in February. Southwest, another carrier that has recently grown aggressively at SAT experienced a 5% increase in seats in September despite the impact of the Boeing 737 MAX grounding.

Frontier Airlines decreased capacity in September 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 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	100.0%	82.1%
Allegiant Air	0.0%	(10.8%)
American Airlines	5.5%	8.8%
Delta Air Lines	(1.1%)	(0.8%)
Frontier Airlines	(41.8%)	(32.8%)
Southwest Airlines	4.5%	6.4%
Sun Country Airlines*	100.0%	100%
United Airlines	12.8%	3.3%

*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 Newark in October 2018 and an additional frequency to Chicago O'Hare in March 2019



INTERNATIONAL PASSENGERS

International traffic grew significantly by nearly 24% in September on a slight decrease of (0.8%) in scheduled capacity, with a total of 23,621 monthly departure seats. Despite some seat reductions to Mexico City on Volaris, SAT still experienced an increase in international traffic in part due 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 14% 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 #1 among all U.S. medium-hub in terms of total seat growth to Mexico year-end September 2019, while cities such as Austin and Ontario, CA experienced a decrease in capacity to Mexico.

Airline	Seat Capacity Change	Passenger Change
Aeromexico	0.9%	38.2%
Interjet	23.4%	38.1%
Southwest*	N/A	N/A
United*	N/A	N/A
Volaris	(10.5%)	26.6%

*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

This month, Sun Country Airlines, a new carrier for SAT, launched **NEW** nonstop, 4X weekly seasonal service to Las Vegas having launched seasonal service to Minneapolis in May and Portland, OR in June. As a previously top unserved market for the airport, Portland is a welcomed 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 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 has temporarily suspended their Philadelphia flight while Southwest has temporarily suspended service to Oakland in addition to reducing frequencies to a few other SAT markets. 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. Currently, service to Oakland and Philadelphia is scheduled to resume Nov. 4.

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.

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.



EXHIBIT A

San Antonio International Airport Passenger & Air Cargo Activity Summary Report

	September			Calendar Year-to-Date		
	2019	2018	% Change	2019	2018	% Change
Passengers						
Domestic Enplanements	394,190	376,355	4.7%	3,706,271	3,542,790	4.6%
Domestic Deplanements	391,821	379,020	3.4%	3,671,869	3,533,170	3.9%
Total Domestic Passengers	786,011	755,375	4.1%	7,378,140	7,075,960	4.3%
Intl Enplanements	15,990	12,987	23.1%	169,233	152,460	11.0%
Intl Deplanements	16,419	13,231	24.1%	177,481	151,900	16.8%
Total Intl Passengers	32,409	26,218	23.6%	346,714	304,360	13.9%
Grand Total All Passengers	818,420	781,593	4.7%	7,724,854	7,380,320	4.7%
Air Cargo (in Pounds)						
Domestic Freight Enplaned	6,096,427	6,514,898	-6.4%	62,292,064	59,481,654	4.7%
Domestic Freight Deplaned	9,047,537	9,053,855	-0.1%	83,121,581	78,605,299	5.7%
Total Domestic Freight	15,143,964	15,568,753	-2.7%	145,413,645	138,086,953	5.3%
Intl Freight Enplaned	1,057,604	665,696	58.9%	7,203,232	4,946,027	45.6%
Intl Freight Deplaned	299,860	291,094	3.0%	1,892,369	1,975,606	-4.2%
Total Intl Freight	1,357,464	956,790	41.9%	9,095,601	6,921,633	31.4%
Total Freight	16,501,428	16,525,543	-0.1%	154,509,246	145,008,586	6.6%
Mail Enplaned	1,766,548	2,290,195	-22.9%	18,407,849	21,035,642	-12.5%
Mail Deplaned	3,415,895	3,930,233	-13.1%	34,367,395	34,615,379	-0.7%
Total Mail	5,182,443	6,220,428	-16.7%	52,775,244	55,651,021	-5.2%
Grand Total All Air Cargo	21,683,871	22,745,971	-4.7%	207,284,490	200,659,607	3.3%

SAN ANTONIO INTERNATIONAL AIRPORT

9800 AIRPORT BOULEVARD | SAN ANTONIO, TX 78216 | T: 210.207.SAIA (7242) | F: 210.207.3500