



Monthly Statistical Report

To: Jesus Saenz, Director of Airports
From: Brian Pratte, Chief Air Service Development Officer
Copies: San Antonio Regional Stakeholders
Subject: February 2020 Monthly Statistics
Date: March 23, 2020

PASSENGERS REMAIN STABLE DESPITE HEADWINDS

SUMMARY

Despite challenges facing the aviation industry such as the continual global grounding of the Boeing 737 MAX aircraft and COVID-19, San Antonio International Airport (SAT) passenger traffic remained stable in February. Although domestic passengers declined slightly, international passengers to Mexico continued its impressive growth. Overall, 704,035 passengers flew through the airport during the month, a decrease of 0.3% from February 2019.

Domestic traffic for February decreased 1.2%, with 673,445 total passengers compared to the same month last year. This decline is primarily due to capacity adjustments made by American and Frontier as well as schedule setbacks due to the grounding of the Boeing 737 MAX aircraft and the declining travel demand due to COVID-19, which collectively have been negatively affecting airports worldwide.

Nonetheless, international traffic surged 22.4% with all the airport's Mexican carriers adding capacity during the month. This June, SAT will welcome its fourth Mexican carrier, Viva Aerobus, with nonstop service to Monterrey making SAT the only U.S. medium-hub airport with four Mexican flag carriers. This combined international growth is a strong indicator of an improving economic environment between San Antonio and Mexico.

Additionally, a total of 20,740,301 pounds of air cargo moved through SAT during the month, representing a 0.6% increase compared to February 2019.

(Please see Exhibit A for a detailed breakdown of all passenger and cargo stats)

Since 2016, SAT has experienced explosive growth with an unprecedented 20% increase in passengers, nearly double the national average. Since then, the airport has welcomed multiple new flights that have promoted competition and driven average fares down by more than 8%. This has not only contributed to the recent passenger surge, but also the increase in passenger retention that were previously utilizing alternate airports, together making SAT one of the fastest growing medium-hub airports in the U.S.



DOMESTIC PASSENGERS

While domestic passengers did decrease, they did not decrease at the same rate as capacity. For the month, domestic capacity was down 3.5% with a 1.2% decrease in passengers. This is a strong indicator a healthy economic environment where the lack of supply is artificially depressing demand.

Overall capacity remains up at SAT year-ending February 2020 with recent capacity additions by multiple carriers. In 2019, Sun Country Airlines inaugurated seasonal service to Las Vegas, Minneapolis and Portland, OR while other carriers such as Alaska, American and United have all grown significantly at SAT. In July 2019, Alaska doubled its service by adding a second daily flight to Seattle while American increased overall 2019 capacity by 13% including launching nonstop flights to New York-JFK. United grew seats by 8% with additional frequencies or aircraft upgauges to Chicago, Denver and Newark.

Airline	Seat Capacity Change	Passenger Change
Alaska Airlines	81.1%	76.3%
Allegiant Air	(11.1%)	23.7%
American Airlines	(12.6%)	(8.5%)
Delta Air Lines	(0.4%)	7.9%
Frontier Airlines	(51.7%)	(52.4%)
Southwest Airlines	(1.2%)	1.7%
Sun Country Airlines*	N/A	N/A
United Airlines	7.7%	3.8%

*Sun Country Airlines inaugurated service at SAT in May 2019

When comparing year-over-year domestic capacity changes, the results are 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 a seasonal second frequency to
- Delta: increased gauge to Atlanta and Salt Lake City June 2019
- Frontier Airlines: seasonal route adjustments and some route discontinuations began in late 2018 into 2019; capacity increase to Las Vegas began in August 2019
- Southwest Airlines: market adjustments due to 737MAX grounding from July 2019 forward
- United Airlines: increased year-round frequency to Denver in 2019 and frequency or gauge increase to Chicago in March 2019



INTERNATIONAL PASSENGERS

International traffic grew by more than 22% in February on 31% increase in scheduled capacity, with 27,272 total monthly departure seats. As noted earlier, this was due to added capacity by all the airport's Mexican carriers to Guadalajara, Mexico City and Monterrey. This growth is an impressive feat given the current macro-level economic and political uncertainties that continue to strain demand between the U.S. and Mexico, further emphasized by SAT's recent announcement of new service by Viva Aerobus to Monterrey beginning in June.

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 Q1 2020, while cities such as Austin and Houston-Hobby experienced a significant decrease in capacity to Mexico.

Airline	Seat Capacity Change	Passenger Change
Aeromexico	3.6%	(4.3%)
Interjet	75.8%	57.1%
Southwest*	N/A	N/A
United*	N/A	N/A
Volaris	3.4%	6.8%

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

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

- Aeromexico: increased frequency to Mexico City during peak travel periods beginning November 2019
- Interjet: increased frequency from weekly to daily to Guadalajara in March 2019 and increased gauge to Monterrey in January 2020
- Southwest & United: offers service to Cancún on a seasonal basis



RECENT SCHEDULE CHANGES

Due to the worldwide air travel impacts of COVID-19, many air carriers have reduced their flight schedules for April and May, including carriers that operate at SAT. United Airlines has already decreased capacity to some SAT markets for April, though frequencies have remained intact. SAT is anticipating additional reductions from other carriers in the near future, although the cutbacks are unknown at this time.

Additionally, in response to the continual global grounding of the Boeing 737 MAX aircraft, American and Southwest have recently made some schedule adjustments to their schedule at SAT. American has temporarily suspended their Philadelphia flight with a scheduled resumption this summer while Southwest has temporarily suspended week-day service to Oakland with daily service scheduled to resume this fall. Southwest has continued to reduce frequencies to other SAT markets as they work to mitigate the negative MAX impact. Due to these setbacks, SAT anticipates a decrease in capacity during the affected months.

This summer, Southwest initially planned to expand service at SAT with additional frequencies to seven markets while adding **NEW** Saturday only service to Albuquerque. Expanded markets included Atlanta, Chicago-Midway, Denver, Houston-Hobby, Los Angeles, Nashville and St. Louis. However, due to the continued MAX grounding, many of these increases will not occur until the MAX issue is resolved.

This fall, United Airlines will introduce a third daily nonstop flight their global hub at Washington-Dulles. This will be much welcomed capacity to the Washington D.C. area offering more options to one of SAT's largest markets. The flight will depart SAT early morning providing a more conducive schedule for business passengers originating at SAT.

In December, American added a second seasonal frequency to their global hub in Miami. The flight is flown on an Embraer 175 aircraft and will provide more options for those looking to escape to Florida, Caribbean or Latin America during the colder winter months.

Last year, Sun Country Airlines, a new carrier for SAT, launched **NEW** nonstop, seasonal service to Las Vegas Minneapolis and Portland, OR. While service to Portland will not resume this summer, service to Minneapolis will resume in May with flights to Las Vegas resuming in the fall. All flights will operate on B737-800 aircraft with 183 seats.

In July 2019, 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 currently scheduled to depart SAT early morning and return late evening making it now



possible for passengers to make day trips to the Pacific Northwest.

EXHIBIT A

San Antonio International Airport Passenger & Air Cargo Activity Summary Report

	February			Calendar Year-to-Date		
	2020	2019	% Change	2020	2019	% Change
Passengers						
Domestic Enplanements	334,335	341,518	-2.1%	687,905	698,633	-1.5%
Domestic Deplanements	339,110	339,943	-0.2%	695,898	704,629	-1.2%
Total Domestic Passengers	673,445	681,461	-1.2%	1,383,803	1,403,262	-1.4%
Intl Enplanements	15,613	12,166	28.3%	36,352	27,979	29.9%
Intl Deplanements	14,977	12,823	16.8%	36,529	30,366	20.3%
Total Intl Passengers	30,590	24,989	22.4%	72,881	58,345	24.9%
Grand Total All Passengers	704,035	706,450	-0.3%	1,456,684	1,461,607	-0.3%
Air Cargo (in Pounds)						
Domestic Freight Enplaned	6,181,784	5,877,083	5.2%	12,614,702	12,255,797	2.9%
Domestic Freight Deplaned	8,214,365	7,857,720	4.5%	17,240,330	16,763,758	2.8%
Total Domestic Freight	14,396,149	13,734,804	4.8%	29,855,032	29,019,555	2.9%
Intl Freight Enplaned	801,053	561,772	42.6%	1,677,604	1,284,920	30.6%
Intl Freight Deplaned	259,050	217,365	19.2%	618,360	509,056	21.5%
Total Intl Freight	1,060,103	779,137	36.1%	2,295,964	1,793,976	28.0%
Total Freight	15,456,252	14,513,941	6.5%	32,150,996	30,813,531	4.3%
Mail Enplaned	1,895,315	2,166,557	-12.5%	3,802,002	4,446,070	-14.5%
Mail Deplaned	3,388,734	3,926,098	-13.7%	6,984,528	8,238,399	-15.2%
Total Mail	5,284,049	6,092,654	-13.3%	10,786,530	12,684,469	-15.0%
Grand Total All Air Cargo	20,740,301	20,606,595	0.6%	42,937,526	43,498,000	-1.3%

SAN ANTONIO INTERNATIONAL AIRPORT

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