



ACI-NA BENCHMARKING SURVEY

ACI-NA BUSINESS OF AIRPORTS CONFERENCE

September 15, 2019
Michael D Hill Jr, CFO

“Torture the data, and it will confess to anything.”

Ronald Coase

ACI Benchmarking Survey Overview

TRAFFIC / FLIGHT OPERATIONS

Total Operations
Cargo Operations
Passenger Airline Operations
Total Landed Weights
Total Cargo Landed Weights
Total Passengers
Enplaned Passengers
Connecting Passengers



EXPENSES

Total Expenses
Personnel Expenses
Full Time Equivalent Headcount
Non-Personnel Expenses
Expense Breakout Categories



REVENUES

Total Revenues
Airline Revenues
Non-Airline Revenues
Concessions
Rental Car
Parking/Ground Transportation
Rental/Lease Revenues



DEBT

Total Debt
Fixed Rate Debt
Variable Rate Debt
Annual Debt Service



NET INCOME

OTHER
TNC Transactions
Capital Program



Per Passenger
Per Connecting Passenger
Per Enplaned Passenger
Per Intl. Passenger
Per Operation
Per Cargo Operation
Per Parking Space
Per Square Foot
Per Employee



ACI-NA Benchmarking Survey

- 93 airports submitted FY18 data compared to 94 FY 2017 survey responses.
- Response rate is similar to FY 2017

	FY18 Submissions	FY17 Submissions	FY16 Submissions
Large Hub Airports	28	27	28
Medium Hub Airports	21	22	23
Small Hub Airports	23	26	27
Non-Hub/Other US Airports	9	8	10
Canadian Airports	12	11	10
Total	93	94	98

ACI-NA Benchmarking Survey

Large Hub	Medium Hub	Small	Non-Hub	Canadian	
ATL	LAX	SAT	ALB	BTR	YUL
BOS	LGA	AUS	AVL	EFD	YHZ
BWI	MCO	BNA	DSM	SBA	YVR
CLT	MIA	CMH	ELP	TRI	YOW
DCA	MSP	CVG	FAT		YWG
DEN	ORD	DAL	GEG		YLW
DFW	PDX	HOU	GSP		YXE
DTW	PHL	IND	HSV		YQB
EWR	PHX	JAX	ICT		YYZ
FLL	SAN	MCI	IWA		
IAD	SEA	MKE	LGB		
IAH	SFO	OAK	MEM		
JFK	SLC	OMA	MYR		
	TPA	PBI	RNO		
		PIT	SRQ		
		RDU	TUS		
		RSW			
		SMF			
		SNA			
		STL			

- Good mix of large and small airports
- The following analysis contains only the data from the 76 US and Canadian airports who participated in the FY2016, FY2017 and FY2018 Surveys, and represents the results for the group as a whole

Industry Trend Overview

High level observations and trends

- Passenger Airline Activity
- Airport Revenue Trends
- Non-Airline Revenues
- Ground Transportation/TNC
- Operating Expenses
- Capital Expense Trends

Industry Overview – Operations

- 76 airports completed FY2016, FY2017 and FY2018 ACI Benchmarking Surveys
- North America passenger flight operations continue to grow, with cargo operations growing 4.9% over 2017
- Passenger traffic growth outpaces operations growth as airlines continue to increase load factors

	2016-2018 CAGR	2017-2018 YOY Change
Total Passenger Airline Operations	1.3%	1.8%
Cargo Aircraft Operations	2.9%	4.1%
Total Landed Weights	4.7%	3.4%
Cargo Landed Weights	5.9%	7.7%
Total Passengers	3.8%	4.9%

Industry Overview – Finance

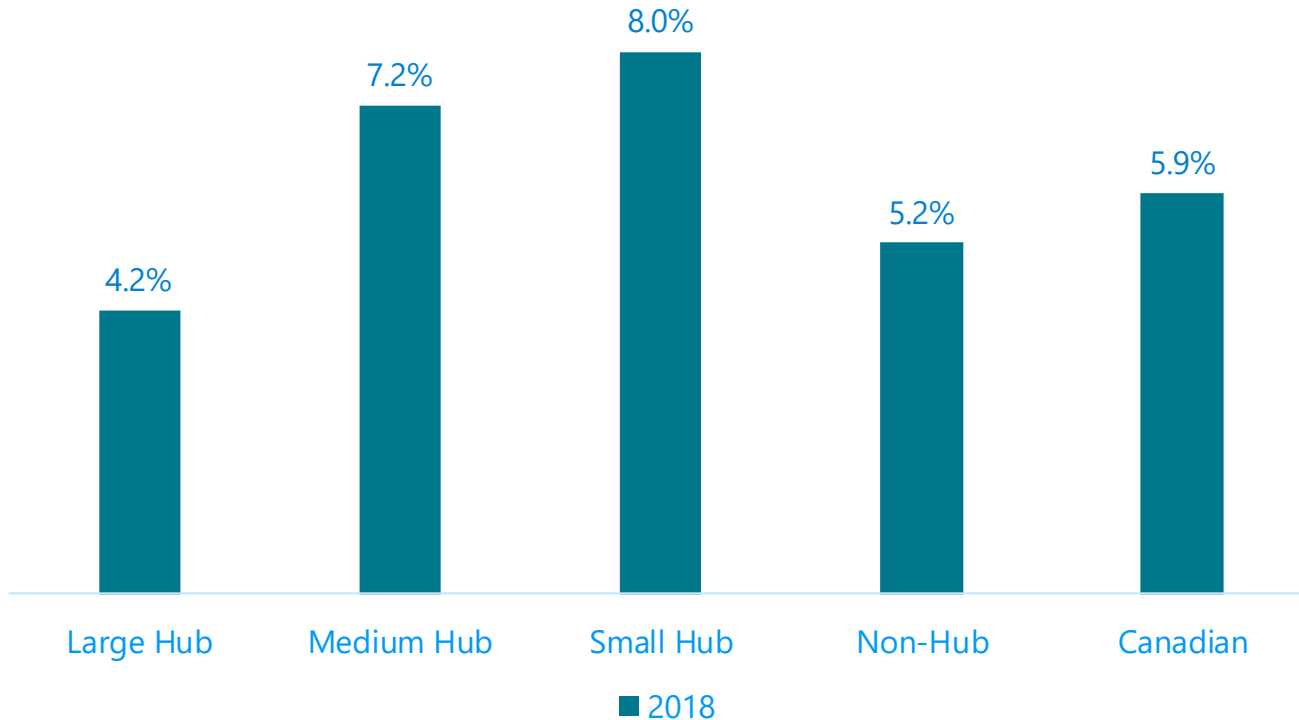
- Revenues continue to increase faster than O&M Expense growth
- TNC's continue to grow across the industry, primarily at the larger airports.
- Parking Lot Exits have decreased, likely due to TNC impacts.
- Operating Expenses are increasing to support facility expansion, but have slowed since 2016.
- Capital Expenditures increased by almost 18% driven by the large hub airports
- Outstanding debt levels increasing.

	2016-2018 CAGR	2017-2018 YOY Change
Total Operating Rev	5.3%	7.2%
Total Non-Aeronautical Operating Rev	4.7%	5.3%
Total Terminal Concession Rev	6.6%	8.2%
Total Rental Car Rev	2.7%	2.7%
Total Public Parking and Ground Trans. Rev	5.5%	5.5%
Public Parking Exit Transactions	-0.6%	-3.0%
Total TNC Trips	70.4%	40.1%
Total Operating Expenses	4.3%	4.5%
Total Utilities	1.5%	4.1%
Total FTEs	1.6%	3.8%
Total Personnel Expense	4.9%	3.8%
Total Capital Expenditures	18.5%	17.6%
Total Debt Outstanding	4.5%	8.5%
Total Annual Debt Service	4.1%	6.3%



Total Passengers

- Strong passenger growth (4.9%) across the board
- Increasing load factors

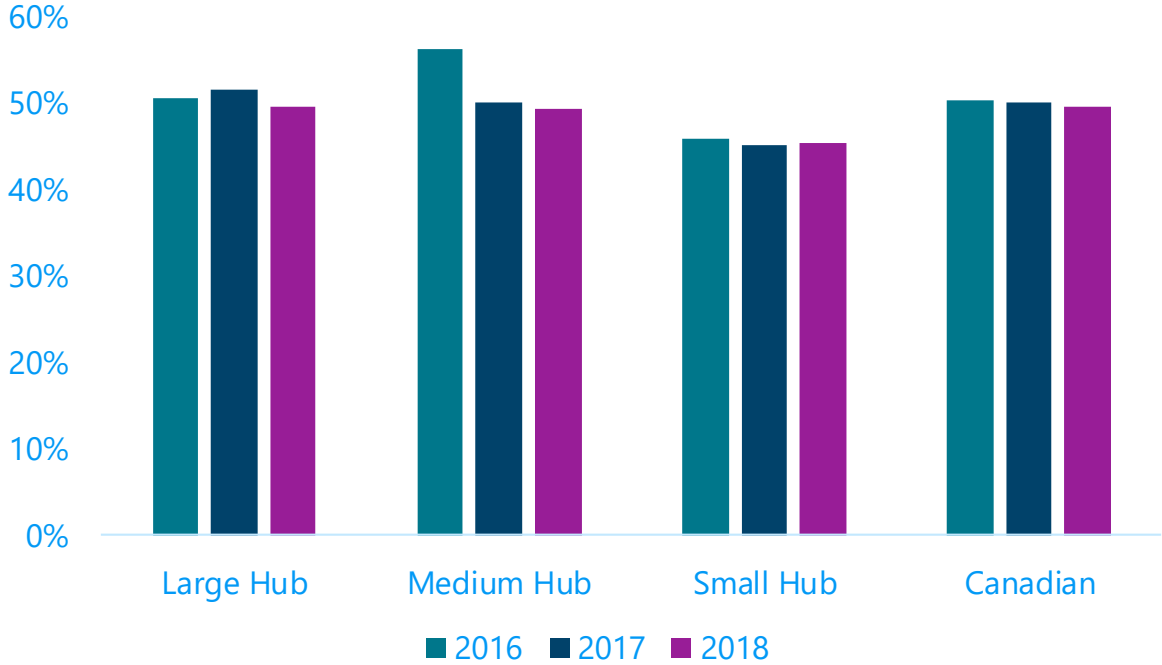


Large Hub	
FLL	11.7%
SAN	10.6%
TPA	9.1%
MCO	7.6%
SFO	7.2%
Medium Hub	
AUS	15.0%
CVG	13.1%
JAX	13.0%
SMF	10.8%
SAT	10.4%
Small Hub	
ALB	18.2%
AVL	17.8%
DSM	12.6%
ELP	11.8%
FAT	8.0%
Non-Hub	
BTR	6.8%
SBA	3.7%
Canadian	
YHZ	9.8%
YLW	7.3%
YOW	6.9%
YQB	6.3%
YUL	5.7%

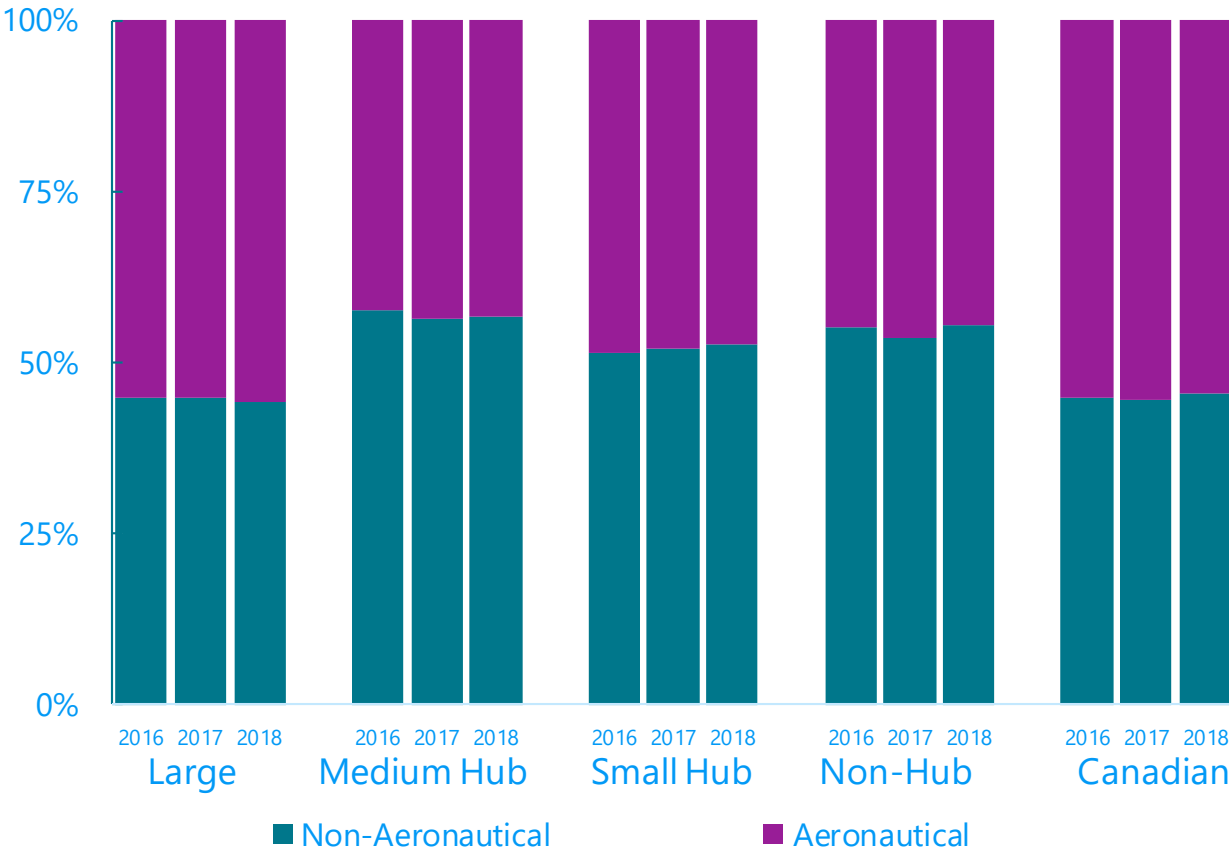


Airline Concentration

- Medium hub airports becoming more diversified



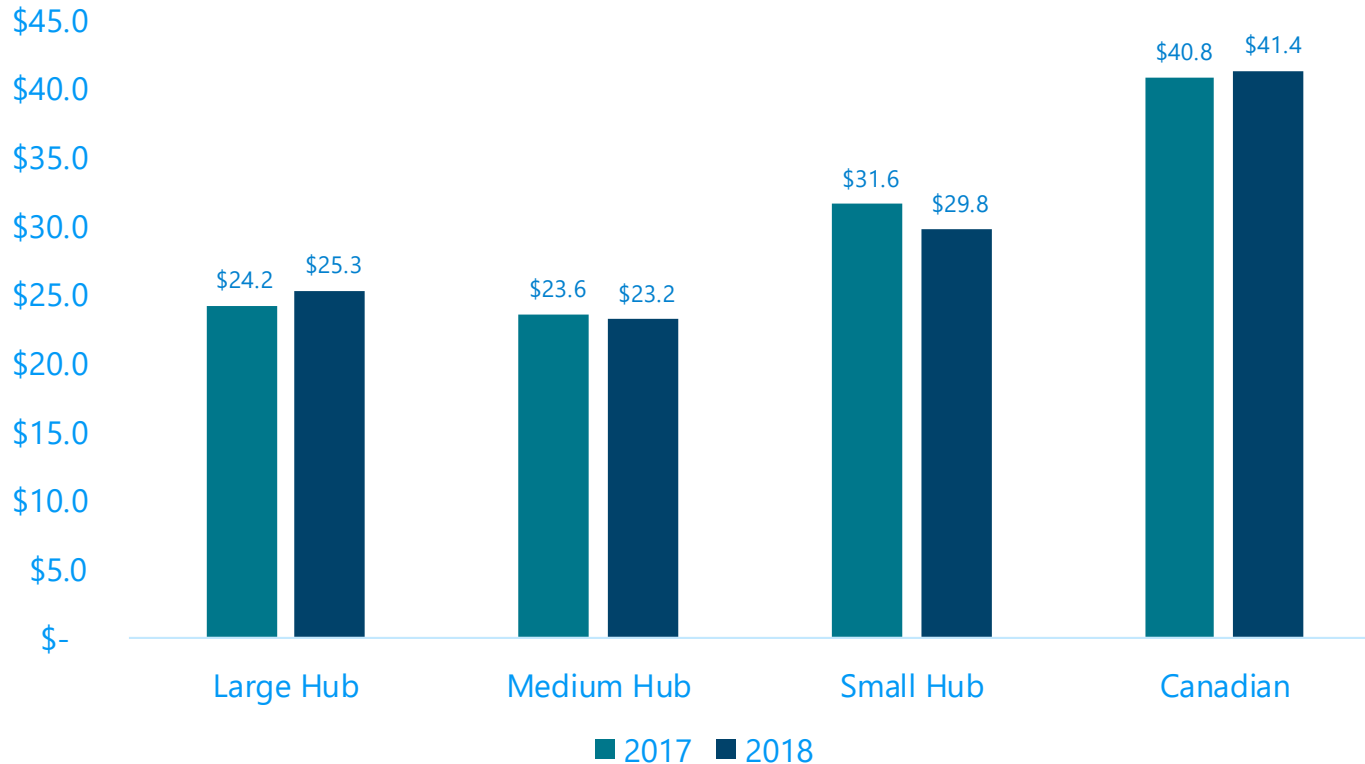
Industry Revenue Trends - Aeronautical vs Non-Aeronautical



- Nominal decrease in non-aeronautical revenue ratio at large hub US airports
- Investments in airline facilities at large hubs
- Parking and ground transportation revenues are pressured

Total Revenue per Enplaned Passenger

- Total airport revenues generally tracking with passenger growth
- Canadian airports continue to outperform

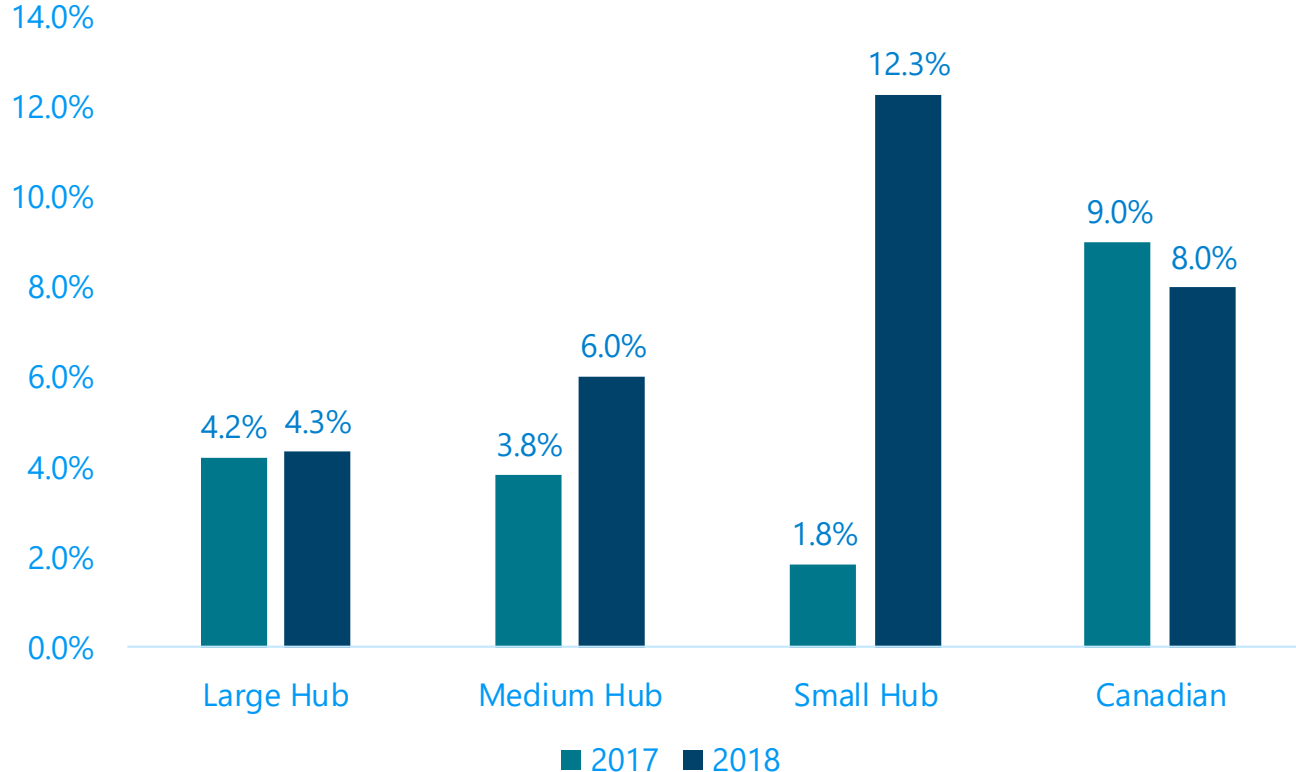


Large Hub	
EWR	\$43.89
JFK	42.39
IAD	39.14
MIA	36.97
BOS	35.29
Medium Hub	
IND	\$34.22
SMF	33.04
OAK	30.67
PIT	28.97
JAX	26.90
Small Hub	
HSV	\$58.76
MEM	49.19
GSP	37.39
ICT	35.69
SRQ	32.87
Non-Hub	
SBA	\$49.17
BTR	37.16
TRI	35.30
Canadian	
YYZ	\$59.50
YQB	45.05
YUL	42.18
YWG	34.84
YOW	32.46



Total Non-Aeronautical Revenues

- Non-Airline revenue growth has slowed

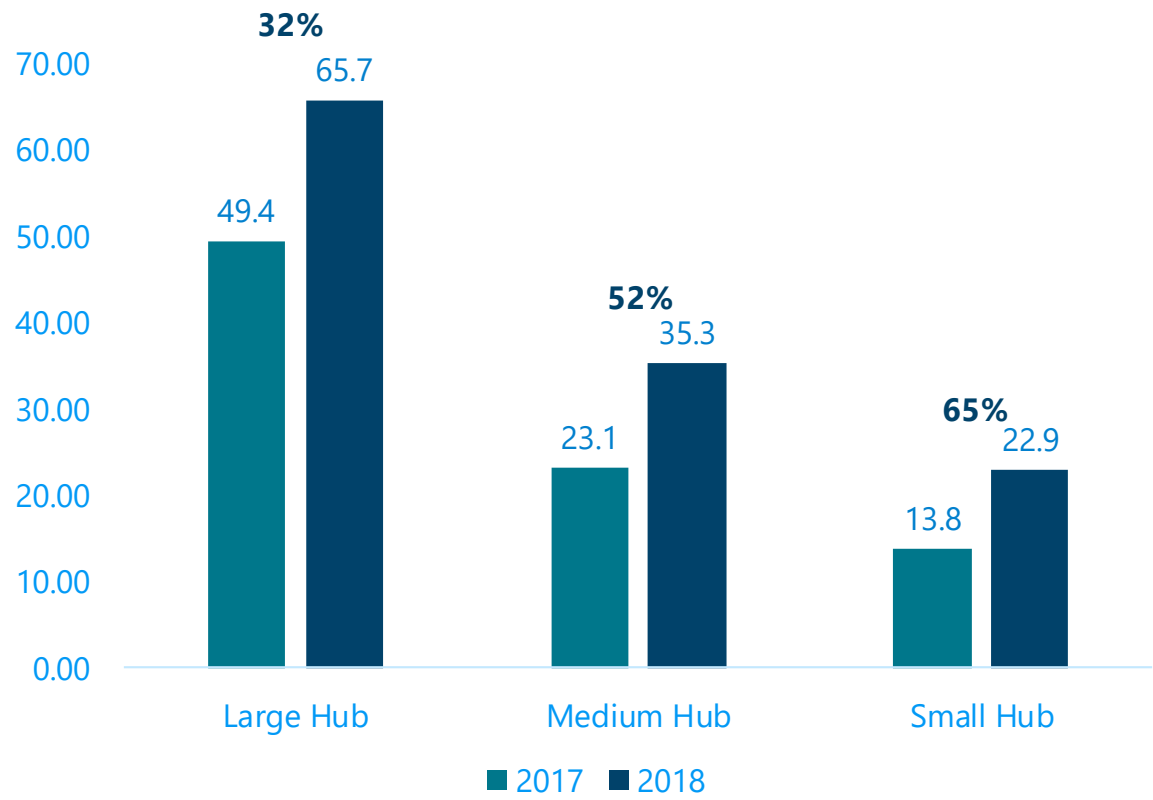


Large Hub	
TPA	12.0%
CLT	10.1%
BWI	9.5%
SEA	8.8%
BOS	8.8%
Medium Hub	
CVG	20.3%
SAT	14.7%
RDU	12.8%
PIT	12.1%
BNA	9.5%
Small Hub	
AVL	20.8%
GSP	16.9%
GEG	13.3%
RNO	7.7%
LGB	7.5%
Canadian	
YLW	22.4%
YXE	19.7%
YQB	11.0%
YYZ	9.4%
YHZ	7.8%



TNC Growth—Transactions per 1000 O&D Enplanements

- Disruptive technology having significant operational and financial impacts

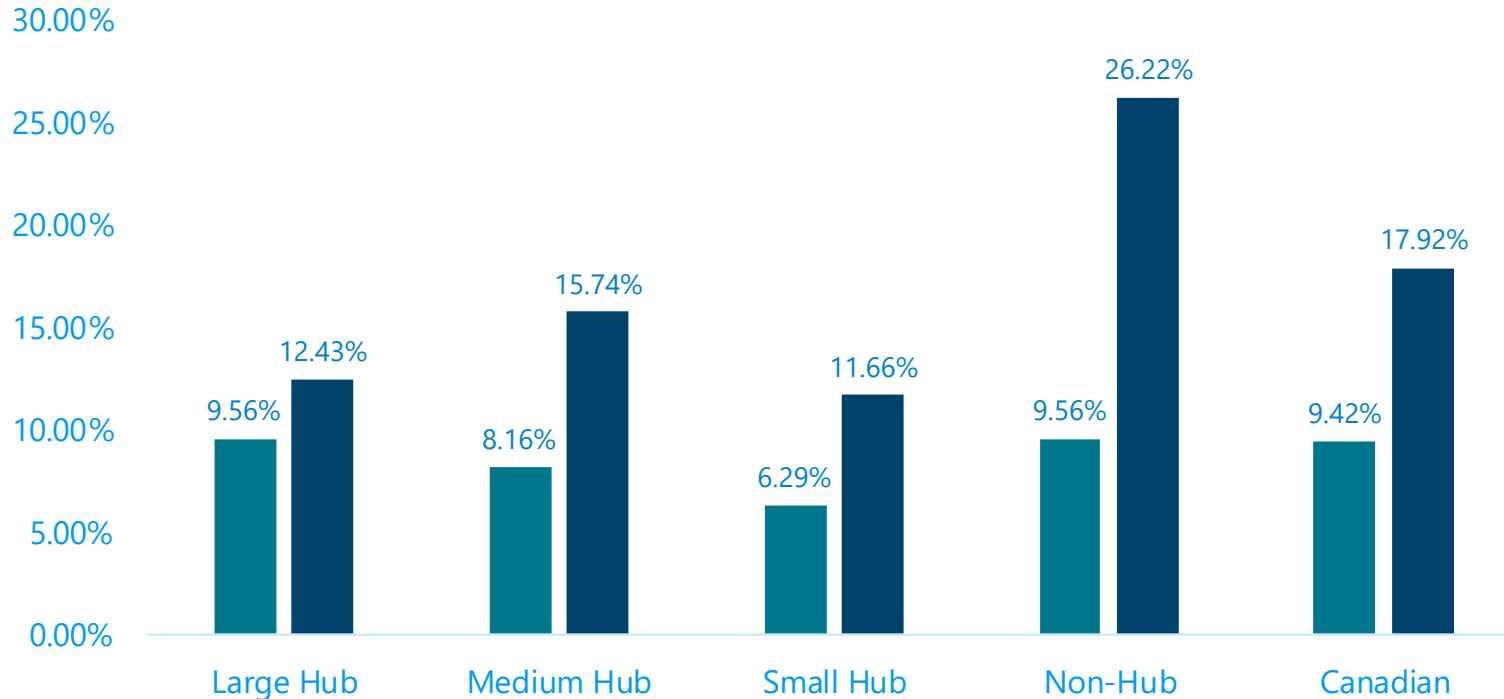


Large Hub	
SFO	200
DCA	113
MSP	101
BWI	80
SAN	80
Medium Hub	
SNA	80
RDU	54
HOU	39
CVG	36
SMF	36
Small Hub	
MEM	47
TUS	33
GEG	19
RNO	15
ALB	14

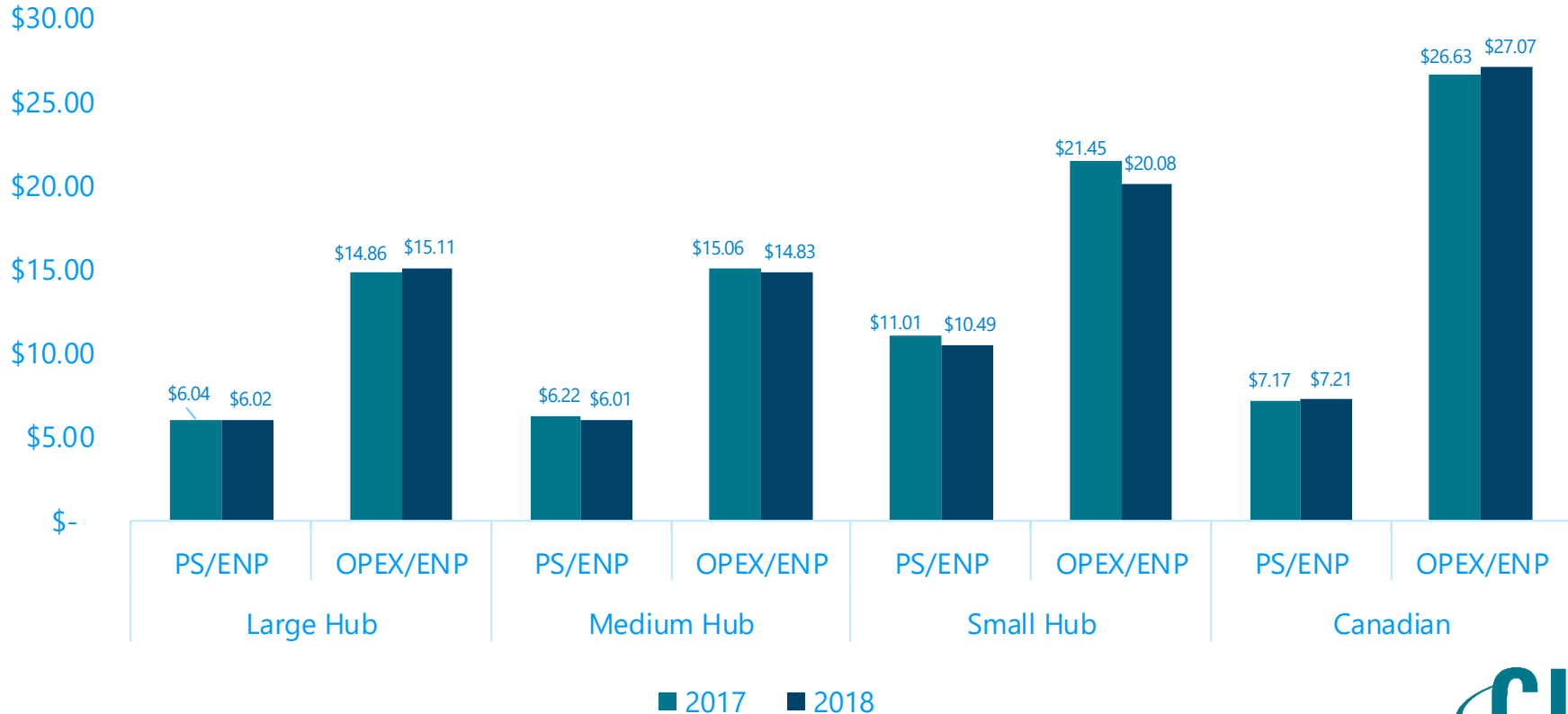


Total Operating Expenses

- Investments in OpEx required to support capital expansion and mitigate risk



Operating Expenses are well Managed



CLT Large Hub Competitive Set

CRITERIA:

- Operations/Enplanements
- Air Traffic Profile
- American Airlines Hub
- Geographic Proximity

LARGE HUB COMPETITIVE SET

ATL	DTW	ORD
DCA	MIA	PHL
DFW	MSP	PHX

CLT O&D Competitive Set

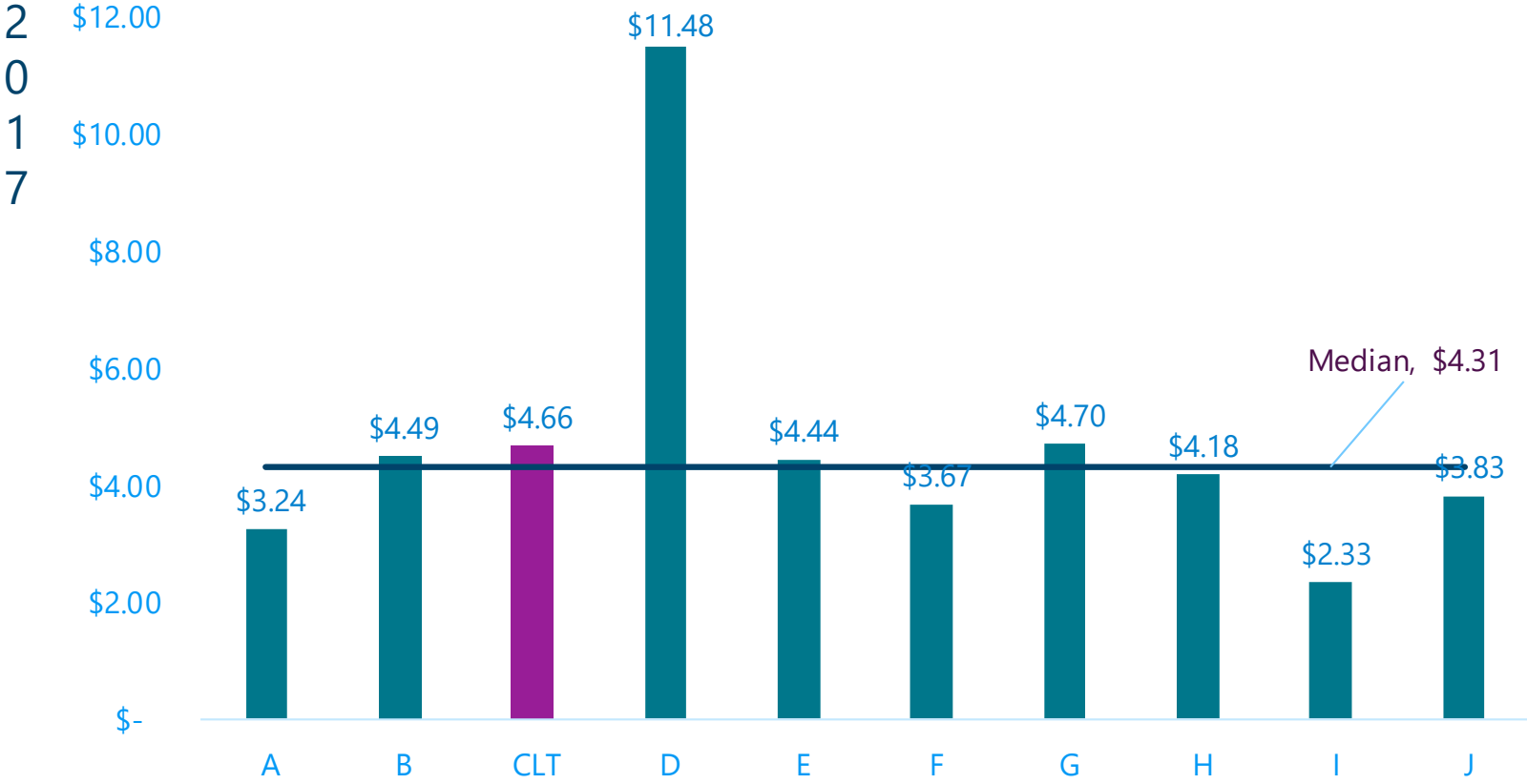
CRITERIA

- O&D Enplanement Levels
- Air Service Area
Population
- Geographic Proximity

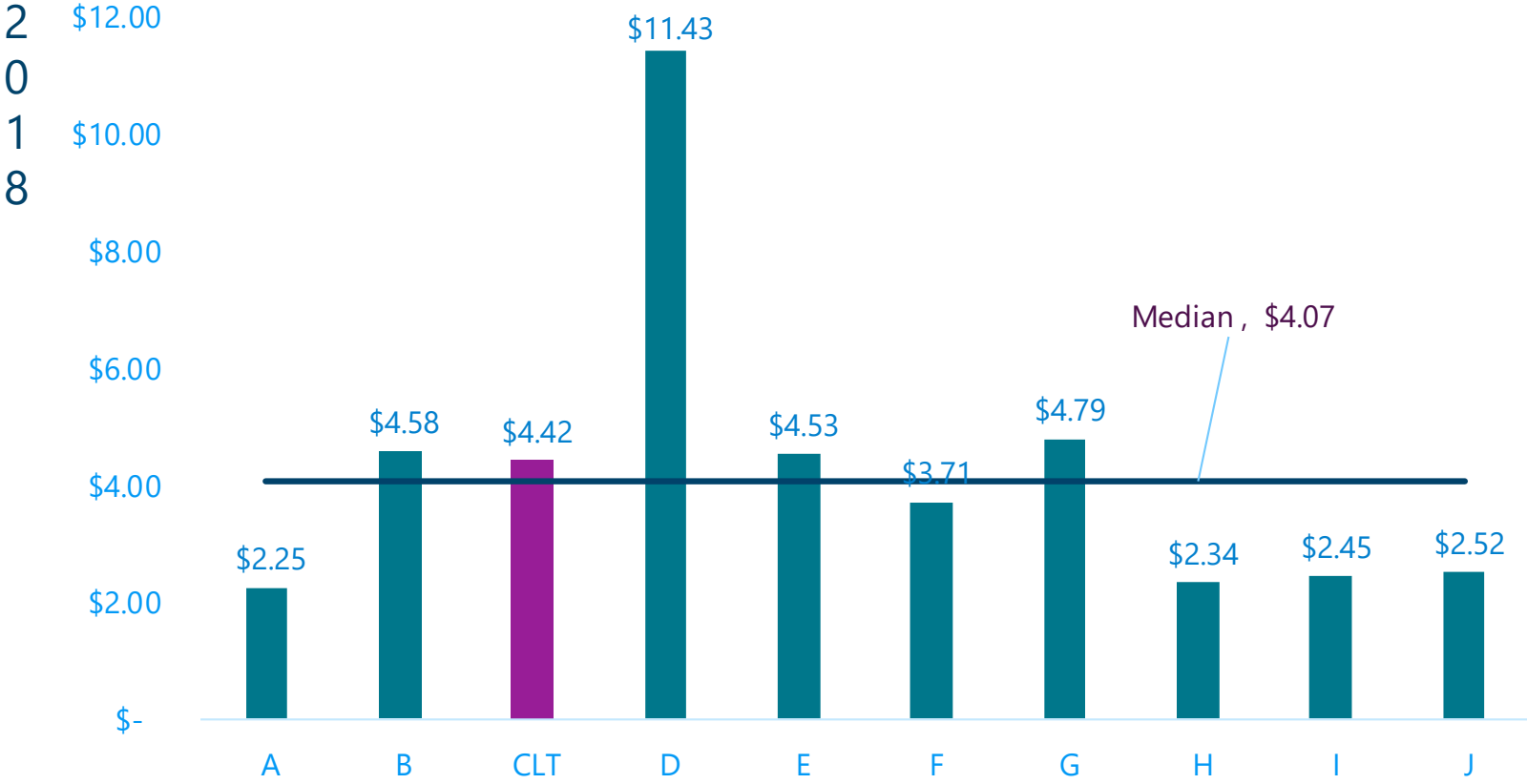
O&D/MARKET COMPETITIVE SET

TPA	RDU	PIT
SLC	MCI	SAT
BNA		IND

On-Airport Parking Revenue per O&D Passenger



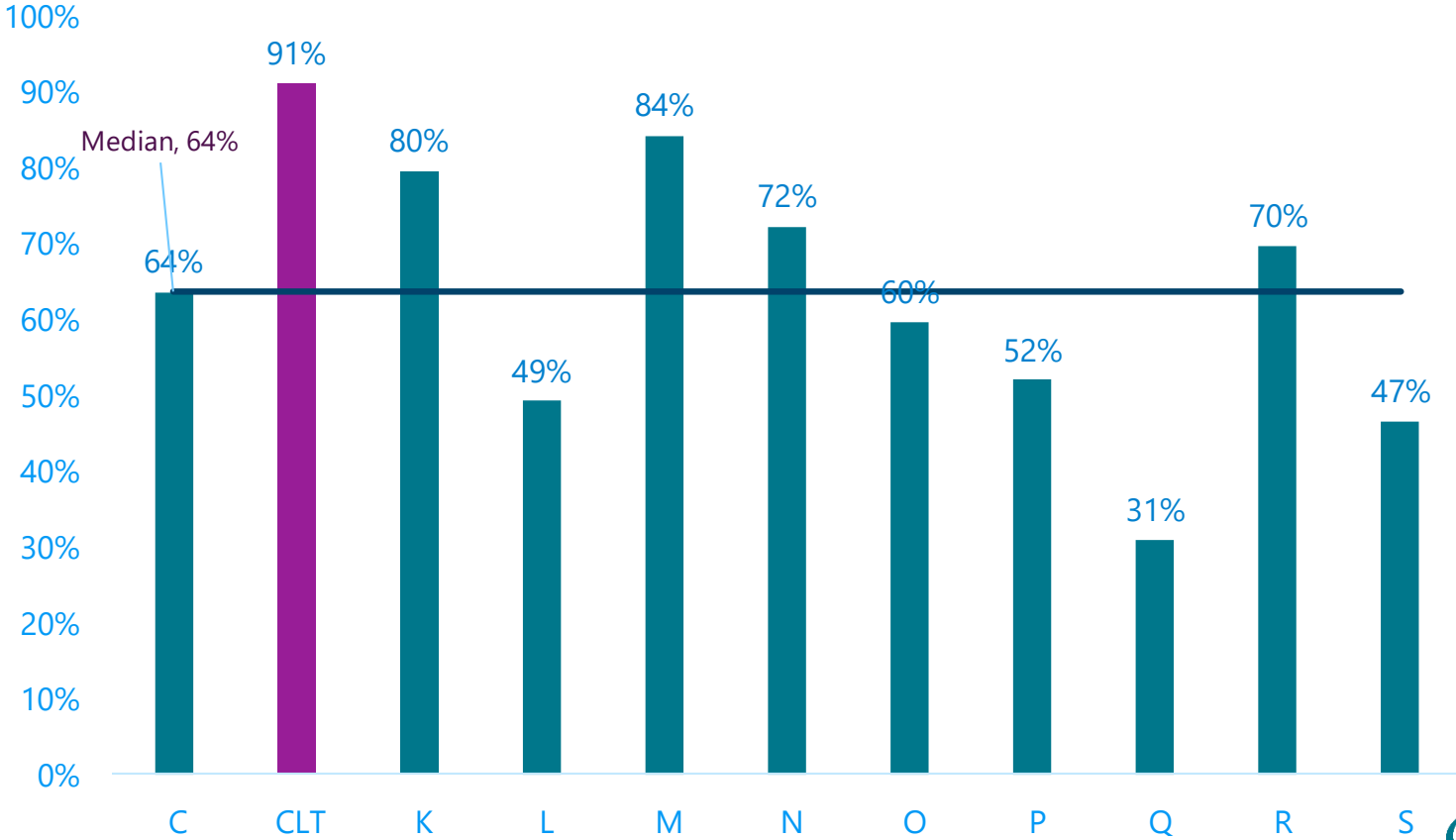
On-Airport Parking Revenue per O&D Passenger



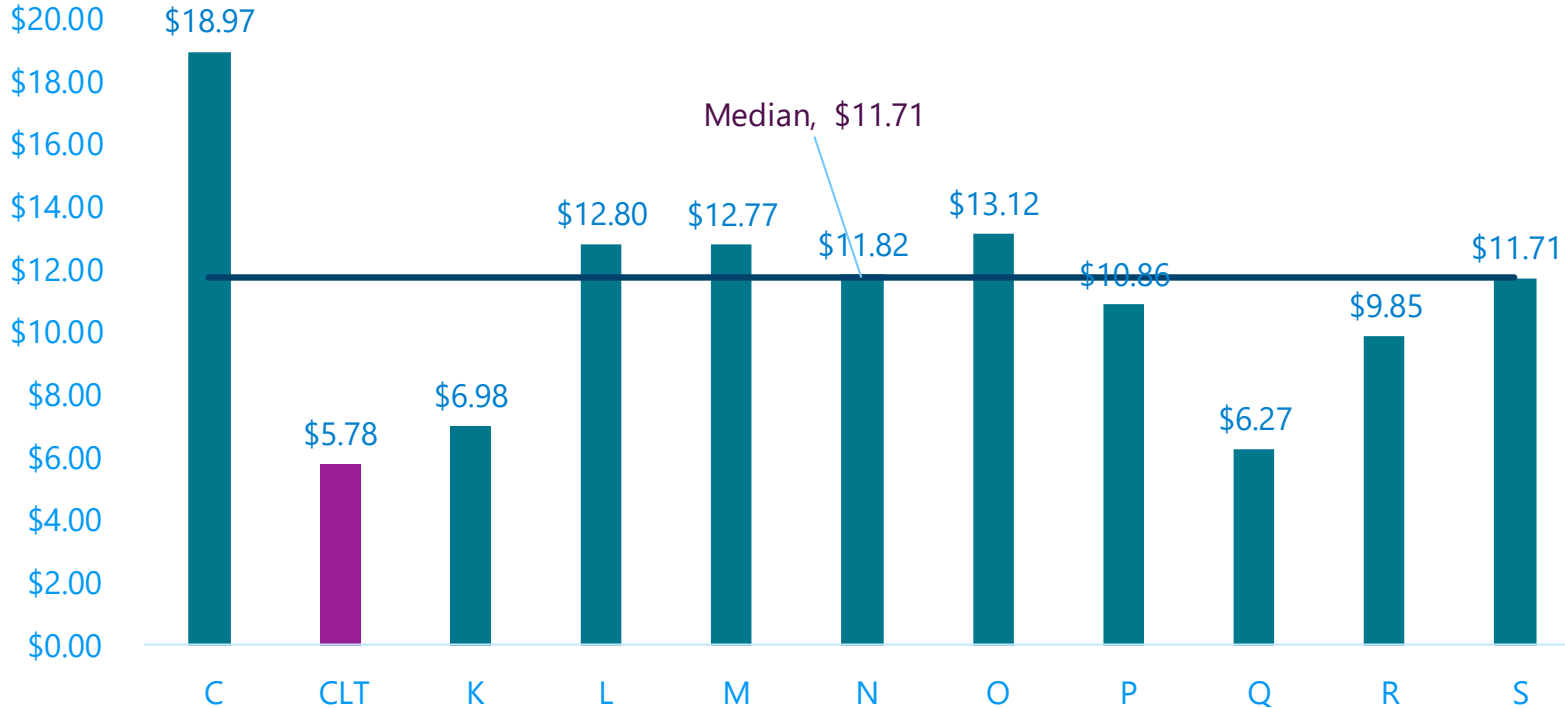
LARGE HUB COMPETITIVE SET RATIOS



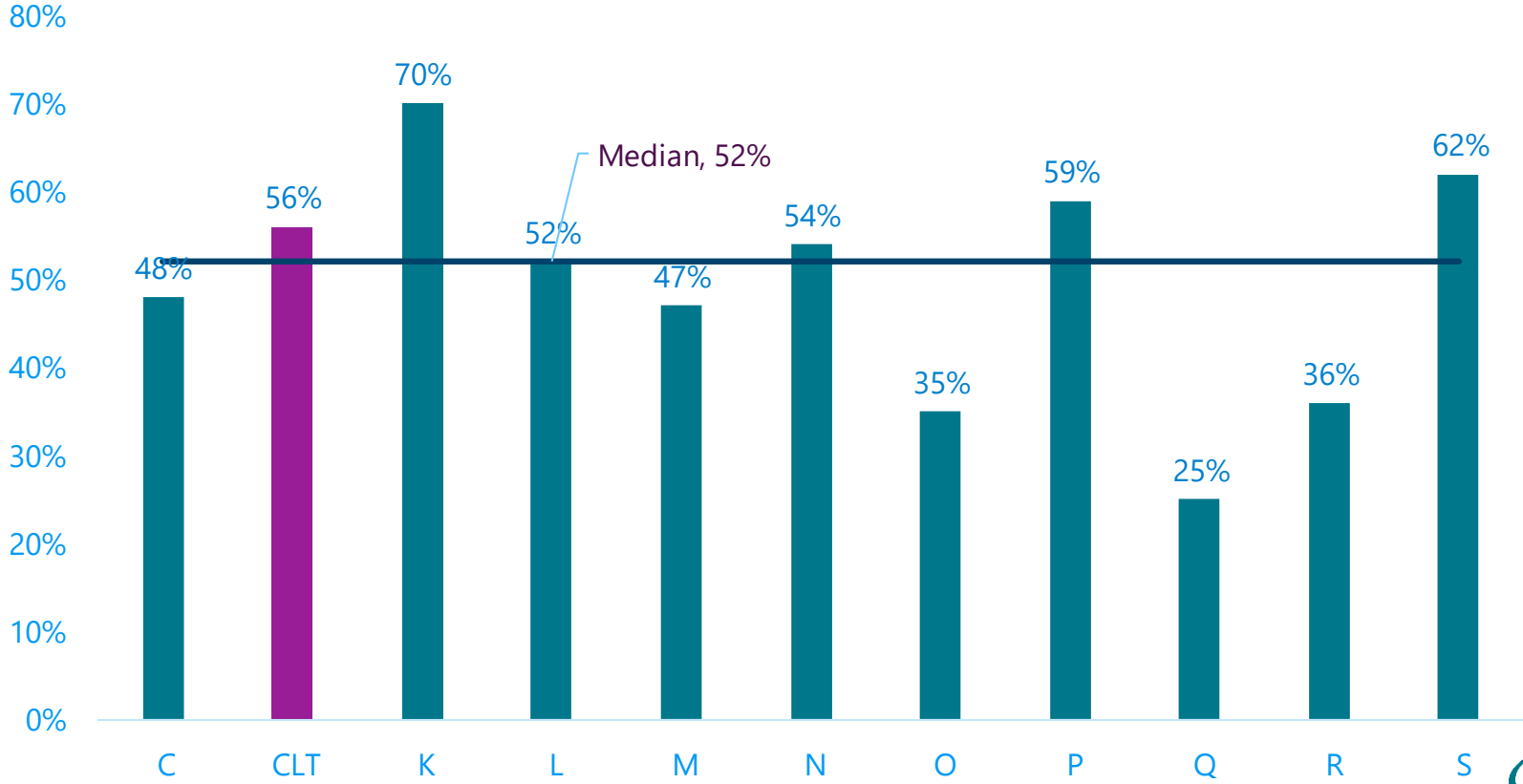
Concentration - Enplanements by Largest Carrier



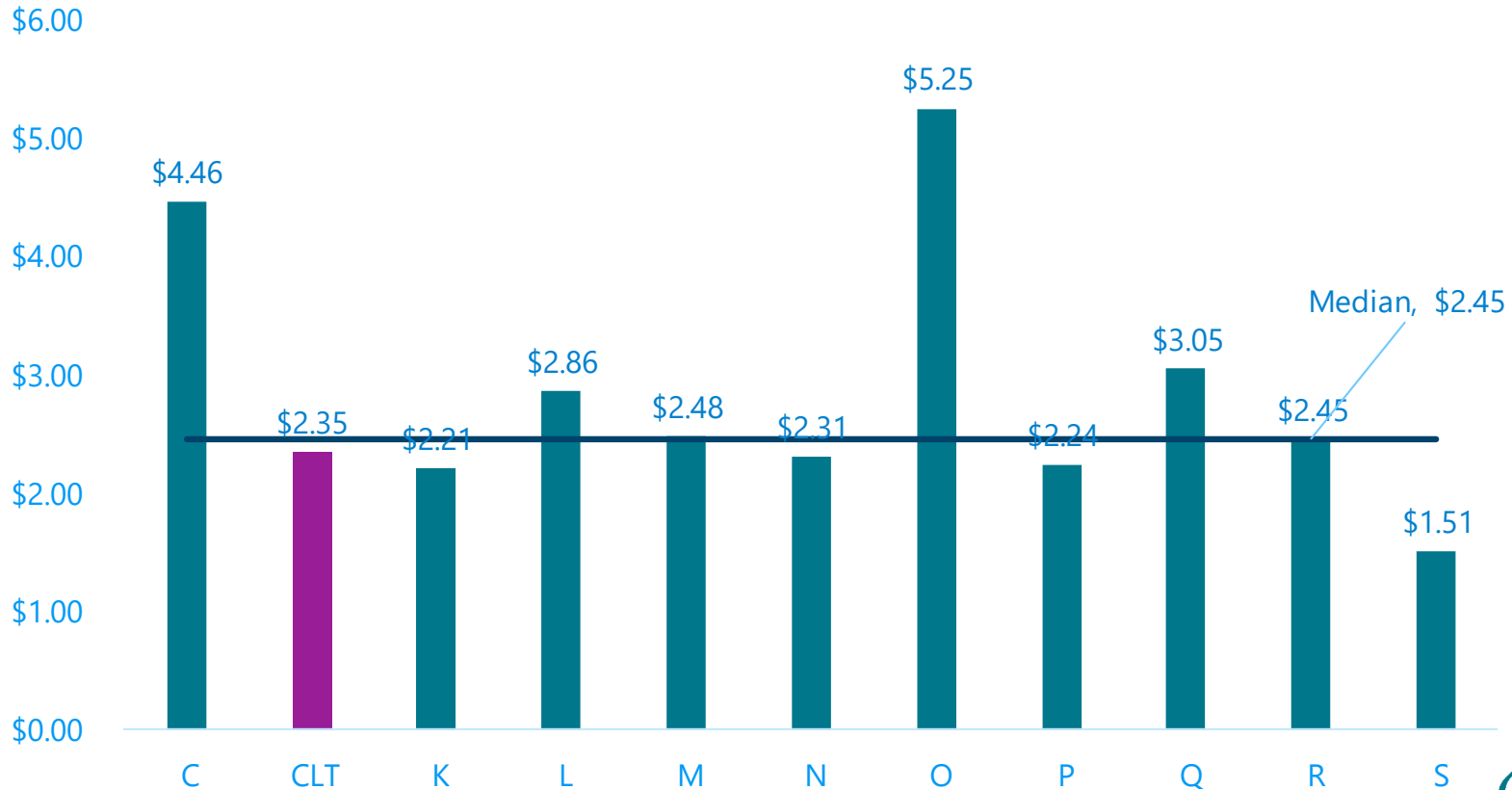
Total Non-Aeronautical Revenue per Enplanement



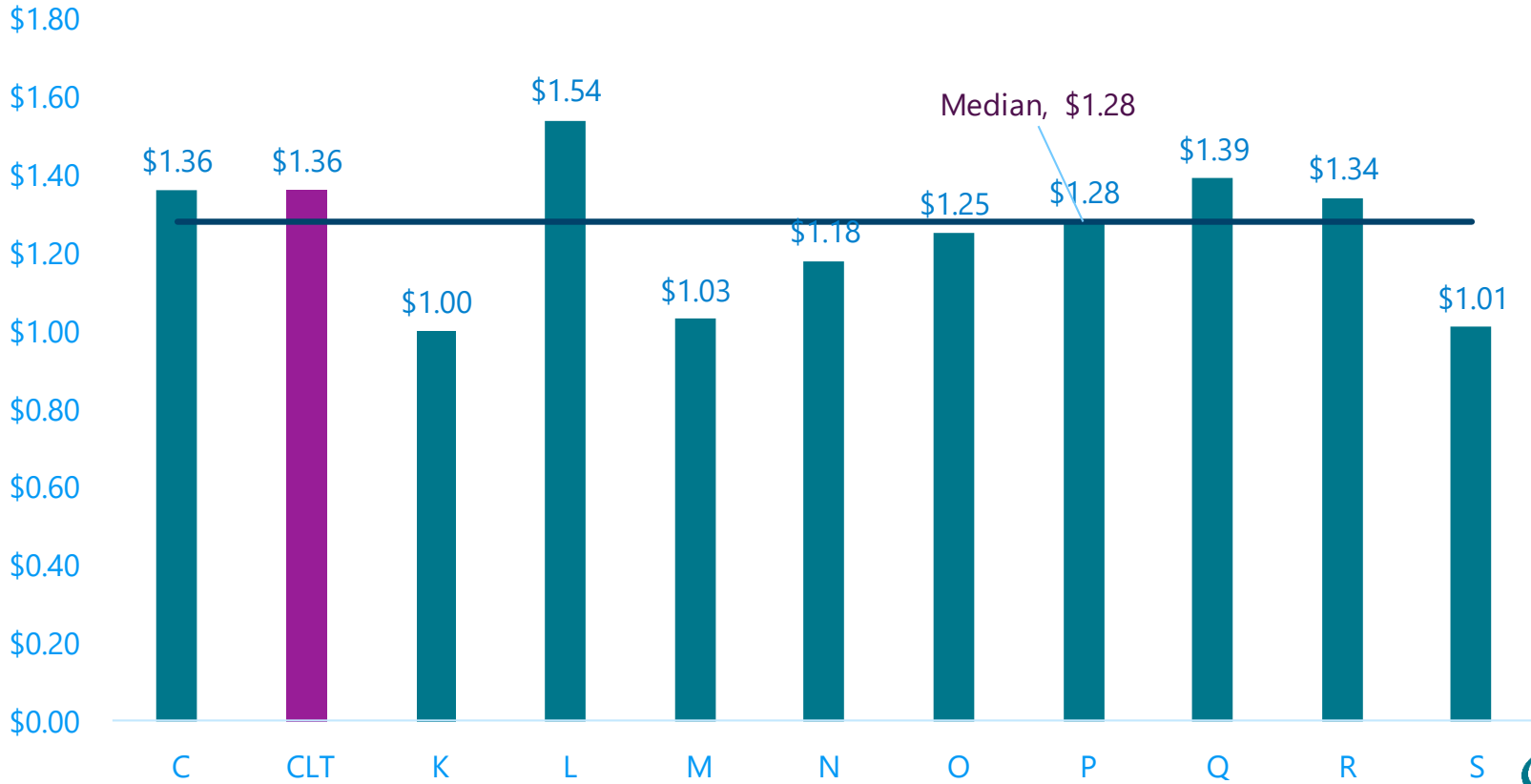
Non-Aeronautical Revenue as percent of Total Revenue



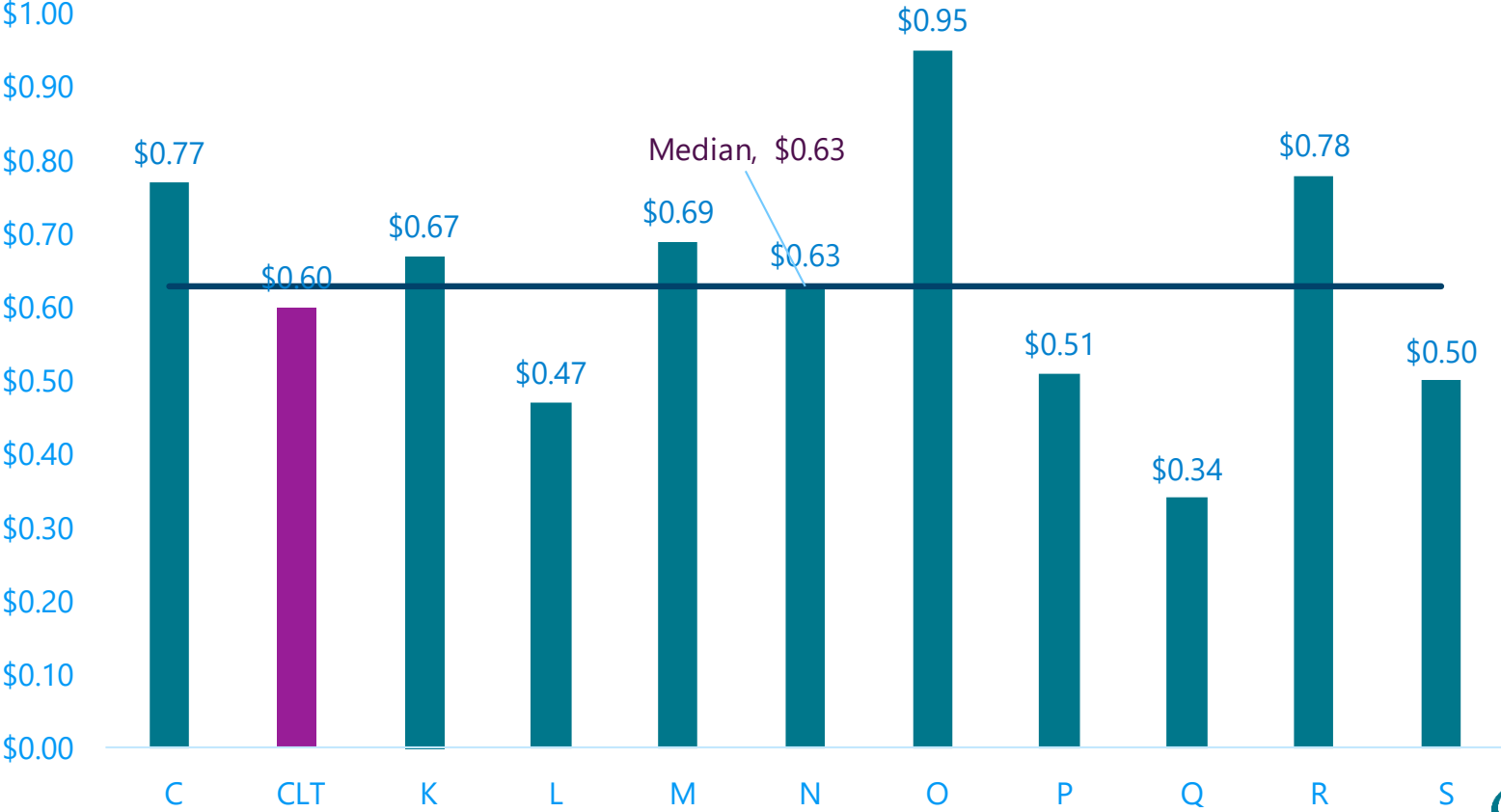
Total Concession Net Income per Enplanement



Food & Beverage Net Income per Enplanement



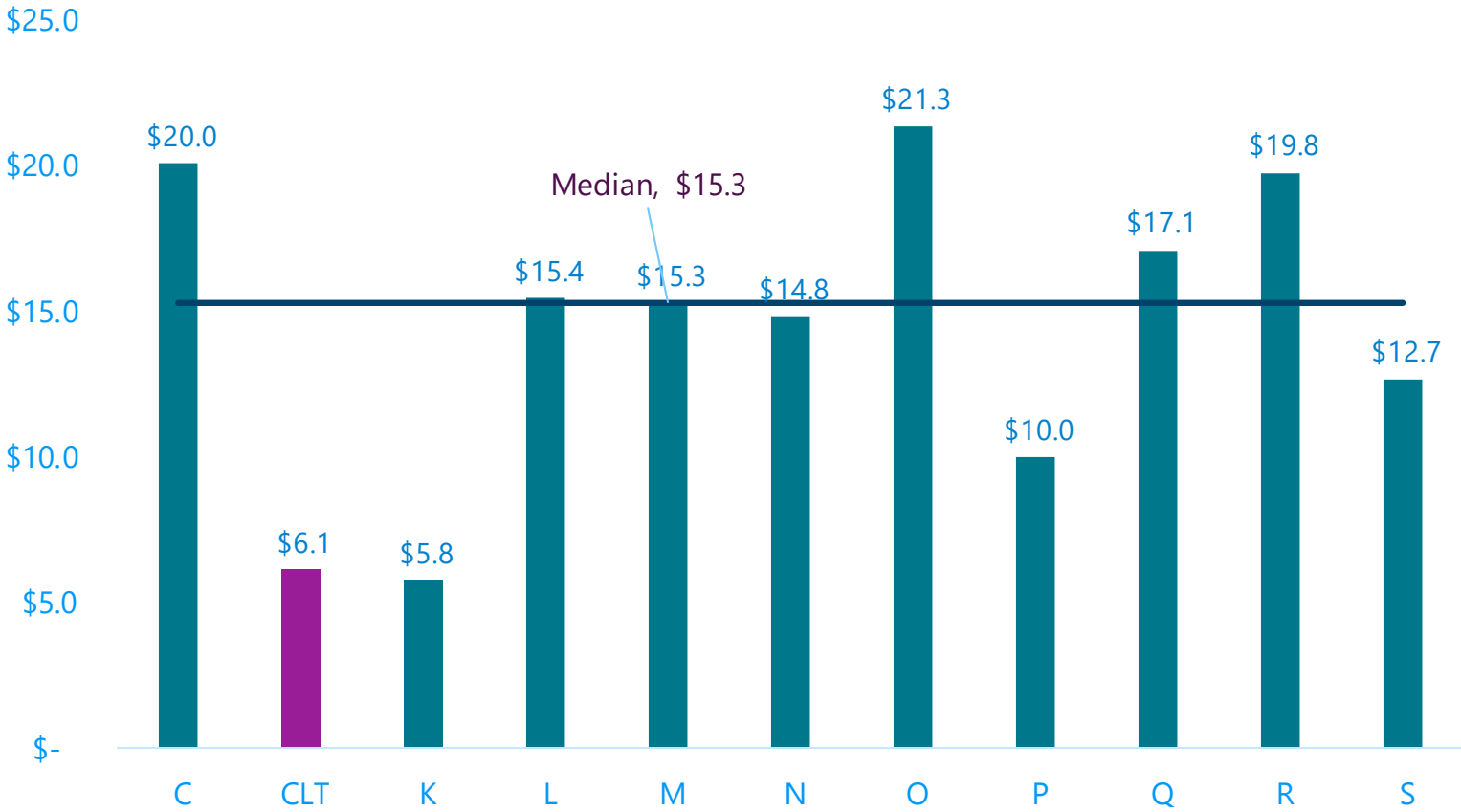
Retail Net Income per Enplanement



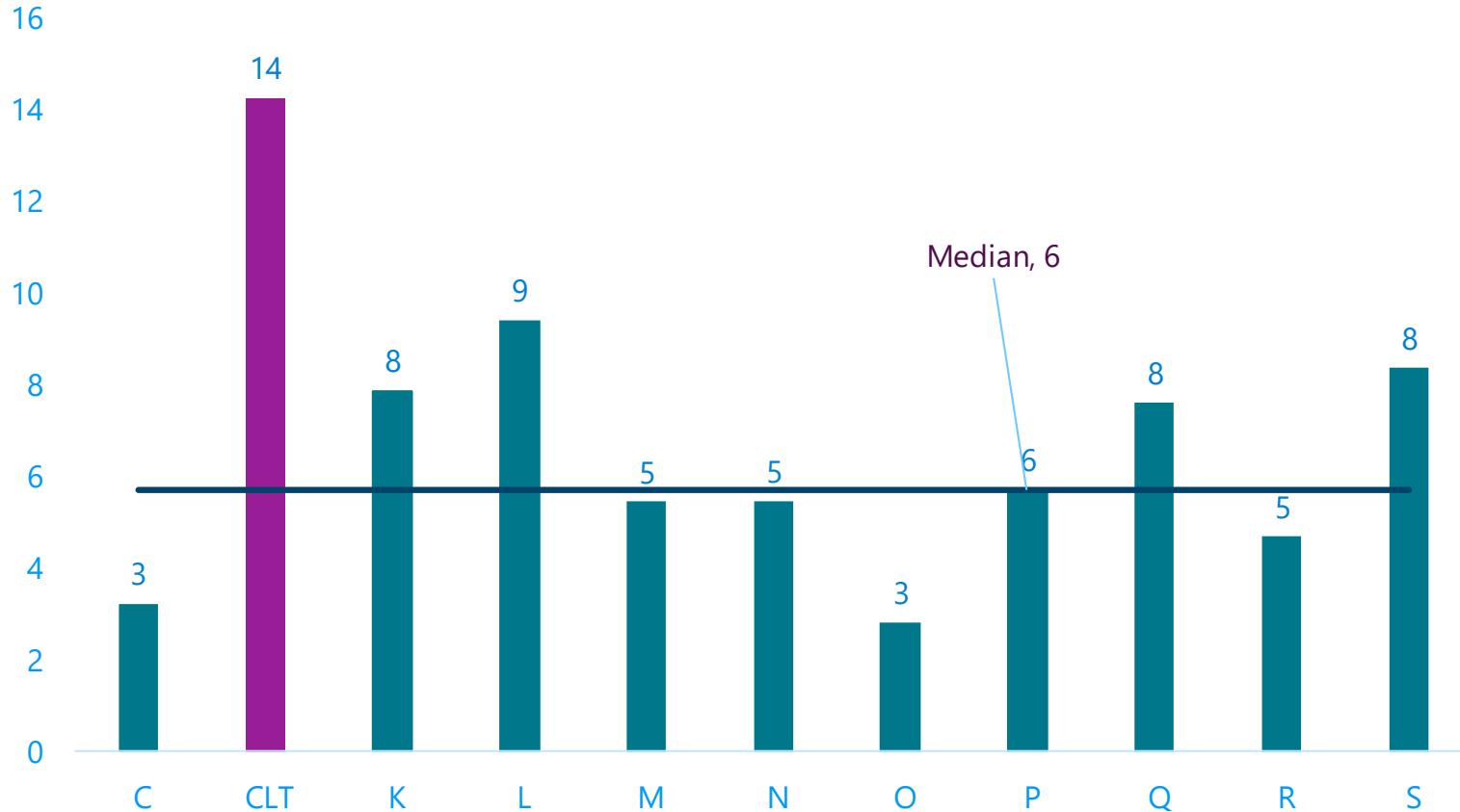
Relative Efficiency - Cost per Enplaned Passenger



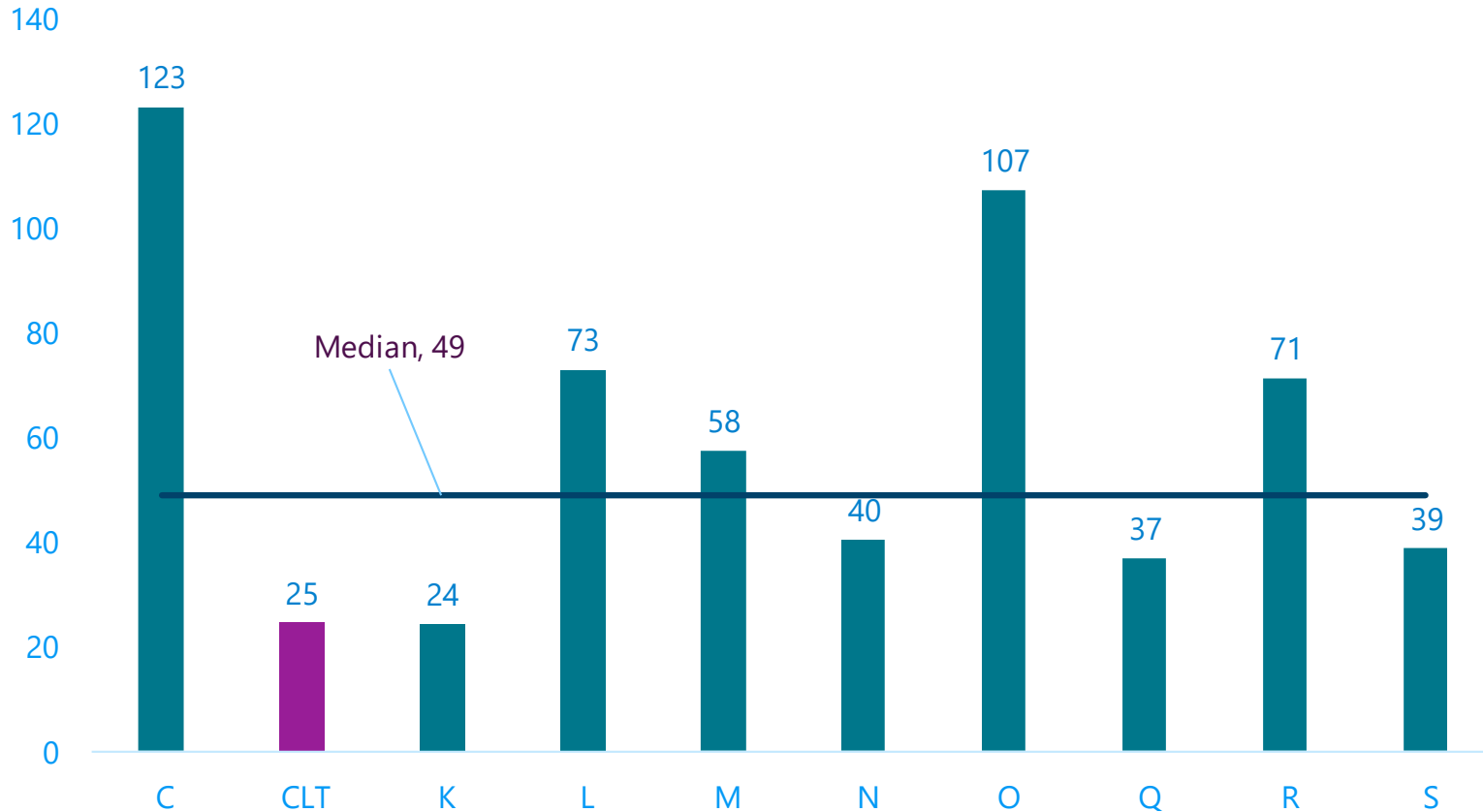
Operating Expenses per Enplanement



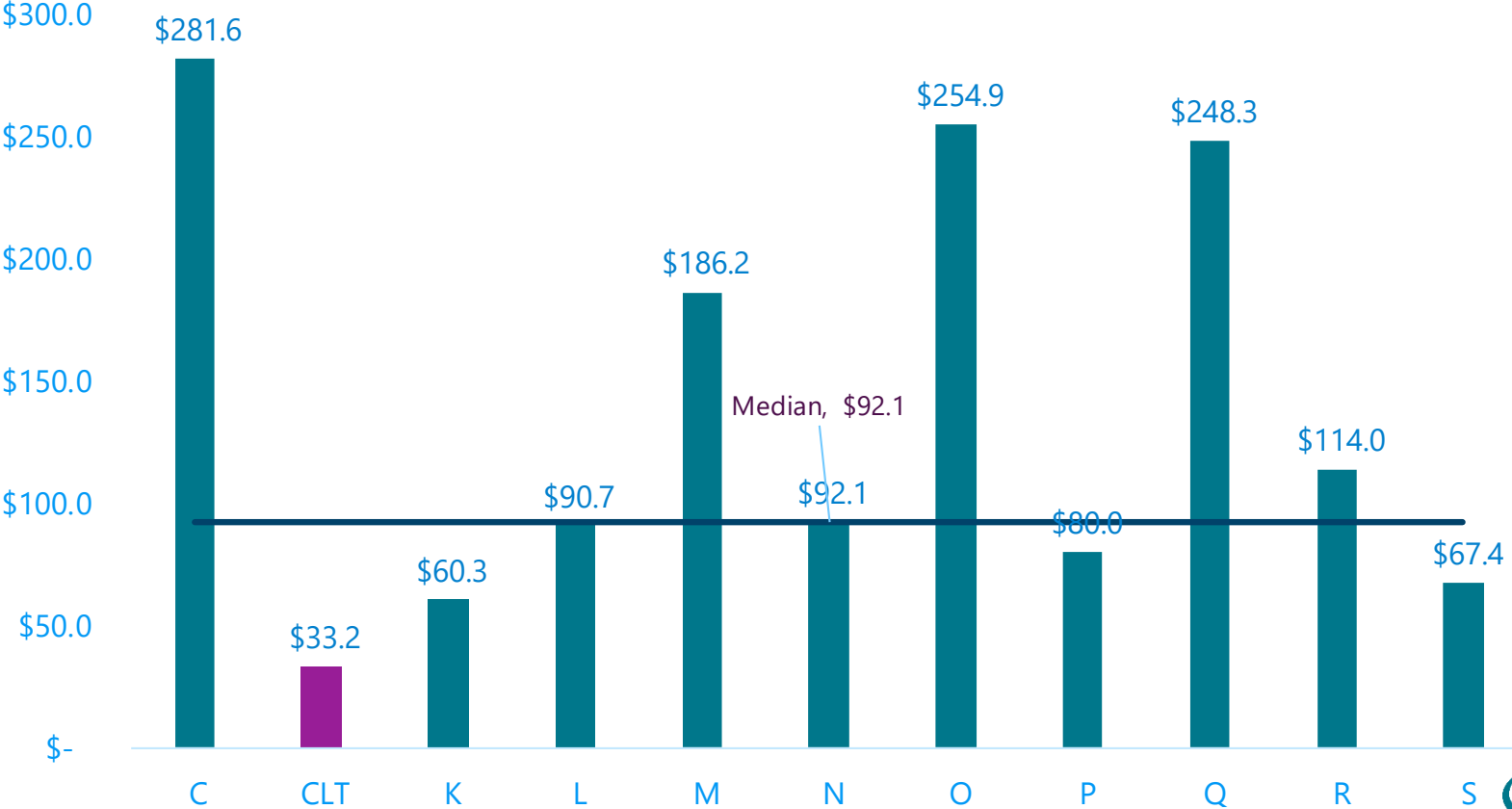
Space Efficiency - Enplanements per Terminal Square Feet



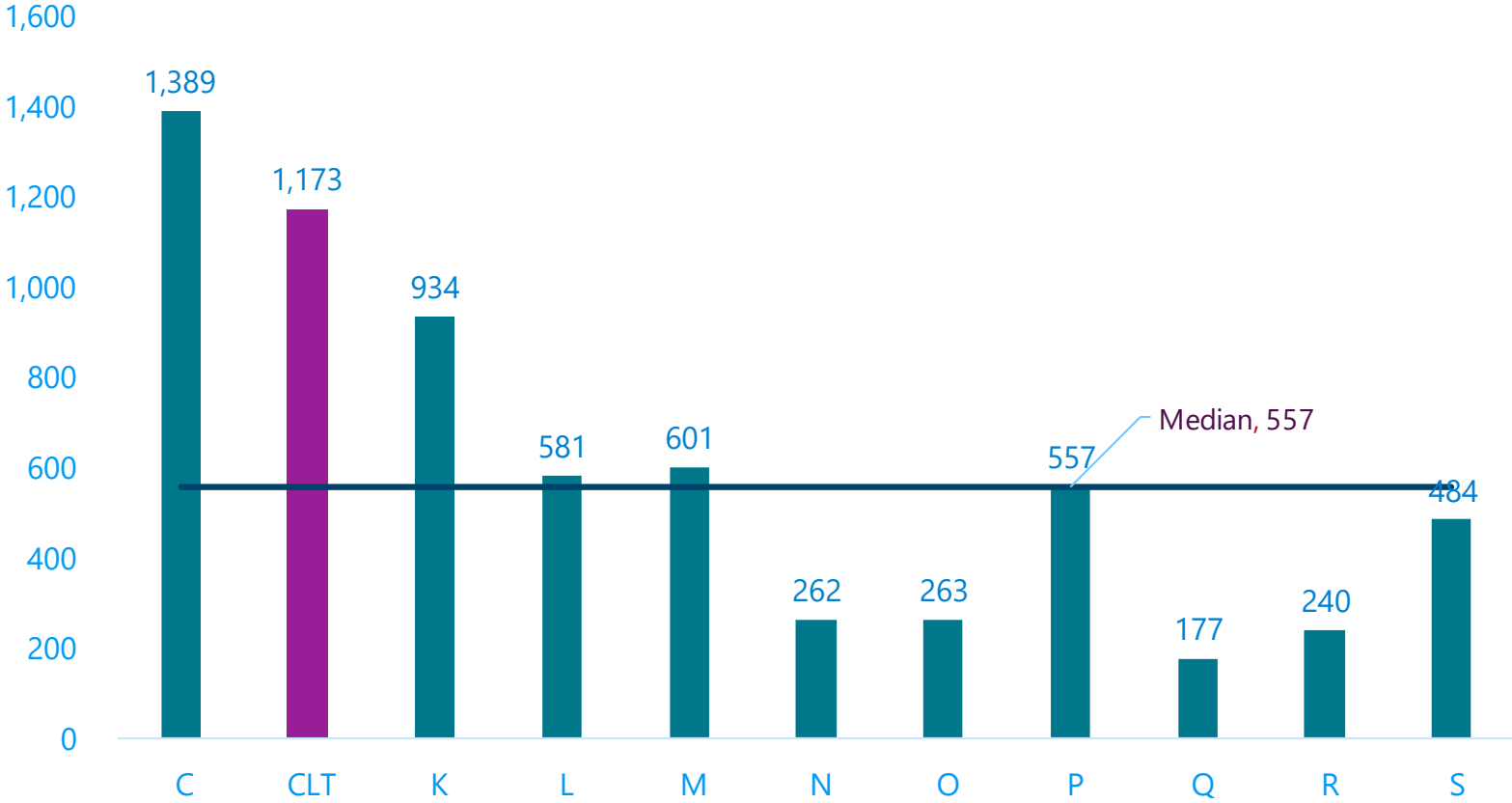
FTE per Million Enplanements



Low Leverage - Debt per Enplanement



High Liquidity - Days Cash on Hand



FY 2019 Survey

Survey Consolidation Effort is Underway

Launch - early December,

First Deadline – March

Second Deadline – July

How to use this information?

- With care and caution, especially from an industry perspective
- How to boil down the data succinctly in a way that will be meaningful to airport management?
- How can airports use this data as they prepare for changes in the US and Canadian economies?
- How can the data be used as part of a broader financial strategy?
- How can the questions be improved and condensed to promote response? Large-scale analysis is only useful with more responses.