

# HKEXPRESS

*Driving Ancillary Revenue Growth through Leading e-Commerce Strategy*

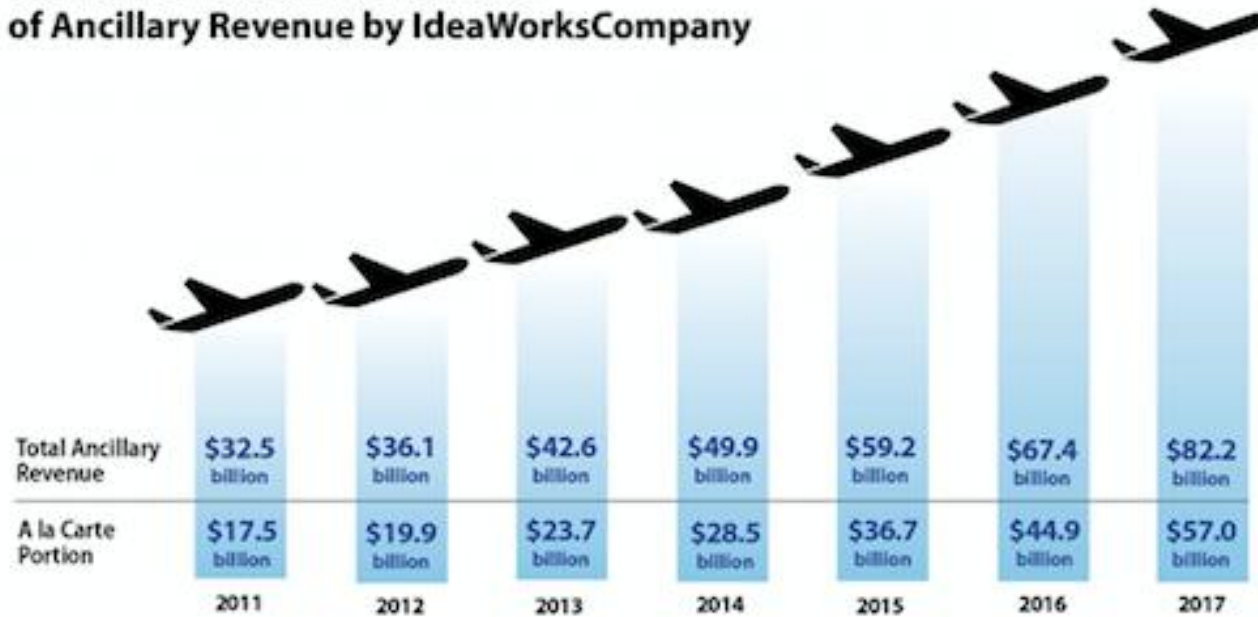


***LI Dianchun***

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***President,  
Hong Kong Express Airways***

## CarTrawler Worldwide Estimate of Ancillary Revenue by IdeaWorksCompany



Source: CarTrawler Worldwide Estimate of Ancillary Revenue for 2017.

Table 1: Top 10 Airlines – Total Ancillary Revenue (US dollars)

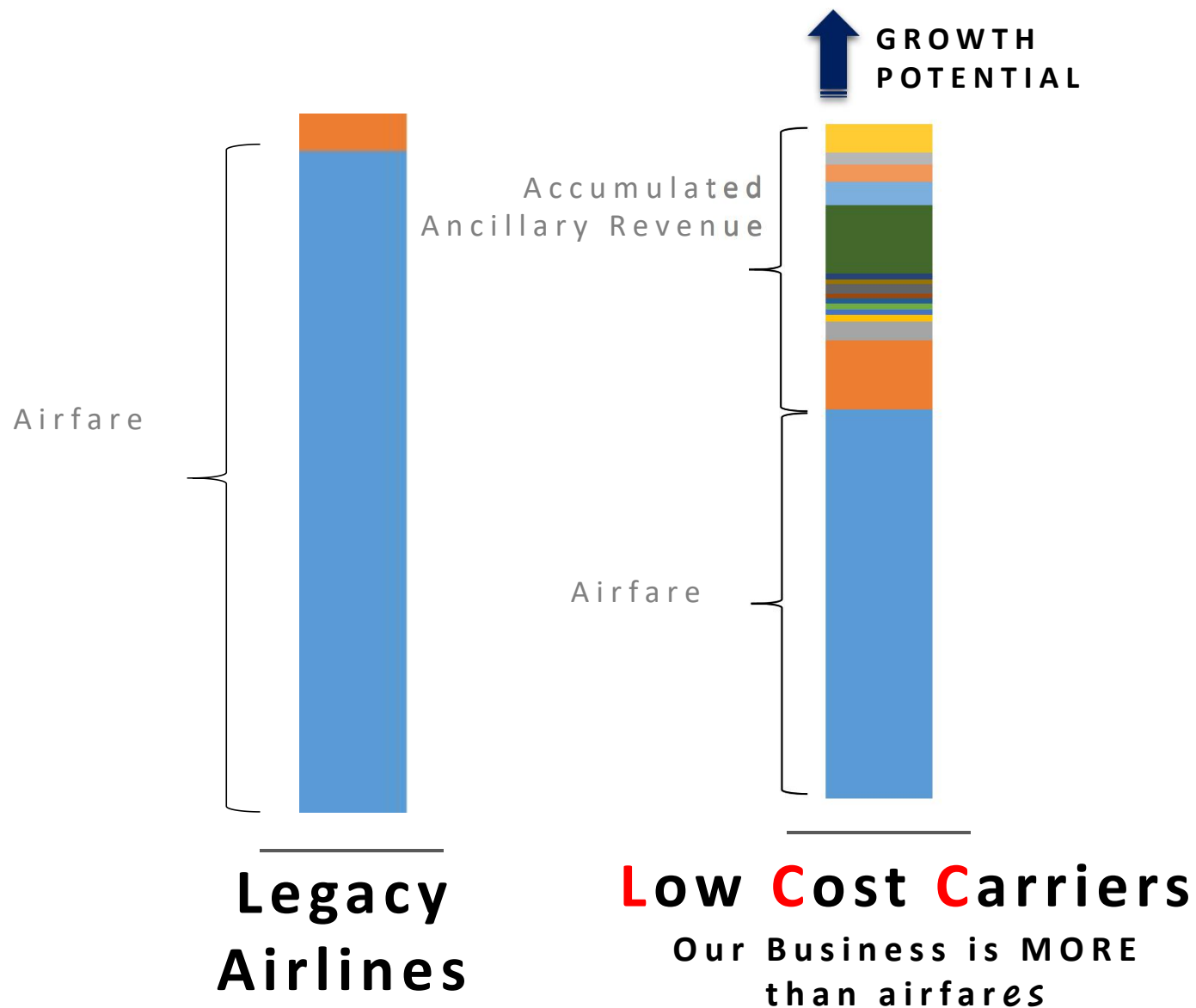
Annual Results – 2016		Approximate Sources of Revenue		
		Frequent Flyer Program	A la Carte Such As bags	Travel Retail Commissions
\$6,222,000,000	United	48%	52%	
\$5,172,400,000	Delta	52%	48%	
\$4,901,000,000	American	43%	57%	
\$2,832,800,000	Southwest	80%	20%	
\$2,100,771,801	Air France/KLM	33%	67%	
\$1,982,255,301	Ryanair	None	100%	
\$1,355,078,078 *	easyJet	None	100%	
\$1,349,812,715 *	Lufthansa Network	57%	43%	
\$1,193,698,000	Qantas (excludes Jetstar)	90%	Limited disclosure	
\$1,179,131,138	Air Canada	45%	55%	

2016 carrier results were based upon recent 12-month financial period disclosures.

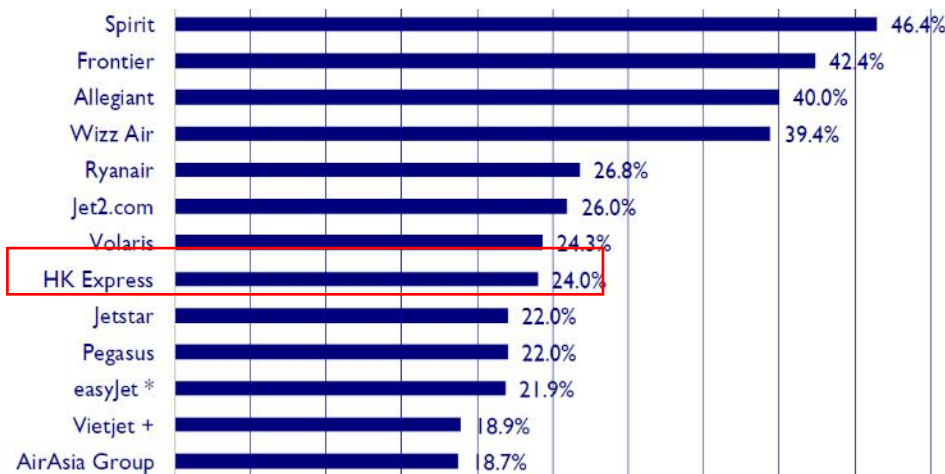
\* IdeaWorksCompany estimate based upon updated past disclosure and other sources.

Source: Ideaworks

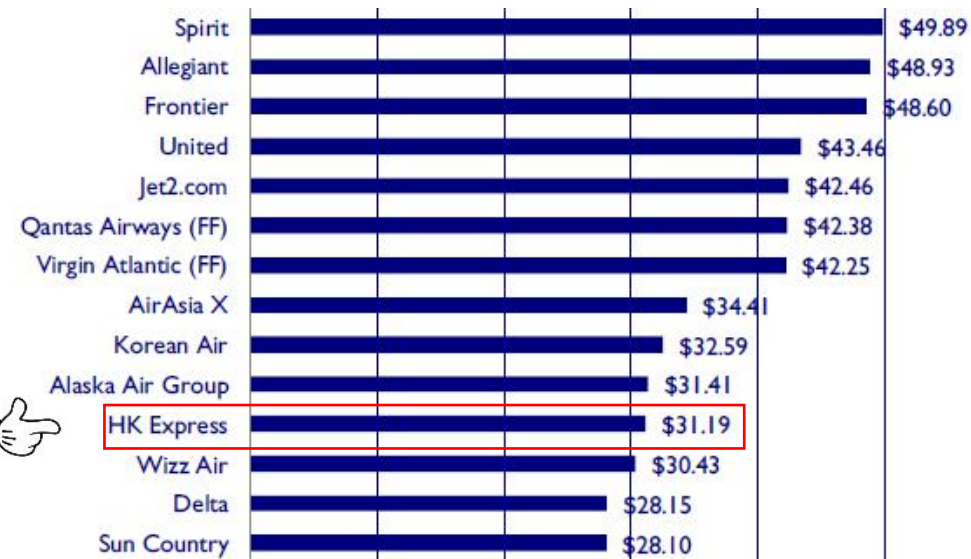
- In 2007 the top ten airlines for ancillary revenue generated **USD 2.1 billion**.
- By 2016, this figure had surpassed **USD 28 billion**.



### AR %



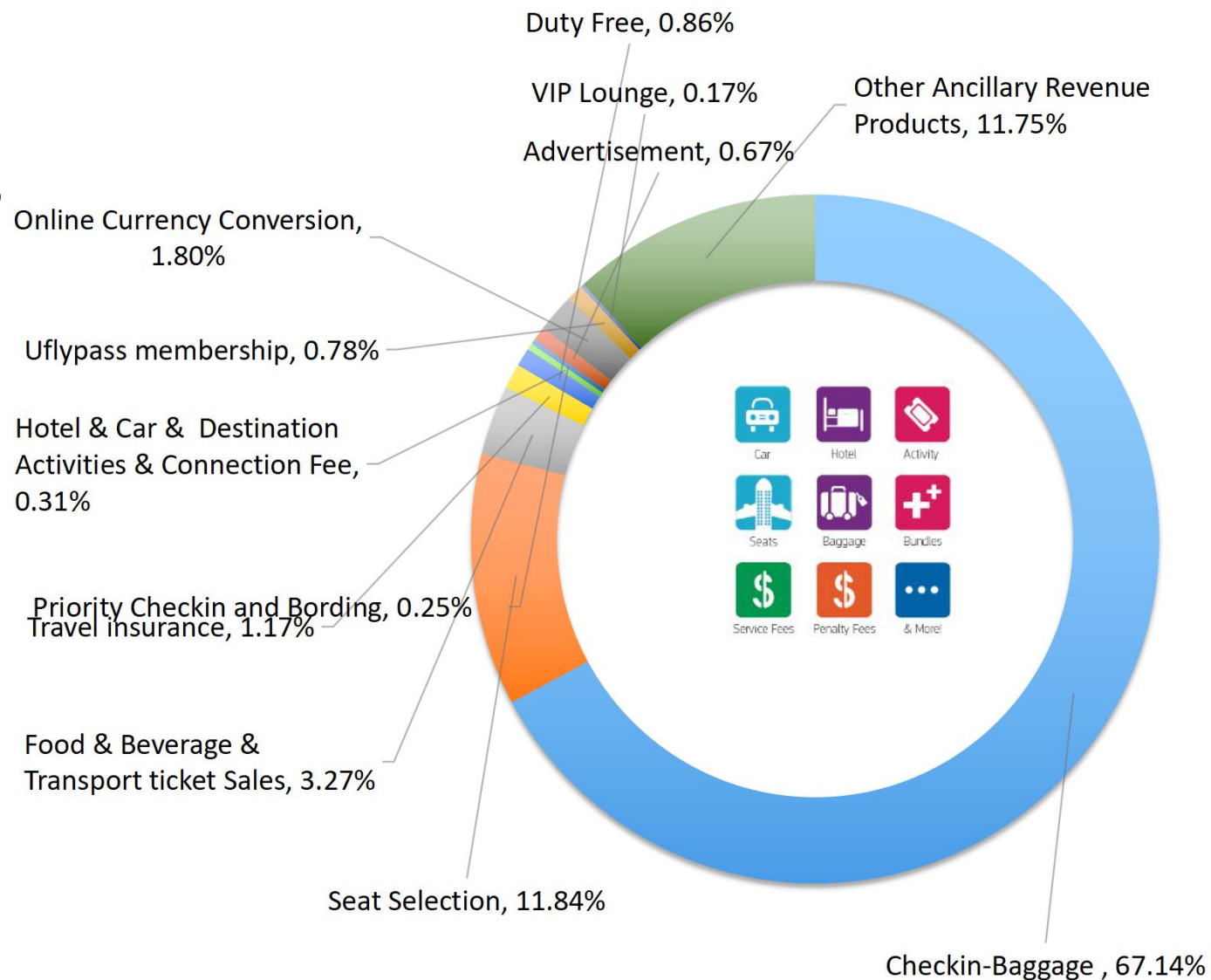
### AR/Pax (USD)





## Ancillary Revenue Categories

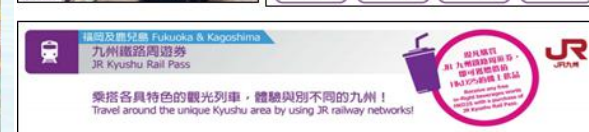
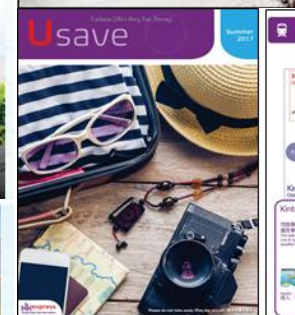
- **20+ AR products;**  
产品多元 → 收益积累效应
- **15 AR Products on eCommerce Platform;** 电商成就附收
- **NO transactional cost (direct ecommerce channels)**  
直销杜绝渠道成本
- **Direct partnership with 30+ world wide suppliers**  
最优产品供给及价格



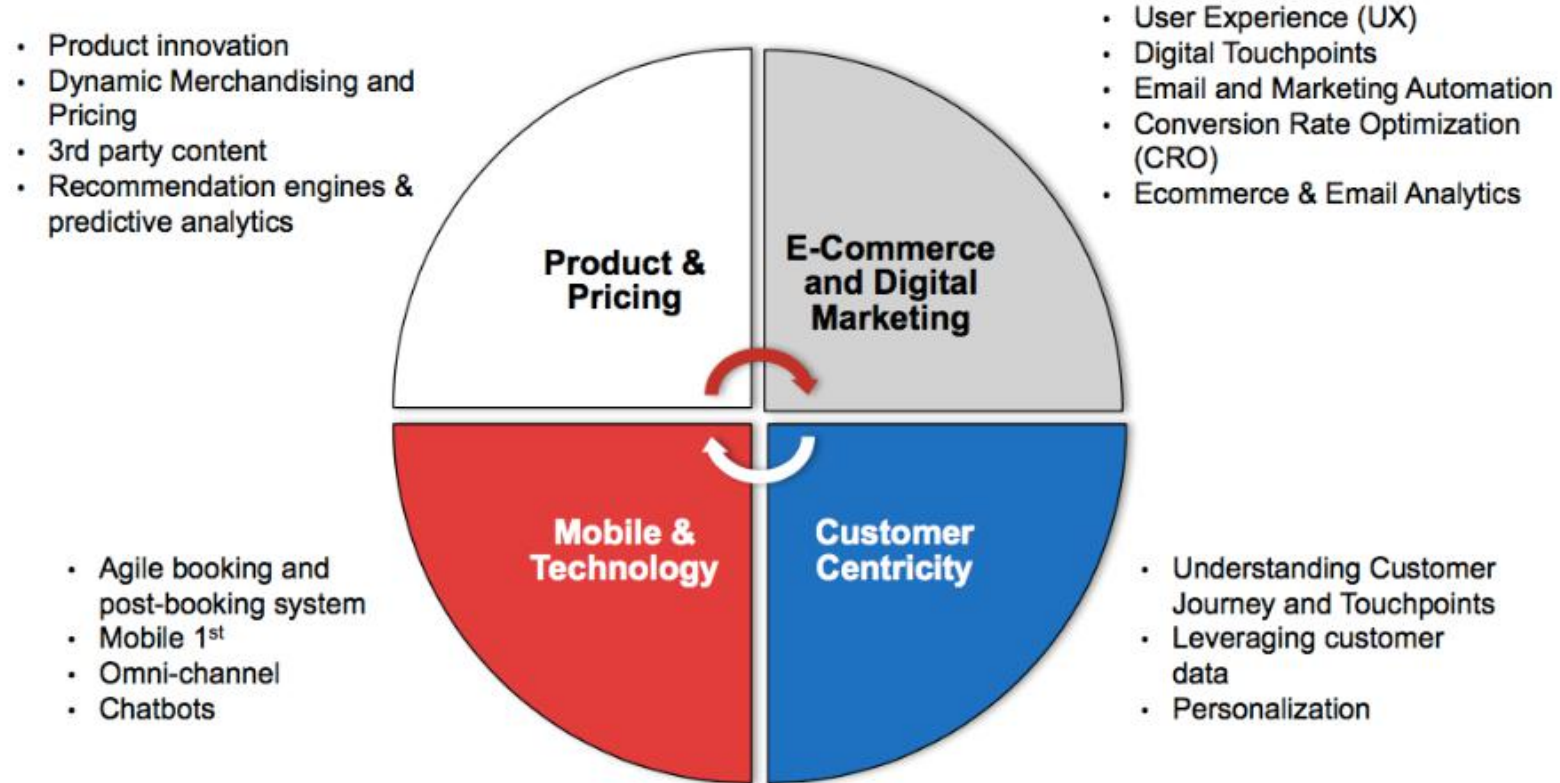


## Striving to become the “Amazon of Travel”

MOVING FROM THE MINDSET OF AN AIRLINE WITH AN ANCILLARY OFFERING TO AN ECOMMERCE PLATFORM OFFERING AVIATION AND TRAVEL RELATED PROUDUCTS







**Customer Satisfaction**    *Minimum Distribution Cost*



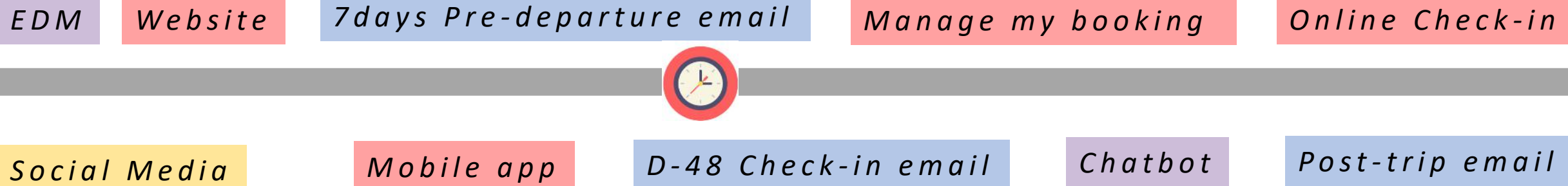
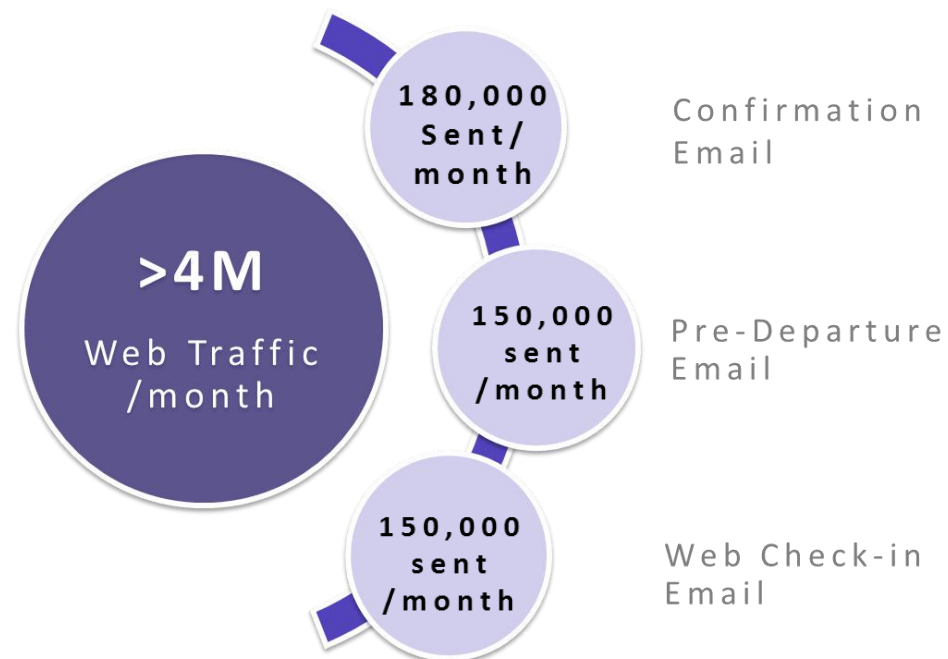
**Strong Product Sales & Digital Campaign Capability**



**Encourage Automation**



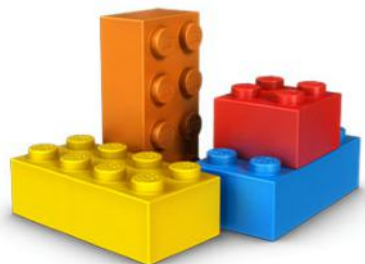
## DIVERSE DIGITAL TOUCHPOINTS—upsell opportunities



*Cover the whole journey*

## ANCILLARY REVENUE MANAGEMENT & OPTIMIZATION

附属“收益管理”. 优化产品呈现方式



DYNAMIC PACKAGE  
动态产品供给. 乐高模式选你所需

## CUSTOMER SEGMENTATION

了解客户. 旅客细分



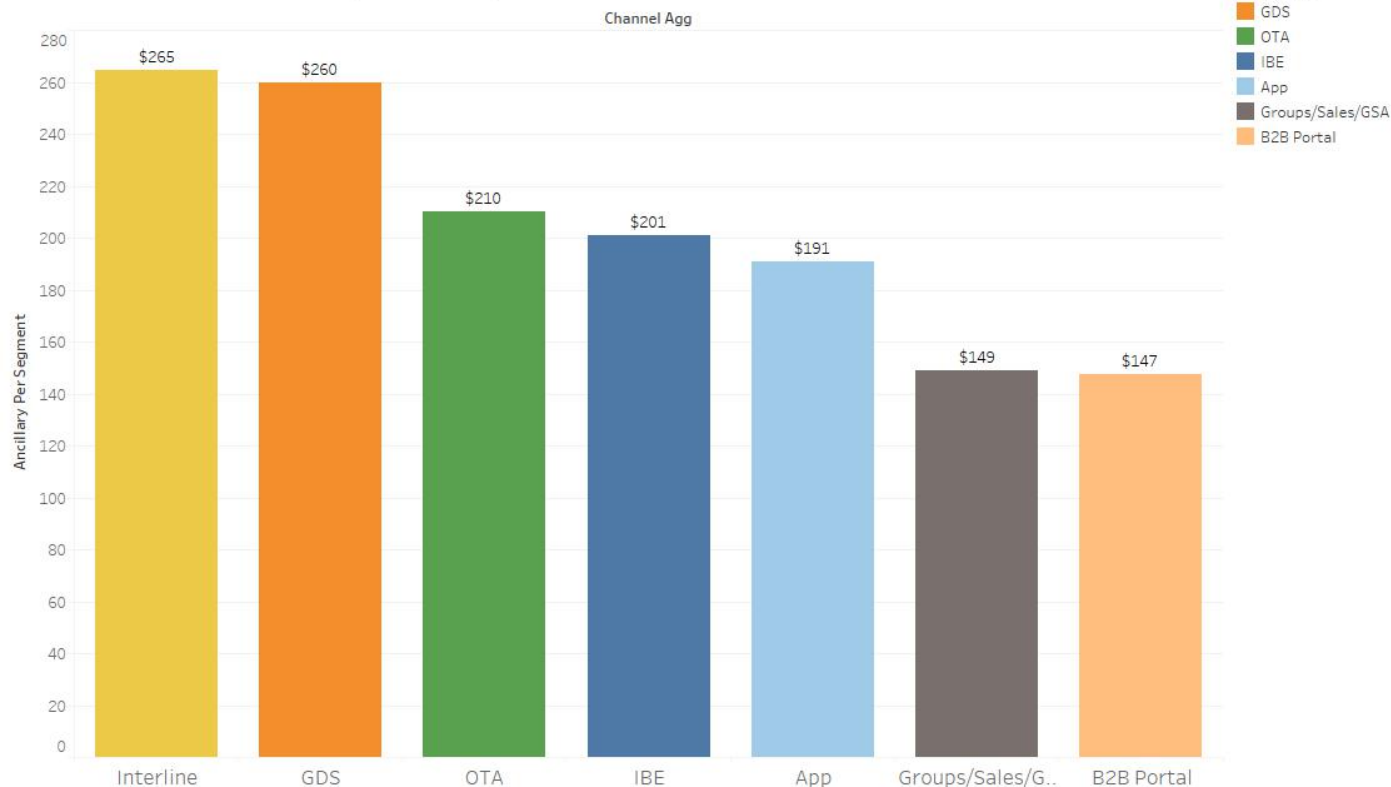
MORE PRODUCT  
单一产品收益有上限. 产品种类无上限



## Expansion of Interline Partnerships



Online Ancillary Per Segment (By Channel)



Partnership with KLOOK, Asia's largest in-destination services booking platform



Onboard sales of ground transportation and destination special offers



**THANK YOU!**

Hong Kong Express Airways Limited