



TravelSky Technology Limited

Stock Code: 00696.HK

H shares listed on 7 Feb 2001

2018 INTERIM RESULTS

Aug. 2018



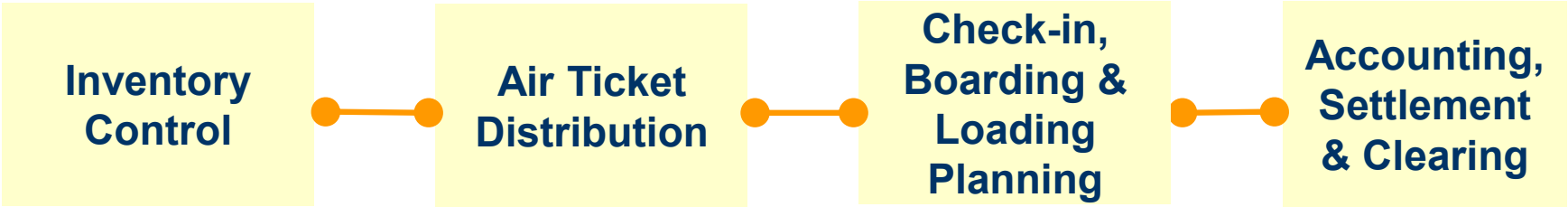
Please scan the QR code, if you need this document

©Copyright TravelSky Technology Limited

Company Highlights

The dominant provider of information technology solutions for China's aviation and travel industry

- With three decades of tenacious development, we have developed a wide range of leading information technology products and services along the value chain of the industry



- Services tailored to the needs of its extensive clientele



Airlines



Airports



Travel Product Providers



Travel Agencies



Air Travel Consumers



Cargo Shippers

Shareholders Structure



Operating Overview

(Million)	20181H	20171H	YOY Change
System Processed Volume	313.0	281.0	11.4%
Chinese Commercial Airline	301.3	269.5	11.8%
Foreign Commercial Airline	11.7	11.5	1.6%
CUSS, online, mobile & SMS self check-in service processed passenger departures	140.0	105.9	32.2%
BSP Tickets (Processed By ACCA)	191.8	172.9	10.9%

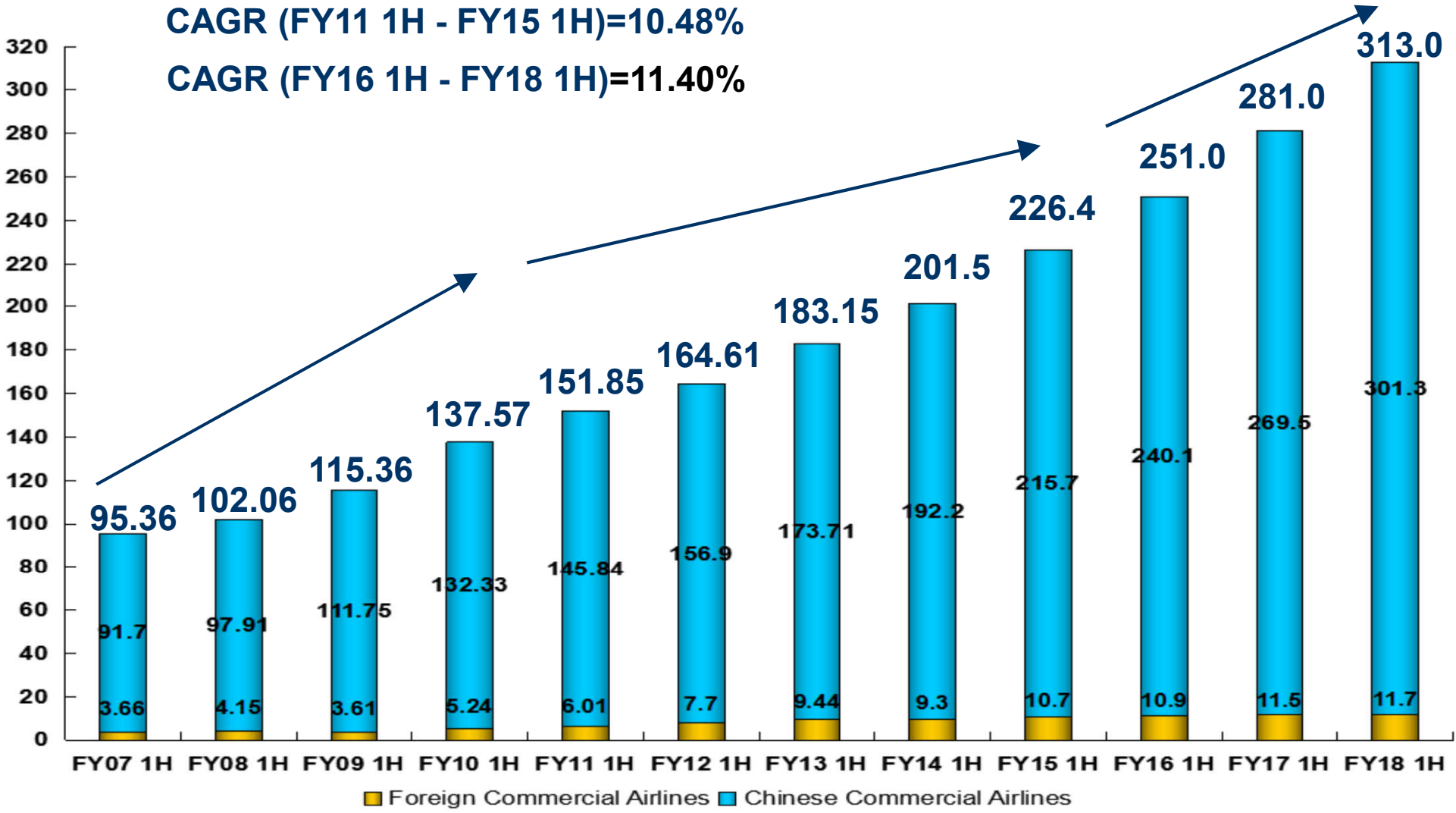
System Processed Volume

Million

CAGR (FY071H - FY10 1H)=13.96%

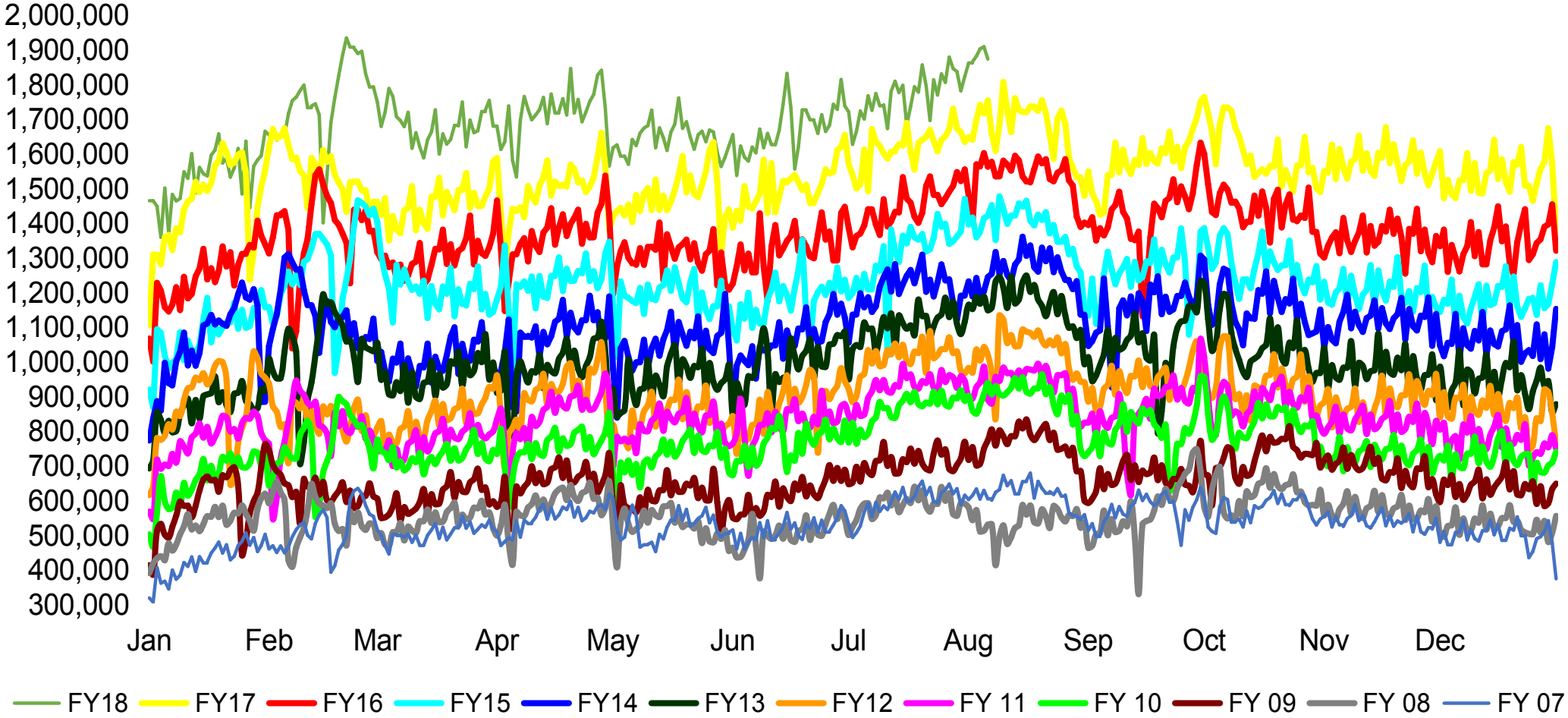
CAGR (FY11 1H - FY15 1H)=10.48%

CAGR (FY16 1H - FY18 1H)=11.40%



Seasonal Fluctuation

Daily System Processed Volume of Chinese Commercial Airlines

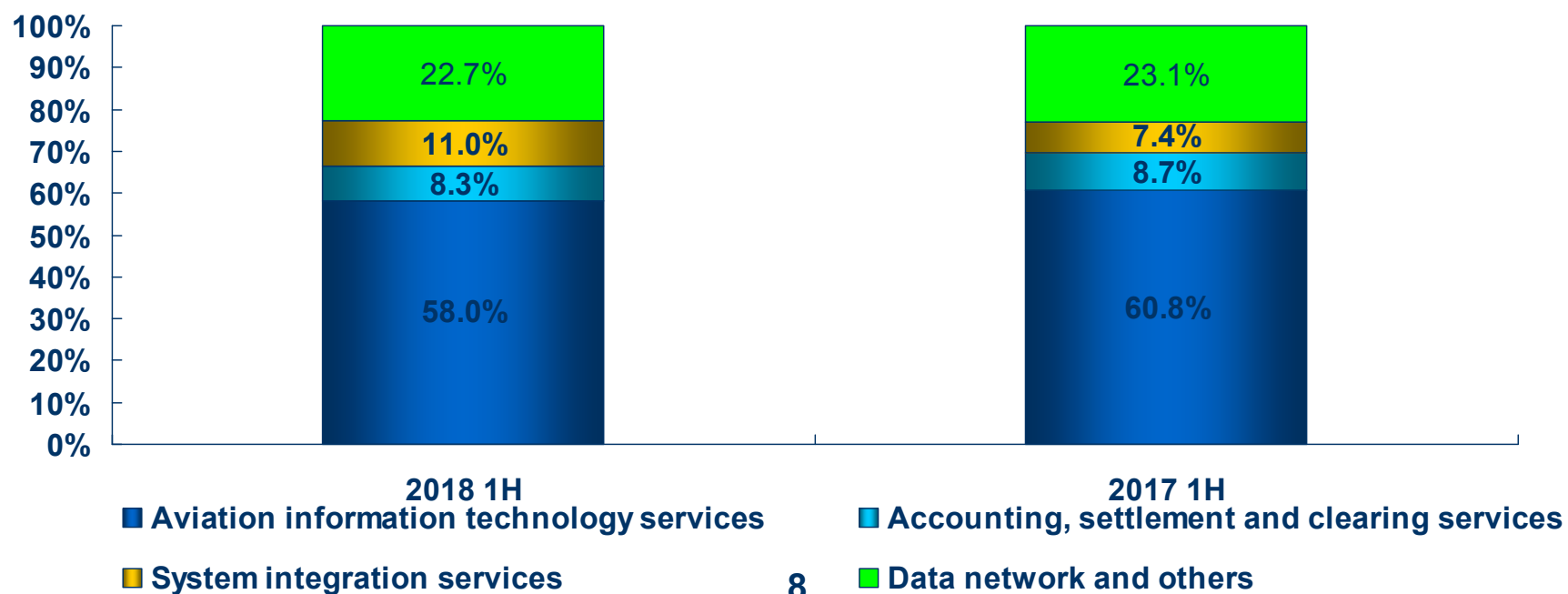


Financial Highlights

	2018 1H	2017 1H	YOY Change
Total Revenues (RMB Million)	3,521.7	3,123.5	12.7%
Operating Profit (RMB Million)	1,478.8	1,373.3	7.7%
Profit Attributable To Equity Holders (RMB Million)	1,347.5	1,189.9	13.2%
EBITDA (RMB Million)	1,842.9	1,633.1	12.8%
Basic & Diluted Earnings Per Share (RMB)	0.46	0.41	12.2%
Operating Margin	42.0%	44.0%	-2pts
Gearing Ratio	26.0%	24.1%	1.9pts

Revenue Analysis

	2018 1H	2017 1H	YOY Change
Total Revenues (RMB Million)	3,521.7	3,123.5	12.7%
Aviation information technology services	2,042.5	1,900.1	7.5%
Accounting, settlement and clearing services	292.3	272.2	7.4%
System integration services	386.1	230.7	67.4%
Data network and others	800.9	720.5	11.1%

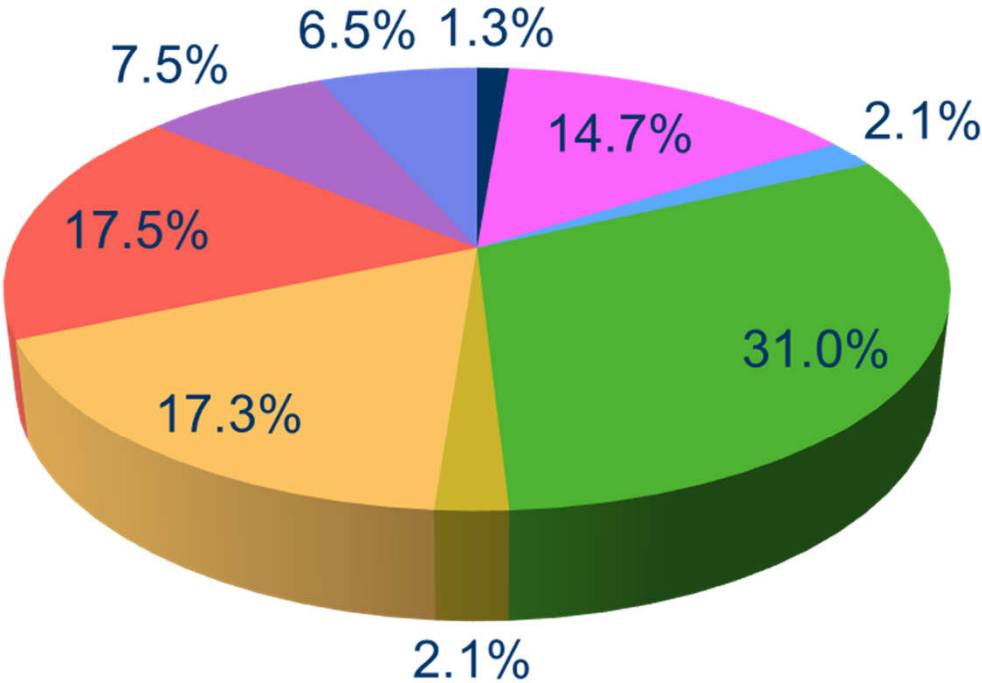


Operating Expense Analysis

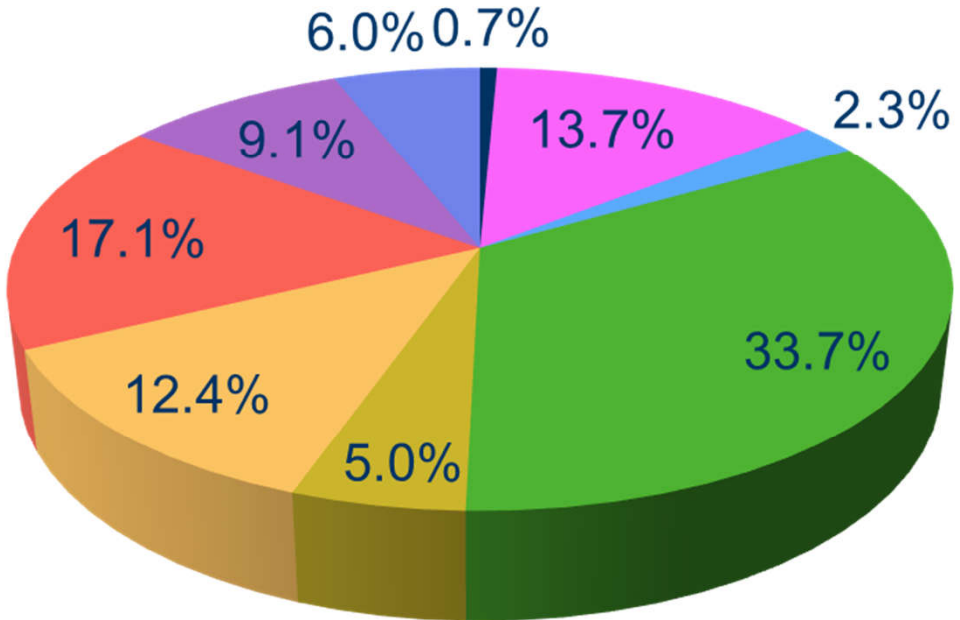
	2018 1H	2017 1H	YOY Change
Total operating expenses (RMB Million)	2,043.0	1,750.2	16.7%
Business taxes & other surcharges	26.7	12.4	114.5%
Depreciation & amortisation	299.6	240.0	24.8%
Network usage fees	42.3	39.9	5.9%
Personnel expenses	633.4	589.3	7.5%
Operating lease payments	42.1	87.9	-52.1%
Technical support & maintenance fees	352.8	216.3	63.1%
Commission & promotion expenses	357.6	299.6	19.3%
Cost of software & hardware sold	153.4	159.2	-3.6%
Other operating expenses	135.1	105.6	28.0%

Operating Expense Analysis

FY18 1H



FY17 1H



- Business taxes and other surcharges
- Network usage fees
- Operating lease payments
- Commission and promotion expenses
- Other operating expenses

- Depreciation and amortisation
- Personnel expenses
- Technical support and maintenance fees
- Cost of software and hardware sold

Capital Expenditure

	Actual		Planned
	2018 1H	2017 1H	2018
Total Capital Expenditure (RMB Million)	225.0	350.2	2,790.0
Construction of new operating centre in Beijing	59.6	263.2	903.0
Update & MA of the existing system	76.4	13.5	1,108.8
Development of new generation system	0	0.5	0
Others	89.0	73.0	778.2

Note : From 2011 to the half of 2018, the Phase I work of the new operating centre in Beijing has accumulated an expenditure of approximately **RMB2,740 million**, representing **74.9%** of the construction budget plan of the Phase I work.

Construction of Beijing new operating centre

◆ Proposed construction in phases and investment

- Construction work is divided into two phases
- Investment amount of Phase 1 work : RMB3.655 billion(subject to upward/downward adjustment of not more than 10%).

◆ Proposed construction area and purposes

- Total area : 533,000 sq. m., with 376,000sq.m. above ground and 157,000sq.m. underground, including office area, production area, supporting facilities area and multipurpose area comprising 18 buildings in total;
- Phase 1 area: 368,000sq. m., with 244,000sq.m. above ground and 124,000sq.m. underground, including an engine building, a machinery building, a power and energy building, a headquarters office building, research and development centre buildings, settlement centre buildings, an operating centre building, a cultural and sports centre and dormitory buildings comprising 13 buildings in total.

Construction of Beijing new operating centre

◆ Phase 1 work

	Construction	Gross Floor Area
Production Area	Server Building A	Approximately 117,000 sq.m.
	Power Building	
	Operating Centre	
Office Area	Headquarters Building	Approximately 170,000 sq.m.
	Research and Development Centre	
	Settlement Centre	
Ancillary Area	Energy Building	Approximately 81,000 sq.m.
	Cultural and sports Centre	
	Shift Dormitory	



Prospects for the 2018

◆ Opportunity

- Remaining solid market base
- Evolving to a country with dominating power in civil aviation
- Standing gradually up to a level close to the major tourism countries worldwide
- The national cyber development strategy, the Internet Plus Action Plan, and the national big data strategy
- Requirements in informatization level and network information security in civil aviation industry

◆ Challenge

- Deep-going integration and alliance of the aviation industry
- Increasing emergence of technical products and business models
- Augmenting concentration in channels
- Continuously penetrating the domestic market from overseas competitors
- Needs of various types of customers for information technology solutions and higher standards of service

Prospects for the 2018

- ◆ **Ensuring stability development, raising capabilities, strengthening areas of weakness and emphasizing implementation**
 - Improving long-term security mechanism to lay a solid foundation for development by strengthening safety awareness in production, enhancing support capabilities of safety and security matters, improving the safety responsibility system, strengthening the leadership of security organizations
 - Strengthening judgment on situation to seize market opportunities by closely keeping up with the industry development trend and focusing on the needs of various types of customers, and implement business layout comprehensively by taking serious measures to develop products, improving service capability and actively exploring overseas business as a way to focus on our development advantages
 - Strengthening leading role in innovation with great efforts to be made to promote the construction of technology platforms, continuously optimize the research and development system and strengthen the construction of scientific and technological innovation platforms in order to boost driving forces for development.
 - Optimizing fundamental management by improving development quality and setting up strategies-oriented, talents-oriented, cost-oriented and rule-of-law-oriented approaches

Q&A

Investor Relations

- Secretariat to the Board of Directors
- TravelSky Technology Limited
- Tel: (86 10)5765 0696
- Fax: (86 10)5765 0695
- E-mail: ir@travelsky.com
- The compliance website: <http://www.travelskyir.com>
Obtain the financial reports, announcements, circulars, operational data and other materials of the Company
- Address: A1-805 TravelSky High-Tech Industrial Park, Houshayu Town, Shunyi District, Beijing, PRC

Umetrip
Your companion in the air



Please scan the QR code,
if you need this document

