Hello Tomorrow, Hello World

Emirates Flight Plan 2021

Dennis Wong, Andrew Stearns, Kim Perdue & Aarthi Ganapathi
SWOT Analysis

Strengths

Connections Oriented Strategy
Emerging Markets Focused
Flexible Global Hub Model
SWOT Analysis

**Strengths**
- Connections Oriented Strategy
- Emerging Markets Focused
- Flexible Global Hub Model

**Weaknesses**
- Higher Ticket Prices
- High Depreciation & Operating Costs
- Global Marketing & Sales Cost
SWOT Analysis

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- Connections Oriented Strategy
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- Higher Ticket Prices
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**Opportunities**
- Emerging Market Growth
- Expand Existing Routes
- Cargo Industry Growth

**Emerging Markets Focused**
- **Connections Oriented Strategy**
- **Flexible Global Hub Model**

**FINANCIALS**
- **UNDER-SERVED**
- **UNLOADED**
- **TIMELINE**
- **FINANCIALS**
- **SUMMARY**
SWOT Analysis

Strengths
- Connections Oriented Strategy
- Emerging Markets Focused
- Flexible Global Hub Model

Weaknesses
- Higher Ticket Prices
- High Depreciation & Operating Costs
- Global Marketing & Sales Cost

Opportunities
- Emerging Market Growth
- Expand Existing Routes
- Cargo Industry Growth

Threats
- Rise of Other Gulf Airlines
- Competitors Copying
- Not in Alliance
NewRoute to Chile
**SOLUTION**

**UNTAPPED**
- New Route to Chile

**UNDER-SERVED**
- Route Extension to Iceland

**UNLOADED**
- Cargo Increase in China
UNTAPPED

New Route to Chile
South America

- Argentina
  - GDP
  - Airport Capacity
  - Tourism
  - Political Stability
  - Weather

- Brazil
  - GDP
  - Airport Capacity
  - Tourism
  - Political Stability
  - Weather

- Chile
  - GDP
  - Airport Capacity
  - Political Stability
  - Weather

Summary
Risks & Mitigation

- Airport Capacity
- Price
Risks & Mitigation

Airport Capacity

Price

Competitors

FINANCIALS

UNDER-SERVED

UNLOADED

UNTAPPED

SUMMARY

TIMELINE
Risks & Mitigation

- Airport Capacity
- Price
- Competitors
- Natural Disasters
UNDER-SERVED
Expanding Your Reach
Iceland

Demographics
Frankfurt

Top 10 Expansion Plan

Current Destination

Untapped

Under-Served

Unloaded

Timeline

Financials

Summary
Risks & Mitigation

Demand
UNLOADED

Expanding cargo into Asia
# Cargo

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<th>E-Commerce Facing</th>
<th>Strong Global Reach</th>
<th>Upwards Revenue Trends</th>
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## FINANCIALS

- UNDER-SERVED
- UNLOADED
- TIMELINE
- FINANCIALS
- SUMMARY
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**Summary**

- DHL shows strong performance across all metrics.
- Emirates matches DHL's strong performance with a perfect score.
- FedEx and UPS have high scores but fall short of Emirates and DHL.

**Key Points**

- Network Efficiency: DHL and Emirates lead with perfect scores.
- E-Commerce Facing: FedEx and UPS perform well, but Emirates and DHL are ahead.
- Strong Global Reach: DHL and Emirates excel.
- Upwards Revenue Trends: Emirates and DHL are at the top.
Timeline 2017-2021

YEAR 1: Survey
YEAR 2: Develop
YEAR 3: Takeoff
YEAR 4: Continue
YEAR 5: Established
Chile Hub Process

- UNTAPPED: $180 Million
- UNDER-SERVED: $20 Million Recruit
- UNLOADED: $200 Million Total

FINANCIALS

SUMMARY
Revenue Growth South America

Best Case: 13%
Projected: 11%
Worst Case: 5%
Parcel Growth China

**China Parcel Growth**

- **Worst Case =** 0.1
- **Projected =** 0.275
- **Best Case =** 0.4

**Growth of Chinese Parcel Shipments, in %**

- **2017:** Worst Case: 0.1, Projected: 0.275, Best Case: 0.4
- **2018:** Worst Case: 0.1, Projected: 0.275, Best Case: 0.4
- **2019:** Worst Case: 0.1, Projected: 0.275, Best Case: 0.4
- **2020:** Worst Case: 0.1, Projected: 0.275, Best Case: 0.4
- **2021:** Worst Case: 0.1, Projected: 0.275, Best Case: 0.4
- **2022:** Worst Case: 0.1, Projected: 0.275, Best Case: 0.4
- **2023:** Worst Case: 0.1, Projected: 0.275, Best Case: 0.4
- **2024:** Worst Case: 0.1, Projected: 0.275, Best Case: 0.4
- **2025:** Worst Case: 0.1, Projected: 0.275, Best Case: 0.4
- **2026:** Worst Case: 0.1, Projected: 0.275, Best Case: 0.4
Air Cargo Growth China

Growth of Chinese Parcel Shipments

- Worst Case
- Projected
- Best Case
- Domestic Air Cargo Growth

Timeline:
- 2017
- 2018
- 2019
- 2020
- 2021
- 2022
- 2023
- 2024
- 2025
- 2026

Summary
Long Term Revenue

Emirate's Total Revenue Forecast

- **Worst Case**
- **Projected**
- **Best Case**

Revenue (in billions)

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Conclusion

**UNTAPPED**
- New Route to Chile

**UNDER-SERVED**
- Route Extension to Iceland

**UNLOADED**
- Cargo Increase in China
# APPENDIX

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<tr>
<th>Map</th>
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<td>Iceland Partner</td>
<td>Timeline</td>
<td>Extended Timeline</td>
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<td>Landing Comparison</td>
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<td>Cargo Infographic</td>
<td>Dubai Airport</td>
<td>Keflavik Airport</td>
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Current Emirates Destinations

North America
11 Destinations

Europe
22 Destinations

South America
3 Destinations

Asia
21 Destinations
## Timeline

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<td>2018</td>
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<td><strong>ENTER INTO AGREEMENT</strong></td>
<td><strong>BEGIN FLIGHTS AND PERPETUALLY EVALUATE</strong></td>
<td><strong>BEGIN DAILY FLIGHTS</strong></td>
<td><strong>EVALUATE DEMAND</strong></td>
<td><strong>BEGIN INTRA-ASIA FLIGHTS</strong></td>
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Country Analysis – North America

Canada

- Previous issues with Canada
- 2014 signed partnership
- Potential new location in Vancouver or Calgary
- Utilize new Hub in Chile

US

- Oversaturated Market
- Too many competitors
Country Analysis – Central America

Belize
- New hot tourist spot for US
- 2 main airports
- Low on sun map
- Not enough capacity to be a hub for large airline
- Seems like stable political system

Aruba
- Already has hubs in airports
- Partner JetBlue already flies there
- Fastest growing Caribbean destination
- State of the Netherlands
Cost of Fuel Calculation

Fuel Costs: One way, Frankfurt to Reykjavik, full passenger load (777 300ER)

2.695 liters per passenger per 100 kilometers
Assuming 429 seats, 2.695 * 429 = 1156.155 liters per 100 km
Distance from Frankfurt to Reykjavik = 1,475.92 mi, or 2375.263 km
(2375.263 km / 100 km) * 1156.155 liters per 100 km = 27461.722 liters
Assuming fuel costs for Germany as of Oct 28, 2016, $61.90 USD per barrel
One barrel = 159 liters, cost per liter = 61.9/159 = $0.389 USD per liter
0.389 USD per liter * 27461.722 liters = $10,682.610 USD per trip

http://www.iata.org/publications/economics/fuel-monitor/Pages/price-analysis.aspx
Average Price for Similar Flight Duration, Roundtrip

Only Emirates Pricing, Dubai - Kabul (~3hr)

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Only Icelandair Pricing, Frankfurt - Reykjavik (~3hr)

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Keflavik Airport
Al Maktoum International Airport

- Opened 2010
- Originally Cargo
- 60% Seasonal Charter Planes

Emirates
- Using for Big Cargo Hub
- 45 Locations
# Emirate’s Fleet Statistics

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# Projected Revenue South America

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Emirates Unit Cost CASK Analysis vs. LCCs & Legacies
Emirates Unit Cost CATK Analysis
Landing and Terminal Charge Comparison

- CRJ200 - LR
- Airbus 320
- Boeing 737 - 800
- Boeing 767 - 400
- Boeing 747 - 400

Airports:
- Amsterdam Airport Schiphol
- Dubai International Airport
- Frankfurt Airport
- London Heathrow Airport
- Paris Charles De Gaulle Airport
Comparison of Average Fleet Ages

British Airways

Iberia Airways

Virgin Atlantic

Emirates
Cargo Infographic

Total online sales:
- Singles Day sales: 278 million orders for Alibaba, $9.3BN
- Cyber Monday sales: 36.8 million orders for Amazon, $2.68BN

Items sold a year:
- Amazon sells 5 billion items a year
- Alibaba sends 14.5 billion items a year

Packages mailed in a day:
- Alibaba sends 12 million packages a day
- Amazon sends 3 million packages a day