Assignment 2

Due: Monday, October 26, 2026 by 5:00 p.m.

1 Description

You are the CFO of United Airlines Holdings Inc (Ticker: UAL). Tomorrow, the CEO has invited you to ride with her to the airport. During the 15-minute drive, she wants a clear update on United's financial health, how it compares to Delta and American, and a brief word on the state of the airline industry. She expects you to hand her one page of notes to read on the way.

Your job is to (*i*) analyze UAL's performance relative to itself, its peers, and the industry, and (*ii*) make at least two actionable recommendations that could improve UAL's bottom line.

The objectives of this assignment are to (*i*) develop financial analysis skills, (*ii*) practice turning numbers into insights and recommendations, and (*iii*) showcase clear and concise executive writing.

2 Deliverables (2)

Complete the provided Excel workbook and prepare your executive report as a PDF. Upload both files to Canvas. If Canvas is working correctly only one member of the group should have to submit. If one member of your group submits and things are not working correctly, don't worry, we will make sure to take care of things.

Excel Spreadsheet (5 points)

Use annual financial data for **2025, 2024, and 2023**, in that order. Follow the workbook's **Notes** tab for sources, units, prices, and calculation conventions. Leave the black earliest-year cells blank.

The Excel workbook is linked in Canvas and on the class website. Complete its income statement, balance sheet, key statistics, and DuPont decomposition sections for all open cells. The DuPont decomposition should be calculated for all available years using both book values and market values.

Grading Criteria:
Completeness (2.0), accuracy (3.0), consistent formatting, **no hard coded answers in the "Key Statistics" box except for the first two rows. Also, do not hard code the EBIT cells; calculate EBIT yourself. Finally, the DuPont analysis can refer to previously calculated cells if appropriate.**

Further Guidance:
The format of the provided excel file should be unaltered to make grading easy. This not only includes borders and column widths, but especially number formats. The answer key reports shares outstanding in millions with five digits after the decimal place.

Analysis and Recommendation to CEO (5 points)

Imagine you are sitting in the back of the car with the CEO tomorrow on the way to the airport. You have 15 minutes to brief her, and you are handing her a single piece of paper to review while you talk. That is the spirit of this report.

Your task is to summarize United's financial position, highlight how it compares to Delta and American, and provide a short industry update. Most importantly, you must make at least two actionable recommendations that the CEO could pursue to improve the bottom line.

Grading Criteria:
Comparative analysis (2.0), actionable recommendations (1.0), clarity of writing (1.0), data illustration/figure/chart (1.0).

Further Guidance:
Keep your report to one paper (two pages maximum). Organize your writing into a handful of short, purposeful paragraphs. Use numbers selectively—only those that truly illustrate your point. A small table or figure can be very effective if used well. Avoid clutter.

Your recommendations should be actionable and concrete. For example: "Our accounts payable days are much higher than the industry average. We should call a meeting with procurement managers to bring this closer to peers immediately."

3 Resources

For industry research, open the TAMU Libraries MBA research guide and select **IBISWorld USA**. Off campus, sign in with your NetID and password when prompted. If access fails, use the Libraries' electronic-resource access help.

4 Questions to Consider

You do not need to answer these individually in your report, but you should think through them carefully as you prepare your Excel file and memo:

- Which metric improved the most for UAL year-over-year?
- Which competitor looks strongest in profitability, leverage, and efficiency?
- How does UAL's market-to-book ratio compare to DAL and AAL, and what does that imply?
- Based on the DuPont decomposition, which lever (margin, turnover, leverage) explains UAL's ROE?
- If you could only report three metrics to the CEO, which would you choose and why?
- Which industry-wide factor (fuel costs, load factor, demand) seems most important right now for UAL?

5 Grading Rubric: Assignment 2

Part A – Excel Spreadsheet (5 points total)

Criteria	Points	Score	Comments
Completeness – all required statements and statistics, including DuPont (book and market equity, all years)	2.0		
Accuracy – values are correct and formulas used properly (no hard coding except allowed cells)	3.0		
Formatting – consistent with template, proper number formats, no layout changes	–		
Excel Subtotal	**5.0**		

Part B – Analysis and Recommendation to CEO (5 points total)

Criteria	Points	Score	Comments
Comparative Analysis – clear discussion of UAL vs DAL, AAL, and industry context	2.0		
Actionable Recommendations – at least two, specific and concrete steps	1.0		
Clarity of Writing – concise, professional, logically structured	1.0		
Data Illustration – effective use of a small table, figure, or chart	1.0		
Report Subtotal	**5.0**		

Overall Comments:

Total Score (out of 10): _____