ETIHAD

1. Quantitative Analysis of the Financial Statements Using Excel - student will format the financial statements of ETIHAD company, perform quantitative analysis of the financial statements for the company, and analyze the stock performance of the company. analyze the company’s financial statements. The second part of the report will compare the selected company to a competitor company QUATAR AIRWAYS and provide an outlook opinion for the company. • Financial Statements Analysis (30 points) – This section of the paper should describe the trends in the horizontal, common size and ratio analysis (i.e. how did the metric change over the recent five years?). Students should think of the factors (i.e. ratio drivers) contributing to the trends observed in the data. The analysis should be organized around the dimensions of profitability, operating efficiency, risk and (Sets of ratios covered in class). The following should guide your analysis of the various dimensions: • The analysis of profitability should include discussions of the horizontal analysis of the income statement to assess revenue and profitability growth, the common size income statement to assess expense components, and at least four relevant profitability ratios. • The analysis of operating efficiency should reference at least four appropriate ratios (e.g. turnover ratios and asset utilization metrics). • The analysis of risk should include discussions of the horizontal analysis of the balance sheet to assess asset and liability growth, the common size balance sheet to assess asset mix and capital structure, as well as a discussion of at least four relevant solvency and liquidity ratios. The analysis should contain opinions/conclusions on the overall financial statement health of the company. • Stock Price Performance and Valuation (10 points) – This section of the paper should briefly describe the company’s stock performance over the most recent year. The analysis should include consideration of events that may have led to the company’s highest and lowest stock prices during the year (hint: do a news search for the company around the dates of the highest and lowest stock prices). The analysis should include a discussion of market metrics including (example: Price-to-Earnings ratio, dividend yield, etc.). This section of the paper should conclude with the group’s opinion on the future direction of the stock. • Conclusion and Outlook Opinion (05 points) – This section of the paper will synthesize the information in the report to provide an opinion on the company’s outlook. The opinion should assess the financial and strategic prospects of the company relative to its paired competitor. The opinion should be substantiated with the evidence and conclusions from the earlier sections of the research report.