United Airlines Ecosystem

United Airlines, Inc.
233 South Wacker Drive,
Chicago, IL 60606
Phone: (872) 825-4000 www.united.com

Outside Relationships

Regulators

- **US and Foreign Regulators**
- U.S. & Other Environmental Protection Agencies (Air, Water, Soil, and GHG Emissions Regulation and Permits)
- U.S. Department of Labor (DOL) (Labor, Employment and Serious Injury Reporting Requirements)
- U.S. Dept. of Transportation and Federal Aviation Administration (FAA) (Air Transport)
- U.S. Department of the Treasury (Restricted Parties and Transactions)
- U.S. Customs and Border Protection (Foreign Animals, Plants and Contraband Inspections)
- California Attorney General, European Commission and Others (Data Protection)
- U.S. Dept. of Homeland Security and Transportation Security Agency (TSA) (Cyber and Airline Security; Checked Baggage Protections)
- U.S. Postal Service (Overnight Mail Transport)
- U.S. Department of Justice (DOJ) and SEC (Anti-Corruption Regulation)
- U.S. Internal Revenue Service (IRS) (Tax Regulation)
- U.S. Federal Trade Commission (FTC) and DOJ (Antitrust Regulation)
- U.S. Department of Commerce and Export Agencies (Export Licenses and Regulation)

Capital

- Commercial Banks
- Public Debt Holders
- Mileage Plus Intellectual Property Assets, Ltd.

Suppliers

- **Reservation Systems**
  - Travelport GDS (Apollo Computer Reservation System)
  - PARS/SHARE S by EDS
- **Labor Unions (84% of Workforce is Unionized)**
  - Association of Flight Attendants
  - Airline Pilots Association
  - International Association of Machinists and Aerospace Workers (Fleet and Passenger Service)
  - International Brotherhood of Teamsters (Technicians)
  - UNITE HERE (Catering)
  - Professional Airline Flight Control Association (Dispatchers)
- **Jet Fuel Producers and Refiners**
  - ExxonMobil
  - Chevron
  - BP
  - Valero
  - Marathon Petroleum Group
- **Ground Services and Products**
  - Simple Flying, LSG Sky Chefs, Gate Gourmet, Flying Food Group (Food Services; Currently Out For Bid @June 2021)
  - Clorox (Cleaning Supplies)
  - United CleanPlus (Cleaning Services)
  - U.S. Aviation Services Corp (Fleet Cleaning and Maintenance)

Customers

Applicable Regulations

- Railway Labor Act (Labor Requirements)
- Airport Noise and Capacity Act of 1990
- CORSIA (Carbon Emission Restrictions)
- Worker Adjustment and Retraining Notification (WARN) Act (Worker Layoff Regulation)

Working Capital; Term Loan Financing; Fuel, Interest Rate and Foreign Currencies Hedging Programs

Bond Financing

MileagePlus Financing

Computer Reservation Systems and Services

Union Representation and Collective Bargaining Negotiations

Aviation, Security, Trade, and Immigration Regulations

Jet Fuel Supplies

Labor and Environmental Regulations

Airport Handling, Aircraft Cleaning, and Food Catering Services and Supplies

United Airlines, Inc. (A Delaware Corporation)

Debt Structure

Long-Term Debt ($24.836 B @ 12/31/20) — Credit Ratings: S&P – B+; Fitch – B+; Moody's – Ba1

Unsecured

- 2022 – 2025 4.25% - 5% Notes $1.05B
- 2030 1% Payroll Support Notes $1.501B
- 2023 - 2029 4% - 5.75% Other Debt $448M

Secured

- 2021 - 2032 0.73% - 9.80% Aircraft Notes $14.538B
- 2024 2.49% Term Loan Facility $1.444B
- 2027 5.49% MileagePlus Term Loan Facility $3B
- 2022 1.49% Revolving Credit Facility $1B
- 2027 6.5% MileagePlus Senior Secured Notes $3.8B
- 2025 3.24% CARES Act Term Loan Facility $520M

Equity Structure

Share Repurchase Program
Authorized: None
(United Terminated Its Program on 4/24/2020)

Common Stock
Authorized: 1,000,000,000
Outstanding: 311,845,232
Recordholders: 5,989

Governance

Board of Directors

- Oscar Munoz (Chair,E,F,PR)
- Carolyn Corvi (C,E,F)
- Barney Harford (A,F,PR)
- Michele J. Hooper (A,E,N)
- Captain Todd M. Insler (PR)
- Walter Isaacson (E,N,PR)
- James A. C. Kennedy (C,F)
- Scott Kirby (E,F)
- Sito Pantoja (PR)
- Edward M. Philip (A,E,N)
- Edward L. Shapiro (F,N,PR)
- David J. Vitale (A,C,F)
- James M. Whitehurst (C,E,N)

Committees: Audit (A), Compensation (C), Executive (E), Finance (F), Nominating/Governance (N), Public Responsibility (PR)

Executive Team

- CEO: J. Scott Kirby
- President: Brett J. Hart
- EVP, CFO: Gerald Laderman
- EVP, COO: Jonathan Roitman
- EVP, Strategy and Planning: Gregory Hart
- EVP, Chief Commercial Officer: Andrew Nocella
- EVP, Human Resources and Labor Relations: Kate Gebo
- SVP, Government Affairs and Global Public Policy: Theresa Fariello
- SVP, Chief Communications Officer: Josh Earnest
- EVP, Technology and Chief Digital Officer: Linda P. Jojo
- SVP, Chief Customer Officer: Torbjorn J. Enqvist

Corporate Matters

Finance and Accounting
Financial Strategy; Cost Management; Accounting/ FP&A; Capital Allocation; Financial Reporting; Tax; Balance Sheet Optimization; Treasury

Customer
Inflight Services; Corporate Real Estate; Contact Centers and Customer Care; Customer Strategy and Innovation; Customer Experience and Analytics

Digital
Information Technology; Data Analytics; Digital Products; e-Commerce; Cyber Security; Digital Strategy

Government Affairs and Global Public Policy
Federal Government; State Government; International Government; Environmental Affairs

Human Resources
Labor Relations; Employee Experience; Talent Recruitment; Talent Development; Talent Retention; Culture Transformation; Team-Building; Compensation and Benefits

Commercial
Cargo; United Express; Pricing and Revenue Management; Network and Commercial Strategy; Sales; Marketing; MileagePlus

Operations
Airport Operations; Network Operations; Flight Operations; United Ground Express; Global Network Safety

Strategy and Planning
Flight Safety; Hygiene; Operational Airline Efficiency; Strategy

Communications
Global Communications; Advertising; Community Engagement

Customer Experience
In-Flight Service; Airport Service; Reservations; Global Cleanliness; Consumer Insight

Operations

Domestic Operations

2020 Revenue: $9.9B (-67.4% YoY)

Hubs
Located in large businesses and population centers, contributing to a large amount of "origin and destination" traffic.

- Newark Liberty International Airport, Newark, New Jersey
- Los Angeles International Airport, Los Angeles, California
- Chicago O'Hare International Airport, Chicago, Illinois
- A.B. Won Pat International Airport, Guam, U.S.
- Denver International Airport, Denver, Colorado
- San Francisco International Airport, San Francisco, California
- George Bush Intercontinental Airport, Huston, Texas
- Washington Dulles International Airport, Dulles Virginia

Regional Competitors
Frontier; allegiant; Alaska Airlines; Southwest; JetBlue Airways; spirit

Atlantic Operations

2020 Revenue: $2.2B (-77.9% YoY)

Focus Cities
- Frankfurt International Airport, Frankfurt, Germany
- London Heathrow International Airport, London, United Kingdom

Joint Business Arrangements ("JBAs")
Air Canada; The Lufthansa Group

Regional Competitors
norwegian; Eurowings; easyJet; vueling

Pacific Operations

2020 Revenue: $1.7B (-79.4% YoY)

Focus Cities
- Hong Kong International Airport, Hong Kong, China
- Tokyo Narita Airport, Tokyo, Japan
- Tokyo Haneda Airport, Tokyo, Japan

Joint Business Arrangements ("JBAs")
Air New Zealand; ANA

Regional Competitors
Hainan Airlines; Cathay Pacific; Garuda Indonesia; Japan Airlines

Latin America Operations

2020 Revenue: $1.5B (-63.4% YoY)

Focus City
Guarulhos International Airport, São Paulo, Brazil

Joint Business Arrangements ("JBAs")
Avianca; Copa

Regional Competitors
LATAM Airlines; GOL; Azul; EASYFLY

Star Alliance Partners

SAS; Copa Airlines; brussels airlines; Aegean; Adria Airways; EVA Air; Air Canada; ANA; LOT Polish Airlines; Air New Zealand; Austrian; South African Airways; Avianca; Shenzhen Airlines; Egyptair; Ethiopian Airlines; THAI; Lufthansa; Singapore Airlines; Air China; SWISS; Croatia Airlines; Asiana Airlines; Turkish Airlines; Air Portugal

Air Cargo

- Freight and Mail Services
- Freight Forwarder Firms
- Commercial Businesses
- United States. Postal Service

Distribution Channels

- Website Sales
- Mobile Applications
- Branding
- Buying Experience

Facilities, Service Offerings, and Programs

Aircraft Properties – 1,440 Total (As of December 31, 2020)

Mainline
Total: 812
Owned: 660; Leased: 152
Average Age (In Years): 16.0
Owned or Leased Not Used in Operations: 11 Boeing 757-200s, 3 Airbus A319s, 3 Airbus A320s, and 1 Boeing 767-200

Regional
Total: 475
Owned: 140; Leased: 335
Additional Owned or Leased
- 4 Embraer E175LLS (Delivered, Not in Service)
- 119 Embraer ERJ 145s (In Storage)
- 12 CRJ700s (Being Transitioned Between CPAs)

Classes of Service
Regular Products
Basic Economy; United Economy; Economy Plus
Premium Products
United Premium; United Business; United First; United Polaris

MileagePlus (Loyalty Program)
Total Members: 100M +
~1.9M Flight Awards Used
6.2% of Total Revenue Passenger Miles
Premier Tiers (Frequent Flyers)
- Premier Silver $3,000 Spent + 25,000 Miles Flown
- Premier Gold $6,000 Spent + 50,000 Miles Flown
- Premier Platinum $9,000 Spent + 75,000 Miles Flown
- Premier 1k $15,000 Spent + 100,000 Miles Flown

Major Terminal Facilities
Administrative Services; Cargo; Maintenance; Insurance; Catering; Training

National Competitors
- Delta Airlines *70M Passengers in 2020*
- American Airlines *95.3M Passengers in 2020*

Size of Operations
- 4,500 Daily Departures
- 354 Destinations (Airports Served); 230 Domestic, 124 International
- Operations in 48 Countries
- 57.8M Passengers Flown in 2020

Aircraft Sales and Leases

Aircraft Seating Supplies

MileagePlus & Chase Co-Branding Arrangement

Expanded Route Access and Marketing through Codesharing

Aircraft Original Equipment Manufacturers: Boeing; Canadair; Airbus; Embraer

Aircraft Seat Manufacturers: B/E Aerospace; Recaro; Thompson

JPMorgan Chase Bank

Commercial Alliance Agreements: Aeromar; Aer Lingus; Air Dolomiti; Azul Linhas Aereas Brasileiras S.A.; Boutique Air; Cape Air; Edelweiss; Eurowings; Hawaiian Airlines; Olympic Air; Silver Airways; Vistara

Outside Relationships

Customers

- **Customers**
- Government Agencies
- Consulting Companies
- Business Travelers
- Leisure and Vacation
- Emergency Bereavement Travel
- Un-accompanied Minors
- Family Travelers
- Sports Teams (National Collegiate Athletic Association, National Football Association, National Basketball Association)

Suppliers

- **Professional Services Firms**
  - Jenner & Block (Aviation Regulation)
  - Sidley (Transaction Legal Service)
  - Ernst & Young (Audit Services)
  - 72andsunny (Advertising)
  - Duberstein (Lobbying)

Capital

- **Significant Shareholders**
  - Vanguard Group (9.68%)
  - PRIMECAP Management (8.47%)
  - BlackRock Fund Advisors (4.34%)
  - SSgA Funds Management (3.05%)
  - Fidelity Management & Research (2.73%)
  - Institutional Ownership: 62.80%

Regulators

- **Securities Regulators**
  - US Securities and Exchange Commission (SEC) (Financial Reporting, Disclosure Requirements; Anti-Corruption Recordkeeping Requirements)
  - NASDAQ Global Market (National Association of Securities Dealers Automated Quotation System)
  - International Civil Aviation Organization (Aviation Safety Regulation and Technical Field Operating Practices)

Securities Regulation and Stock Exchange Listing Rules

Equity Capital

Dividends (Currently Suspended)

Legal, Accounting, Advertising, and Lobbying Services

Safety and Operating Practices Regulations

Airline Ticket Sales and Air Travel Services

Airline Ticket Sales

Online and Traditional Travel Agencies

Group and Third-Party Ticket Sales

Entertainment/Content, Internet, and Hardware Suppliers

In-Flight Entertainment

- Gogo (WIFI Service Provider)
- DIRECTV (Movie and TV Content Provider)
- Panasonic Avionics (Global In-Flight Entertainment Systems)

Key Company Data (as of 12/31/20)

Share Data
- Stock Exchange: NASDAQ
- Ticker Symbol: UAL
- Share Price: $57.20 (6/7/21)
- Loss Per Share (TTM): ($22.68)
- Annual Dividend: None
- Market Capitalization: $18.509B

Financial Highlights

Results of Operations
- Revenues: $15.36B
- Operating Income: ($6.36B)
- Operating Expense: $21.71B
- Net Income: ($7.07B)

Financial Condition
- Total Assets: $59.55B
- Total Liabilities: $23.54B
- Long-Term Debt: $24.84B
- Equity: $5.93B

Cash Flow
- Cash Flow from Operations: ($4.13B)
- Cash Flow from Investments: $50M
- Cash Flow from Financing: $12.96B

Resources
- Passengers Served: 57.8M
- 74,400 Employees
- Aircrafts: 807
- Facilities: Gates, Hanger Sites, Terminal Buildings, & Other Airport Facilities
- Passenger Load Factor: 60.2% (Down 23.8% From 2019)

ESG Goals (Alignment with UN Sustainable Development Goals)
Good Health and Well-Being; Industry, Innovation and Infrastructure; Quality Education; Reduced Inequalities; Gender Equality; Sustainable Cities and Communities; Decent Work and Economic Development; Responsible Consumption and Production; Climate Action

Key Subsidiaries
- Continental Express, Inc. (Transportation & Logistics)
- Mileage Plus Holdings, LLC (Loyalty Program)
- United Travel Services, LLC (Travel Services)
- Century Casualty Company (Insurance Services)

Recent Developments

Supersonic Jet Announcement
On Thursday, June 3rd, global airline giant announced plans to become the launch operator for Boom Supersonic's first commercial jet. United will offer its substantial technical expertise to help the start-up bring its Boom Overture supersonic aircraft to market by 2029.

Effects of COVID-19
United began experiencing a significant decline in passenger demand related to the coronavirus pandemic during 2020 and into 2021. In response, United cut, relative to 2019 capacity, approximately 57% of its scheduled capacity for 2020. United plans to continue to proactively evaluate and cancel flights on a rolling 60-day basis until it sees signs of a recovery.

ESG Update
On May 16th, 2021, United announced a collaboration with 16 new environmental, nonprofit partners to advance sustainability efforts across its hub cities and Hawaii. The partnerships are part of the United plans to become 100% green and reduce its greenhouse gas emissions by 100% by 2050.

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