

# Airbus cancels 2019 dividend, 2020 forecasts due to coronavirus

March 23 2020

---



Credit: CC0 Public Domain

European aviation giant Airbus said Monday it would cancel the planned dividend payment for 2019 and also abandon its earnings forecasts for the current year because of the economic uncertainty sparked by the coronavirus pandemic.

"We have withdrawn our 2020 guidance due to the volatility of the situation," Airbus chief executive Guillaume Faury said in a statement.

And as part of measures to bolster the group's liquidity and balance sheet in response to the COVID-19 pandemic, Airbus would also "withdraw the 2019 dividend proposal of 1.80 euros per share with an overall cash value of approximately 1.4 billion euros" (\$1.5 billion), the statement said.

"Our first priority is protecting people while supporting efforts globally to curb the spread of the coronavirus," Faury said.

"We are also safeguarding our business to protect the future of Airbus and to ensure we can return to efficient operations once the situation recovers."

Faury said he was convinced that Airbus and the broader aerospace sector will overcome this critical period."

To ensure Airbus's financial flexibility, the board of directors had agreed to secure a new credit facility amounting to 15 billion euros in addition to the existing 3.0-billion-[euro](#) revolving credit facility, the statement continued.

With these decisions, Airbus would have "significant liquidity available to cope with additional cash requirements related to the coronavirus. Available liquidity now amounts to approximately 30 billion euros."

Airbus said the measures were intended to "secure business continuity for itself even in a protracted crisis."

Airbus is scheduled to hold its annual shareholders meeting in Amsterdam on April 16, but was discouraging physical attendance due to

the coronavirus pandemic.

The group had already announced on Sunday that it planned to partially resume production and assembly work at its plants in France and Spain following four days of health and security checks.

In 2019, Airbus, which employs a global workforce of 135,000, generated revenues of around 70 billion euros.

© 2020 AFP

Citation: Airbus cancels 2019 dividend, 2020 forecasts due to coronavirus (2020, March 23)  
retrieved 23 April 2024 from

<https://techxplore.com/news/2020-03-airbus-cancels-dividend-due-coronavirus.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.