

# Many questions for Boeing as it reports earnings

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Boeing has been hammered by the downturn in global air travel caused by the coronavirus, and further details of the damage will become clear when it announces earnings

As it reports first quarter earnings Wednesday, Boeing faces many

questions over how it will navigate the coronavirus crisis and its devastating impact on global aviation.

The largest exporter of manufactured goods in the United States, Boeing is expected by Wall Street analysts to report a big loss and a 24 percent plunge in revenues.

The downturn reflects the profoundly weak outlook for [commercial aviation](#) in the wake of the grounding of much of the world's planes as governments combat COVID-19.

Airlines have postponed deliveries, deferred payments to Boeing and retired older aircraft, hitting the company's services business.

The crisis has also further pushed the timeline for getting the troubled 737 MAX flying again into an ever deeper cloud of uncertainty. The MAX has been grounded since March 2019 following two deadly crashes.

Boeing could announce Wednesday a 10 percent cut in headcount composed of voluntary departures and layoffs in its commercial plane business, sources told AFP. Boeing employs about 160,000 people worldwide.

Key issues concern Boeing's strategy for maintaining sufficient liquidity to run its defense and commercial programs. The company has been burning through some \$3 billion in cash per month.

Boeing in March garnered a new credit reserve facility with major banks for \$13.8 billion, on top of its \$27.3 billion in debt as of the end of the fourth quarter.

Just how much more will be needed?

The company hasn't elaborated yet, but Chief Executive David Calhoun said at the company's annual meeting Monday that Boeing planned to take on more debt and would not resume corporate dividends for "years."

Officials from the company are expected in the coming days to begin talks with the US Treasury on potential federal support, sources said.

Boeing has previously called for \$60 billion in government support for the US aerospace industry. Federal relief legislation includes \$17 billion aimed at Boeing.

Calhoun has balked at the idea of the US taking a stake in Boeing. But just what terms the company will accept remains an open question.

Over the weekend, Boeing withdrew from a \$4.2 billion deal with Embraer, prompting a bitter retort and threat of litigation from the Brazilian company.

And then there's the MAX, which Boeing had previously targeted for mid-2020 regulatory approval. The [company](#) is expected to again push that timeframe back, according to industry sources.

But the MAX also remains in a legal quagmire, as Boeing faces lawsuits from [family members](#) of some of the 346 people killed and outstanding probes launched by various US agencies.

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