

Boeing raising \$25 bn in bonds, says not seeking US government funds now

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Boeing said Thursday it does not plan to seek US government support now after receiving strong interest from the bond market for a \$25

billion public offering.

The aviation giant, which has been badly hit by the devastating impact of coronavirus shutdowns on global airlines, said demand for the bond offering was "robust."

"We do not plan to seek additional funding through the [capital markets](#) or the US government options at this time," according to a company statement issued Thursday night, adding that it expects the bond offering to be completed on May 4.

The offering includes seven tranches of bonds expiring between 2023 and 2060. A securities filing Thursday did not list interest rates for the notes.

The announcement comes a day after Boeing reported a \$641 million loss in the first quarter and said it was cutting 10 percent of its workforce in response to the crisis in the [airline industry](#) due to COVID-19 shutdowns.

S&P downgraded Boeing's credit rating late Wednesday following the results, which also showed the lingering effects of the protracted grounding of its top-selling 737 MAX plane following two deadly crashes.

However, Boeing's credit rating remains investment grade in S&P's rubric.

The CARES Act, a \$2 trillion US relief package approved in March, included \$17 billion in relief aimed at Boeing. It is part of an unprecedented series of measures from Washington to support the US economy as unemployment spikes in the wake of the virus outbreak.

Company officials said Wednesday they were exploring private markets in addition to CARES Act funding. The US Treasury had directed companies to say by Friday whether they wanted US funds.

Boeing Chief Executive Dave Calhoun said this week that the passage of the CARES Act had improved conditions in the private credit markets, a point reiterated by the company Thursday night.

"The robust demand for the offering reflects strong support for the long-term strength of Boeing and the [aviation industry](#)," Boeing said.

"It is also in part a result of the confidence in the [market](#) created by the CARES Act and federal support programs that have been put in place—a testament to the Administration, Congress and the Federal Reserve."

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