

# After lengthy slump, Boeing outlines path to comeback

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After years of stumbles, Boeing signaled it expects a full recovery by 2025 and 2026.

After years of stumbles and weak results, Boeing said Wednesday it expects to return at mid-decade to operational health and a more robust

financial performance.

The aerospace giant—which has reported losses the last three years—guided investors to 2025-26 as the timeframe when they should expect a strong financial performance resembling those the company posted prior to the 737 MAX and COVID-19 crises.

Investors cheered the outlook, sending shares up more than seven percent at one point as Boeing signaled a more normal level of production and plane deliveries within the foreseeable future.

"We are on the right path to return to the operational and financial strength we expect of ourselves," said Chief Executive Dave Calhoun at the outset of the company's first investor day since 2016.

Boeing's difficult period began in October 2018 with a deadly Lion Air crash of the 737 MAX, the first of two fatal crashes of the plane that together claimed nearly 350 lives and led to a global grounding of more than a year and a half.

The company's problems mushroomed when the coronavirus pandemic decimated global travel beginning in 2020.

Demand has recovered strongly and the MAX has been cleared for service by most leading regulators.

But Boeing has struggled to fully exploit the improving environment due in part to supply chain problems and heavier scrutiny from US air safety regulators. These issues have forced the company to curtail production and delayed the certification of new aircraft.

The forecast released Wednesday includes a gradual improvement in Boeing plane deliveries and production in 2023 and 2024 and hitting its

stride after that, boosting revenues.

Stan Deal, head of Boeing's commercial division, told analysts he expects to liquidate most of a backlog of undelivered planes by 2024, with a few spilling into 2025. This includes 787 Dreamliner planes, in addition to MAX aircraft.

Deal also updated the timeframe on the certification of the 737 MAX 10, its latest version of the plane, saying the aircraft should be cleared for service by late 2023 or early 2024.

The company projected free cash flow, a closely-watched benchmark of financial health, rising in 2023 to \$3-\$5 billion from the \$1.5-\$2 billion range in 2022.

It said free cash flow will surge to around \$10 billion in 2024 and 2026, much closer to the \$13.6 billion Boeing notched in 2018.

Shares finished 2.8 percent higher at \$147.41.

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