

FIVE-FOLD INCREASE IN BOEING LOSSES IN 2024



Boeing experienced a significant increase in net losses, which rose to \$11.8 billion in 2024, compared to \$2.2 billion in 2023. The Boeing losses in 2024 followed a year characterized by production cuts due to an incident on January 5, 2023, and a 53-day strike in Seattle, USA.

These financial results were also impacted by charges related to certain defense programs and the costs associated with the **announced 10% staff reduction, resulting in approximately 17,000 job losses.**

Boeing President and CEO Kelly Ortberg emphasized that the company is committed to making the fundamental changes necessary to fully recover its performance and restore the trust of its customers, employees, suppliers, investors, regulators, and all other stakeholders who depend on the organization.

Boeing's revenue declined by 14% compared to the previous year, totaling \$66.5 billion.

Additionally, the company reported a negative operating cash flow of \$12 billion. This result reflects a decrease in commercial deliveries and an unfavorable working capital situation, partly due to the impact of labor stoppages.

On a positive note, Boeing's consolidated debt decreased to \$53.9 billion in the fourth quarter, down from \$57.7 billion as of September 30. This reduction was primarily driven by the early payment of a \$3.5 billion bond originally due in 2025.

At the beginning of 2024, the company faced a significant problem due to the detachment of a panel from a 737 MAX aircraft on January 5. This caused the grounding of the aircraft and severe production controls, among other things, which slowed down the company's activity.

By the end of 2024, Boeing faced a 53-day strike in the Seattle area during September and October, which delayed the construction of the 737 MAX until December.

In a letter to employees, Boeing's CEO announced plans to realign the company around "key" business lines, eliminate marginal assets, and initiate a portfolio review.

In the past year, the commercial aircraft department reported revenues of \$22.9 billion, a 33% decrease. Additionally, the delivery of 348 aircraft in 2024 represented the lowest figure since 2021, reflecting a 34% decline compared to 2023.

The 737 program resumed production in the fourth quarter and plans to increase its output gradually. Meanwhile, the 787 program concluded the year with a production rate of five airplanes per month and recently announced expanding operations in South Carolina.

In January, the 777X program resumed FAA certification flight testing, and the company continues to expect the first delivery of the 777-9 in 2026.

Turnover in the Defense, Space, and Security sector reached \$23.9 billion, a 4% decline from 2023. This department was also impacted by previously announced \$1.7 billion pre-tax charges related to the KC-46A, T-7A, Commercial Crew, VC-25B, and MQ-25 programs.

Finally, the global services sector's turnover increased 4% to \$19.9 billion over the year, driven by higher commercial volume and an improved product mix.

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