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As Boeing prepares to reveal scope of 2024 loss, analysts see glimmers of optimism

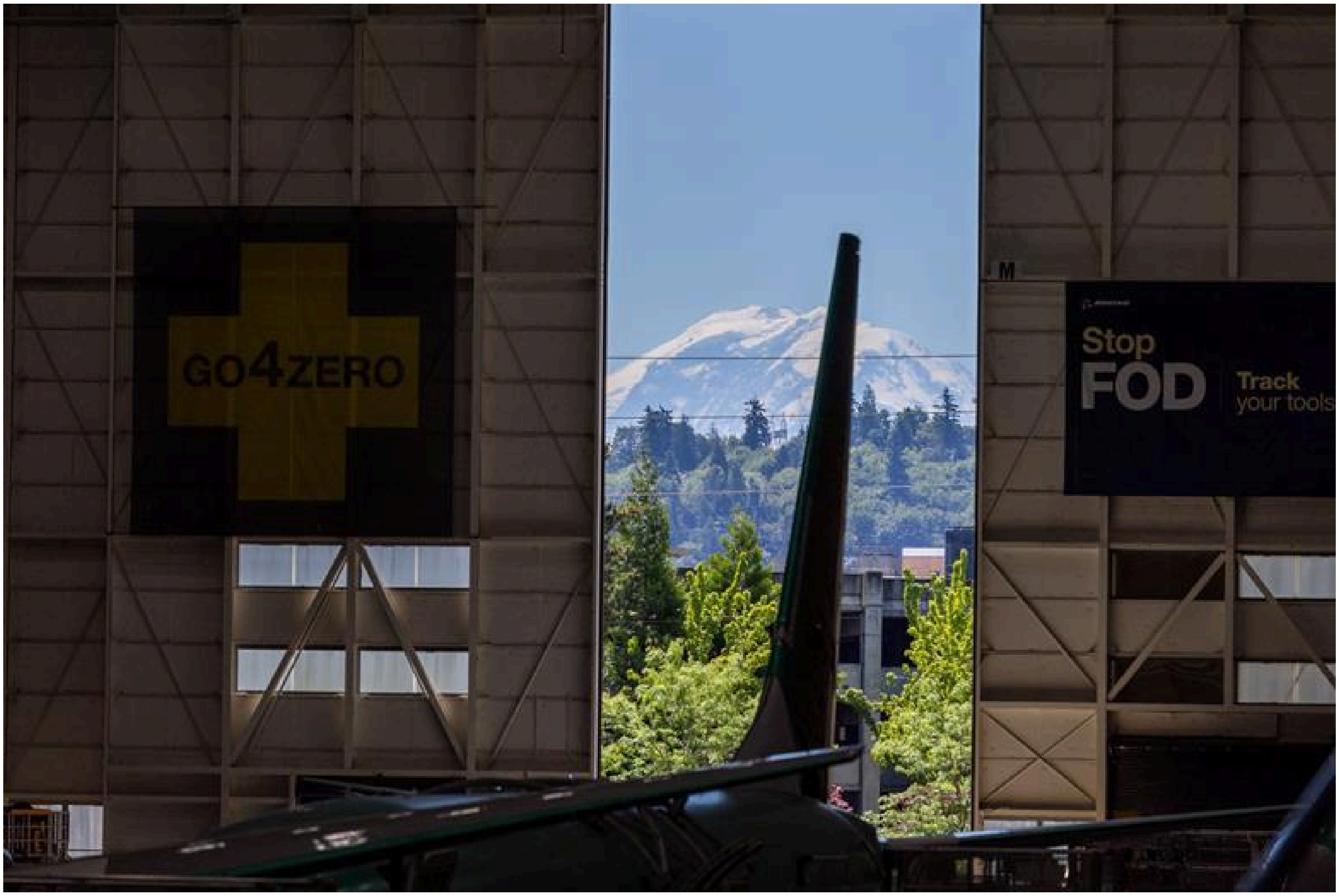
By Jon Hemmerdinger | 27 January 2025

Though Boeing is poised on 28 January to report a massive loss for 2024, some analysts suspect the company's financial and operational condition will improve as 2025 progresses.

Given the scale of Boeing's problems last year, it would be hard to imagine its situation getting much worse.

And the airframer's management will be hoping that factors such as increasing delivery rates, a settled labour dispute and glimmers of supply chain improvement could be working in its favour as the year gets under way.

At the same time, a Federal Aviation Administration-mandated production cap, and a supply chain still struggling with labour shortages are likely to continue limiting Boeing's ability to speed up output.



Source: Jennifer Buchanan/Seattle Times

Boeing resumed 737 production in December last year following a 53-day machinists' strike

"The data clearly show that Boeing is getting the Max programme back on track," says a 27 January report from aerospace consultancy and analytics firm AirInsight Group.

Stephen Perry, who works with aerospace suppliers as managing director at Janes Capital Partners, says suppliers' labour shortages broadly seem to be improving.

"The moaning and groaning today about a complete absence of people… is not as much as it was 18 to 20 months ago," he says. "I'm not saying it has fully resolved itself. I am saying it has let up a little bit."

Boeing on 23 January released preliminary results for the final three months of last year, indicating a fourth-quarter loss of $5.46 per share – or close to $4 billion in total. That would bring its full-year 2024 adjusted loss to $13 billion, according to an estimate from JP Morgan. The airframer will release its results on 28 January.

Boeing said the expected loss reflects charges of $2.8 billion taken against several of its aircraft programmes, including $900 million against the in-development 777X, $200 million against the 767, $800 million against the 767-based KC-46 military tanker and $500 million against the in-development T-7A jet trainer.

Some of the charges stem from a 53-day machinists' strike last year that forced Boeing to halt Seattle-area production of commercial jets.

Some investment analysts think that, in booking the charge, Boeing has dumped all its bad news at once – the "kitchen sink" approach, as some call it – and that the firm may be poised for improvement.

In a 23 January report, RBC Capital Markets said it viewed Boeing's preliminary results as "a slight positive", adding, "We believe this could act as a clearing event for investors heading into 2025".

JP Morgan's report estimates Boeing will remain loss-making this year, forecasting an adjusted net loss of $2.3 billion. While still in the red, it would mark a massive improvement over 2024.

AirInsight says Boeing has made significant recent progress delivering more of its best-selling 737 Max, handing over 30 of the jets in the first 26 days of January. By comparison, Airbus delivered 18 single-aisle jets (including A220s and A320neo-family aircraft) during the period.

Importantly, the firm says Boeing has been delivering more 737 Max to Chinese customers – significant because Boeing is clearing a stockpile of jets accumulated in recent years. That inventory swelled during and after the 737 Max grounding and Covid-19 pandemic, when China refused to receive new Boeing narrowbodies.

Source: Marian Lockhart/Boeing

Boeing's new chief executive Kelly Ortberg and his team are scheduled to disclose Boeing's 2024 financial results on 28 January

In the period to 26 January, Boeing delivered a combined seven 737 Max jets to several Chinese airlines: Air China, 9 Air, Shandong Airlines, Shanghai Airlines, Shenzhen Airlines and Xiamen Airlines, according to AirInsight's data.

Boeing has also recently been delivering some 737 Max within 30-40 days of flying the jets for the first time – a big improvement from recent years. An average of 32 days elapsed between first flights and recent deliveries of three 737 Max to Southwest Airlines, says AirInsight co-founder Addison Schonland.

"That's exactly where you want to be," and about where the figure was during Boeing's healthy years last decade, he says. "I think it could be a very good year."

Schonland warns, however, than any number of hiccups could disrupt Boeing's progress, from a supply chain shock to another manufacturing issue. An incident involving a Boeing jet, even if not its fault, could also upset the manufacturer's recovery.

Perry from Janes Capital, which provides merger and acquisition assistance to aerospace suppliers, thinks Boeing has improved its relationship with suppliers in recent years.

He notes many suppliers have renegotiated loss-making contracts and that Boeing has seemingly "partly walked back some of the [Partnership for Success] rhetoric". Through its Partnership for Success programme, Boeing focused on reducing prices paid to suppliers.

These days, Perry says, Boeing seems to prioritise working with "reliable suppliers" and "the ability to get parts on time".

Still, he suspects many suppliers will struggle to meet rate-ramp goals from Boeing and Airbus, noting that the "absolute capacity" that existed in the supply chain prior to the 737 Max grounding and the pandemic no longer exists.

Many firms, he says, have since backfilled lost capacity by acquiring new work, such as in the business aviation, defence, aftermarket and space sectors.