BOEING REPORTS THIRD-QUARTER RESULTS AND RAISES FULL YEAR GUIDANCE

News / Finance, Manufacturer



***??*Boeing has reported profit that beat analysts' expectations as the plane maker benefited from one-time tax gains and moderating production costs for the 787 Dreamliner.**

Third-quarter earnings were US$3.51 a share excluding a one-time accounting charge and some pension expenses, the Chicago company said. That was more than the $2.67 average of analysts' estimates compiled by Bloomberg. Free cash flow of $2.61 billion exceeded the $2.02bn that analysts had expected.

Net income was $2.3bn, up 33.7 per cent from the year-ago period. Revenues were down 7.5 per cent to $23.9bn.

Operating profit fell both in Boeing's commercial and military divisions, yet the aerospace giant continued to book major orders for new commercial planes.

Boeing signalled in July that it would receive a tax benefit of 28 cents a share stemming from an audit of its federal income taxes for 2011 and 2012. Earnings were also bolstered by another 70

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cents a share in tax-related gains that analysts had not included in their forecasts.

The results may soothe investors who are nervous that the global aerospace market is cooling and wary of Boeing after recent earnings disappointments. The manufacturer reported its first quarterly loss in seven years in July while its first-quarter results missed analysts' estimates for the first time in five years.

The plane maker raised its commercial aircraft delivery forecast for the year, sending its shares higher.

The world's largest jetliner maker expects to deliver 745 to 750 commercial aeroplanes, up from its previous forecast of 740 to 745.

Boeing shares rose 3.6 per cent to $144 at 7:36am in New York, in early morning trading. The stock declined 3.9 per cent through Tuesday, in contrast to a 4.3 per cent gain for the Dow Jones Industrial Average.

The balance of deferred production costs for the 787 Dreamliner fell by $150 million from the previous quarter to $27.5bn as Boeing worked to reap cash from its costliest-ever aircraft.

The company also raised its 2016 sales forecast by $500m, to a range of $93.5bn to $95.5bn, on higher expected deliveries of commercial aircraft. Sales in the third quarter fell 7.5 per cent to $23.9bn after the company delivered 11 fewer jetliners than a year earlier.

"Solid operating performance across our commercial and defense and space businesses in the third quarter again generated strong cash flow for Boeing, which continues to fuel investments in our future and enable us to deliver compelling returns to our shareholders," said the Boeing chief executive Dennis Muilenburg.

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