

# Boeing reports 19% drop in Q1 plane deliveries on MAX grounding

April 10 2019

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Boeing reported a steep drop in first-quarter commercial plane deliveries due to the grounding of the 737 MAX planes following two deadly crashes

Boeing on Tuesday reported a 19 percent drop in first-quarter commercial airplane deliveries as the global grounding of its 737 MAX

plane hits results.

The aerospace giant delivered 149 [commercial planes](#) in all in the first quarter, including 89 of the 737 MAX aircraft. That is down from 184 commercial deliveries and 132 of the 737s in the same period of last year.

Boeing has been under scrutiny following a March 10 Ethiopian Airlines [crash](#) of a 737 MAX that killed 157 people, the second deadly crash involving in the aircraft in five months.

Regulators worldwide grounded the planes within days of the Ethiopia crash, a move that also restricts Boeing's ability to deliver new planes—a metric that is closely tied to company revenues. The company is expected to update its full-year profit forecast when it reports earnings on April 24.

In January, Boeing had signaled that it expected big jumps in 2019 in both revenues and earnings-per-share, but in the wake of the crash investigation the company last week announced it would temporarily cut production of the 737 MAX to 42 a month from 52.

Several analysts have trimmed their Boeing profit forecasts in light of the MAX grounding. JPMorgan Chase on Monday estimated the hit to the company's profit would amount to 85 to 90 cents a share every month without a MAX delivery—which equates to about \$1 billion.

"Politics will play a role" in determining the timing for returning the 737 MAX to service, the JPMorgan note said.

"For the FAA, various investigations into its independence will likely result in a high degree of caution and the need for extensive and compelling paper trail to back the decision," the note said, while adding

that airlines are also being hit by the stoppage.

"Assuming the fix is sufficiently robust, we believe global airlines will want their MAXs and will make this known."

Shares ended down 1.5 percent at \$369.04.

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