Boeing is cutting 10 percent of its workforce

Team,

Our business is in a difficult position, and it is hard to overstate the challenges we face together. Beyond navigating our current environment, restoring our company requires tough decisions and we will have to make structural changes to ensure we can stay competitive and deliver for our customers over the long term.

We need to be clear-eyed about the work we face and realistic about the time it will take to achieve key milestones on the path to recovery. We also need to focus our resources on performing and innovating in the areas that are core to who we are, rather than spreading ourselves across too many efforts that can often result in underperformance and underinvestment.

With that in mind, today I am sharing some difficult decisions and several program updates:

On the 777X program, the challenges we have faced in development, as well as from the flight test pause and ongoing work stoppage, will delay our program timeline. We have notified customers that we now expect first delivery in 2026.

We plan to build and deliver the remaining 767 Freighters ordered by our customers and then conclude production of the commercial program in 2027. Production for the KC-46A Tanker will continue.

In BDS, our performance on fixed-price development programs is simply not where it needs to be. We expect substantial new losses in BDS this quarter, driven by the work stoppage on

commercial derivatives, continued program challenges and our decision to complete production on the 767 freighter. I will be providing additional oversight of this business and these programs.

Along with the above actions, we must also reset our workforce levels to align with our financial reality and to a more focused set of priorities. Over the coming months, we are planning to reduce the size of our total workforce by roughly 10 percent. These reductions will include executives, managers and employees. Next week, your leadership team will share more tailored information about what this means for your organization. Based on this decision, we will not proceed with the next cycle of furloughs.

As we move through this process, we will maintain our steadfast focus on safety, quality and delivering for our customers. We know these decisions will cause difficulty for you, your families and our team, and I sincerely wish we could avoid taking them. However, the state of our business and our future recovery require tough actions.

We will be transparent with you regarding the timing and impact of these steps, and we will be professional and supportive to everyone along the way.

Thank you for all that you are doing through this very challenging time at Boeing. We will navigate through this moment. We will re-focus our company, and we will restore trust with all those who depend on us.

Kelly

https://www.theverge.com/2024/10/11/24268218/boeing-layoffs-10-percent-workforce