

# United Airlines records \$200m hit from Boeing grounding

United Airlines' First-Quarter 2024 Financial Results show the impact of the Boeing 737 MAX 9 grounding.

The financial report is a stark look at the way the commercial aviation provider has been hit since a mechanical fault forced a plane to land.

## United Records Financial Hit

The Federal Aviation Administration (FAA) was quick to act after an Alaskan Airline flight had a malfunction whilst it was in the air.

A door plug unexpectedly blew off causing the regulator to ground the airline's Boeing 737 MAX 9. Thousands of flights were canceled and United's production line was stalled whilst the FAA looked into the harrowing incident.

Today's financial announcement marks the company's first look back at a turbulent year. The company "had a pre-tax loss of \$164 million, a \$92 million improvement over the same quarter last year; adjusted pre-tax loss<sup>1</sup> of \$79 million, a \$187 million improvement on an adjusted basis over the same quarter last year. These earnings reflect the approximately \$200 million impact from the Boeing 737 MAX 9 grounding, without which the company would have reported a quarterly profit."

United would pay Alaska Airlines \$160 for the grounding of the 737 Max 9, which looks to have swallowed a substantial amount of the profit that the company could have recorded this financial year.

The report would go into the decision of the FAA and discuss the impact that the airline's production delays have cost the company. The report said "following the 737 MAX 9 grounding and the FAA's announced significant production capacity constraints on Boeing, the company now anticipates 61 narrowbody aircraft and 5 widebody aircraft to be delivered in 2024."

A financial year to forget for one of America's most recognized brands and trusted carriers. The company will be hoping to put the mechanical fault behind them in the coming financial year and hope the FAA is satisfied with the rigours of their production process.

Image: Ideogram.

The post United Airlines records \$200m hit from Boeing grounding appeared first on Due.

<https://www.entrepreneur.com/finance/united-airlines-records-200m-hit-from-boeing-grounding/472822>