



Boeing agrees to buy Spirit Aero for \$4.7 billion in stock deal

By: David Carnevali and Julie Johnsson | Jun 30 2024 at 06:44 PM | [Air Cargo](#)

Boeing Co. agreed Sunday to purchase Spirit AeroSystems Holdings Inc. for \$37.25 per share in an all-stock deal that values the company at \$4.7 billion, according to people with knowledge of the transaction.

The US planemaker also plans to assume about \$3.5 billion of Spirit's debt as part of the deal, which may be announced as soon as Monday, said the people, who asked not to be identified before the transaction is made public. Reuters reported the per-share price earlier Sunday. Representatives for the companies declined to comment.

Boeing plans to take control of the Spirit's manufacturing that supports its commercial jet line-up, including building frames for its cash-cow 737 Max, two of the people said. It will also gain control over a portion of Spirit's defense contract work, they said.



Boeing arch-rival Airbus SE is also expected to announce that it's taking control over some of the Spirit factories that manufacture structures and components for its commercial aircraft. Terms for that transaction weren't immediately available.

Boeing is seeking to reintegrate Spirit after an accident in January on board a 737 Max-9 airliner revealed quality and manufacturing shortcomings at both Boeing and its most important supplier and led to a rethinking of their relationship.

Spirit has faced growing financial pressure and scrutiny alongside Boeing after the door-shaped panel on a 737 Max 9 model blew out minutes after takeoff. Shipments of 737 fuselages have plummeted as Boeing steps up its inspections in Kansas and back at home near Seattle, and declined to accept aircraft structures with missing components or incomplete work.

For Boeing, the deal brings a key supplier for the 737, 787 Dreamliner and other commercial jets back in-house at a time when the company is feeling the financial strain from the slowed-down output. Boeing lost about \$4 billion in cash in the first quarter and is set to lose a similar amount in the current three months of the year. The company's credit rating is hovering one level above speculative grade, and management is keen to avoid slipping into junk territory.

The Wichita campus that builds most of the 737 airframe for Boeing along with the nose sections of the 787 Dreamliners had been at the heart of several defects as it grappled with post-Covid workforce turnover. Reintegrating Spirit aims to help Boeing stabilize its supply chain and gain greater control of its aircraft production.