

ROCKWELL COLLINS PREDICTS TOUGH 2016 FOR BUSINESS AVIATION

News / Business aviation



Rockwell Collins says that 2015 has been dominated by weak market conditions for **business aviation**, and that no real improvement is expected in **2016**.

The company says that an expected reduction of shipments in the mid-size and light jet sectors, as well as the production rate cut in the Global 5000 / 6000 line, has seen the company cut its expected revenues for the year.

“... in business aviation we continue to experience weak market conditions. At this time, we don’t expect to see these conditions improve significantly in the next year so we are re-setting our near-term expectations for that business.” said Kelly Ortberg Rockwell Collins president and CEO, “Our fiscal year 2016 guidance incorporates the previously announced production rate reduction on the Global 5000/6000 aircraft. In addition, we have assumed additional rate reductions in both the mid-size and light segments of the business jet market in our guidance. The resulting effect is that we now expect our overall Business and Regional jet OEM sales to decrease low-double digits from fiscal year 2015. In addition, we expect Business and Regional jet aftermarket sales to continue growing at a fairly modest level, similar to what we’ve seen in fiscal year 2015.”

Although the company is downbeat about the prospects for business aviation, it says that its previous guidance for other sectors it competes in remain in line with expectations.

“While the decline in business aviation will make for a challenging year for our Commercial Systems business, we remain focused on executing the business to drive long-term growth in both operating margin and cash flow. We will be taking action through the first half of fiscal year 2016 to right-size our business to these new market conditions,” said Ortberg.

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