

WALL STREET IMPROVES OUTLOOK ON TEXTRON

News / Business aviation



Textron's successful integration of its Beechcraft acquisition and new lineup of business jets is improving **Wall Street's** view of the company. Ratings agency Moody's Investors Service this week changed its rating outlook for Textron and Textron Financial to "Positive" from "Stable."

"With stability in core business conditions, sound investment strategies and balanced capital allocation policies, a rating upgrade is possible," said Russell Solomon, senior v-p and Moody's lead analyst. Moody's pointed to a "successful execution" of the Beechcraft acquisition and said the company is making tangible progress in cost savings as it combines the unit with Cessna Aircraft. "Targeted cost savings have in large part been realized ahead of schedule, resulting in notably improved profitability measures within the important aviation sector," Solomon said.

The agency added that it believes "Textron is well positioned to benefit from any upside in the business jet market as it expands its product offering further upmarket with its recently introduced midsize Cessna Citation Latitude and forthcoming new super-midsize Longitude and large-cabin Hemisphere," and said, "While not yet back to historical levels, Textron Aviation has been a growing contributor to overall profits."

Moody's also noted it does not anticipate in the near term another "large transformative acquisition" such as the recently contemplated Sikorsky acquisition.

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