Senior reveals job cuts in the face of aerospace woes

UK engineering firm and aerospace parts maker Senior has revealed it is slashing its global workforce and furloughing staff in the face of Boeing's ongoing industrial action in the US and Airbus production delays.

The group, which is headquartered in Rickmansworth, Hertfordshire, said the job cuts are part of cost saving actions being made in response to difficult trading in its aerospace division.

Senior said it is making permanent job cuts and furloughing staff on a temporary basis, but it did not disclose how many workers are affected.

It is understood the production sites impacted by the cuts are largely in the US.

Senior employs nearly 6,700 staff worldwide, of which around

43% are based in the US, 35% in the UK and Europe and the remainder across Asia and Africa.

While the full impact on our businesses exposed to the affected programmes is not yet certain, we have moved decisively to contain costs and preserve cash

Senior

It comes in response to strikes at Boeing in America, which are now entering a fourth week, while the aerospace giant – a major customer of Senior's – is also under pressure from restricted production rates of its 737 MAX, which is under oversight by regulators in the US after a door panel blowout on a commercial flight in January.

Airbus – another major Senior customer – is also being impacted by supply chain challenges due to a shortage of parts.

Shares in FTSE 250-listed Senior slumped more than 12% in morning trading on Tuesday as it warned the woes will hit the performance of its aerospace arm in the second half, although it still expects year-on-year growth from the division.

Senior said: "While the full impact on our businesses exposed to the affected programmes is not yet certain, we have moved decisively to contain costs and preserve cash."

But it added the issues are "clearly temporary in nature".

The firm said: "Increasing aircraft build rates, operational efficiency benefits and improved price agreements are expected to drive good growth in aerospace division performance beyond 2024."

Alongside job cuts, it is also reining in discretionary spending, trimming material orders to match demand and pausing further capital spending.