



Third-Quarter 2020 **PERFORMANCE REVIEW**

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President and Chief Executive Officer

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Chief Financial Officer

October 28, 2020

BUSINESS UPDATE



Focused on meeting our customer commitments with the highest safety and quality standard

BUSINESS ENVIRONMENT



- Stable global demand for our defense, space and government services
- COVID-19 continues to impact demand for air travel
- Recovery continues, but remains slow and uneven
 - Challenged by entry protocols and travel restrictions
 - Regional dynamics continue to evolve
- Expect passenger traffic to return to 2019 levels in ~3 years; return to long-term trend a few years thereafter
- Airlines continue to be under pressure and adjust operations & fleet planning; government support critical
- Managing liquidity important to bridge to recovery
- Product differentiation and diversity of backlog critical to success

10 YR MARKET SERVED

2020 Boeing Market Outlook



-\$200B

Reduction from 2019 Forecast

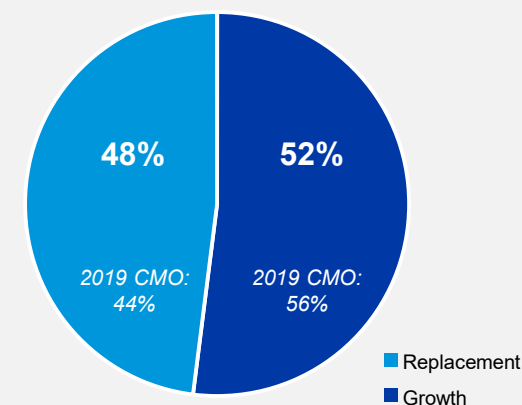
NEW AIRPLANE DELIVERIES

2019 vs. 2020 Commercial Market Outlook



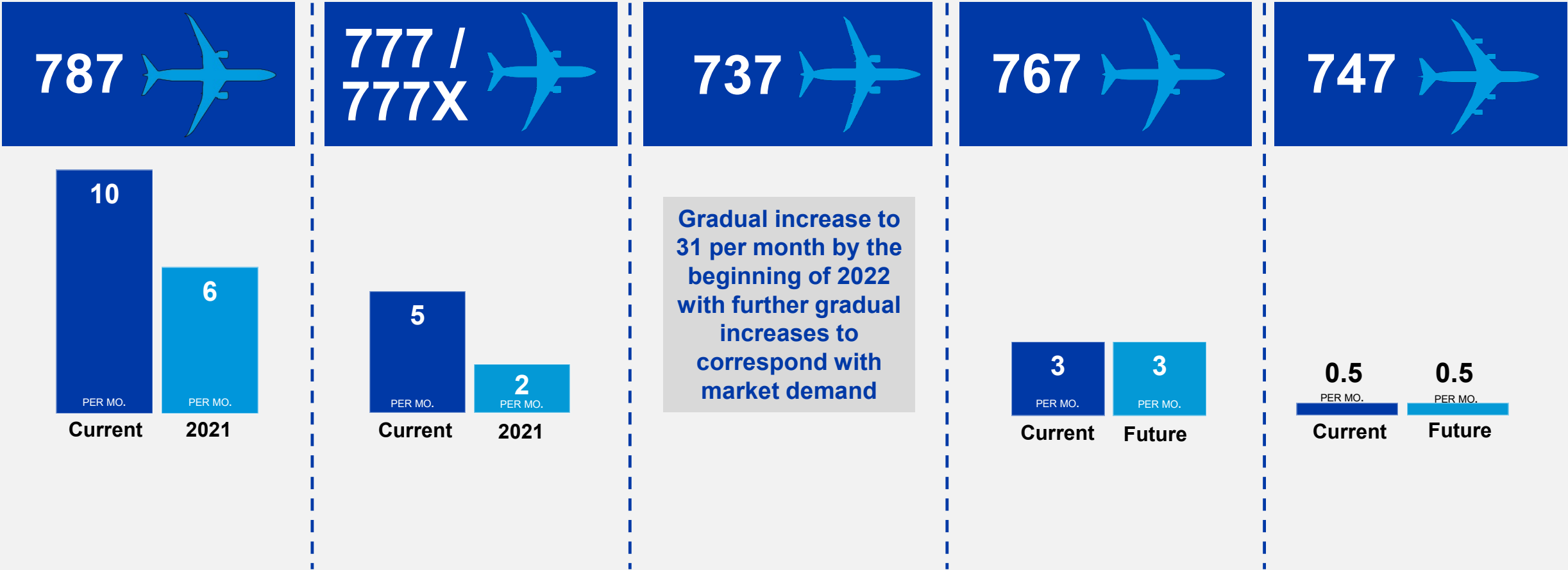
REPLACEMENT vs GROWTH

2020 CMO: as % of new deliveries



Defense and government services remain stable with challenging near-term commercial market

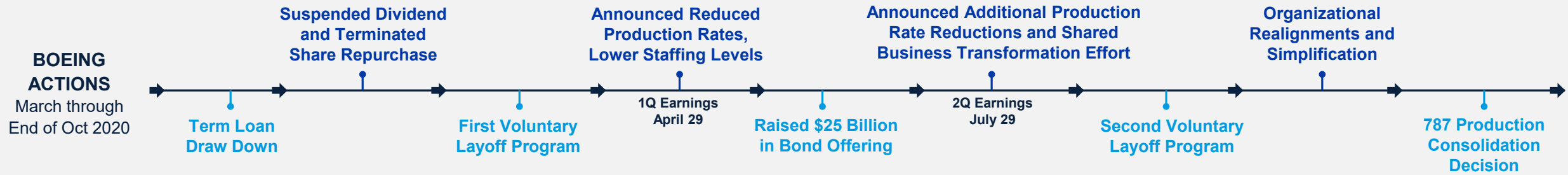
COMMERCIAL AIRPLANE PRODUCTION RATES



Total Backlog of more than 4,300 Commercial Airplanes

Production rate assumptions consistent with second quarter...continue to monitor market dynamics

BUSINESS TRANSFORMATION



Infrastructure

- Consolidating 787 production in South Carolina
- Optimizing enterprise office footprint and implementing flexible and virtual workplace options



Overhead and Organization

- Streamlining organizational layers and reducing bureaucracy
- Resizing business and lowering overall staffing levels to adapt to new market



Portfolio and Investments

- Shaping our portfolio and aligning investment with core business and market opportunities
- Driving sustainability, safety and quality investments across products and operations



Supply Chain Health

- Recalibrating to lower demand and supporting critical supply chain stability efforts
- Reducing indirect spend and optimizing our Transportation, Warehousing and Logistics

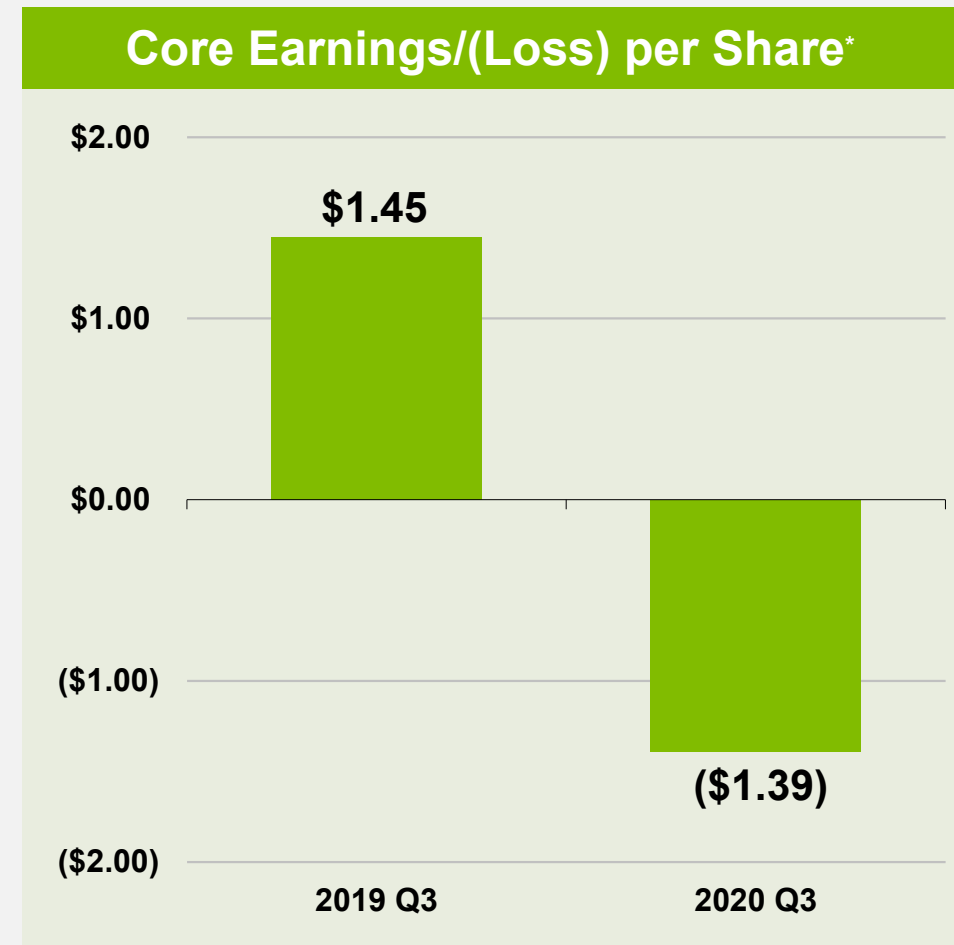
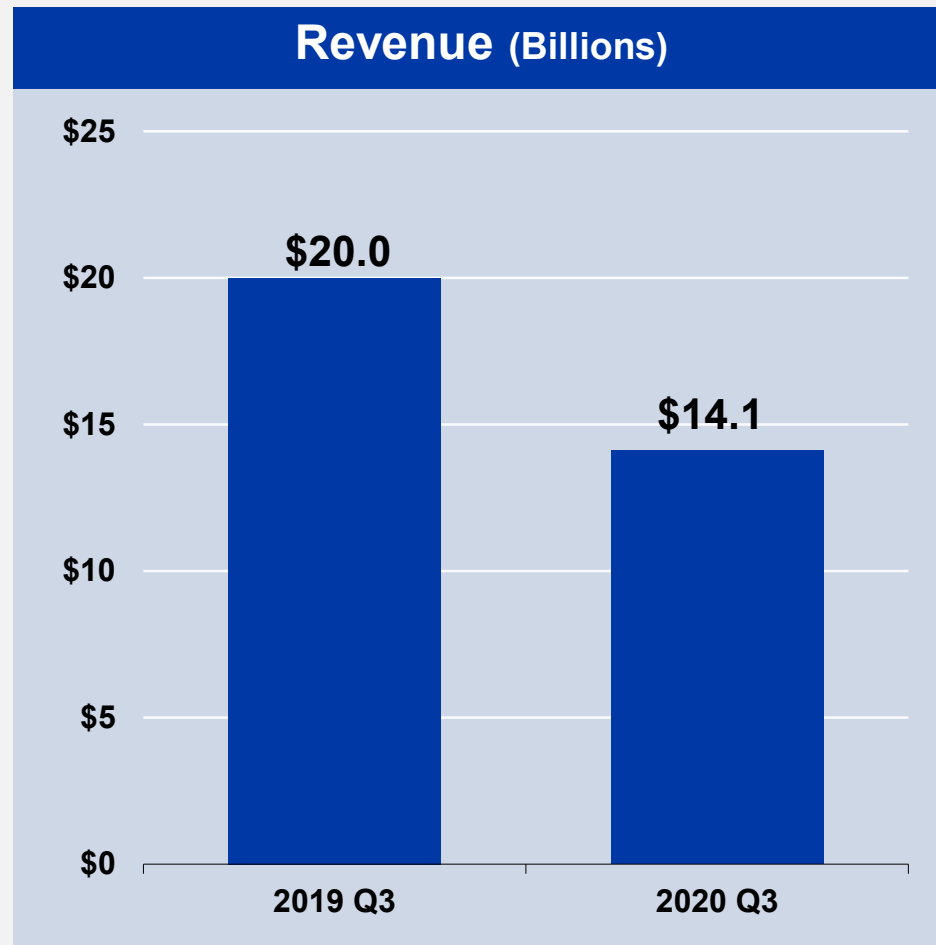


Operational Excellence

- Implementing initiatives to reduce re-work and improve first-time-quality
- Operationalizing quality, manufacturing, supply chain and program management process councils

Adapting to our new reality and positioning to be sharper, more resilient and more sustainable

THIRD-QUARTER REVENUE AND EARNINGS



* Non-GAAP measure. Additional information is provided in the company's earnings press release dated October 28, 2020 and on slide 15 of this presentation.

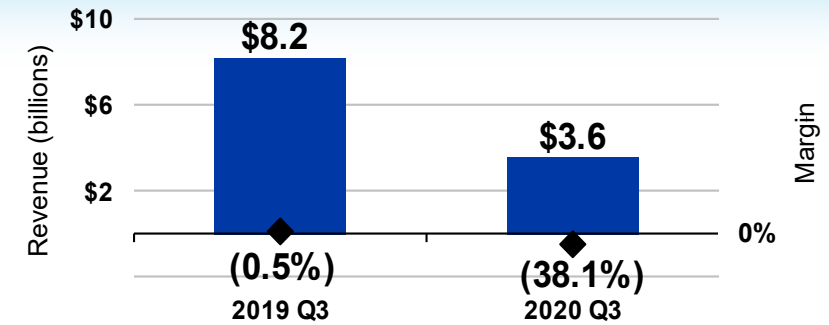
Primarily driven by COVID-19 impacts

COMMERCIAL AIRPLANES



- Financial results significantly impacted by COVID-19 and 737 MAX grounding
- No change to previously announced production rate assumptions
- Delivered 28 airplanes; Backlog of \$313B
- 737 MAX continues to progress towards regulator-led return to service
- Added final 777X flight test airplane to test program, GE9X engine certified by FAA
- Decided to consolidate 787 production in South Carolina in mid-2021

Revenues & Operating Margins



777X Flight Test

Taking action to navigate COVID-19 impacts and position for the future

DEFENSE, SPACE & SECURITY



- **Captured new and follow-on business**

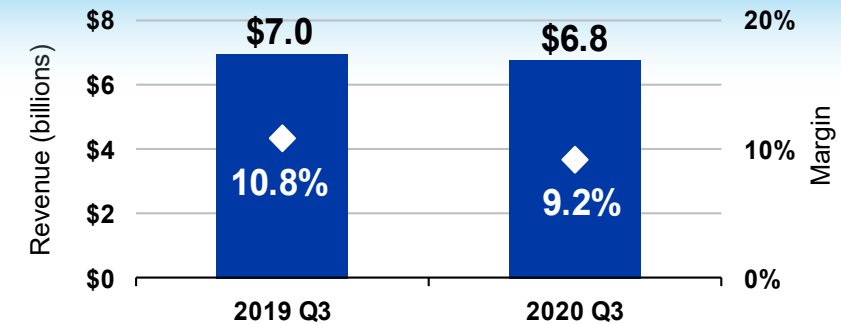
- Award for 8 F-15EX advanced fighter jets for the U.S. Air Force
- Contract extension for the International Space Station for NASA
- Contract for 9 additional MH-47G Block II Chinook helicopters for the U.S. Army Special Operations
- Contract for 4 additional 702X satellites

- **Executed balanced portfolio**

- U.S. Air Force and Boeing awarded Collier Trophy for aerospace excellence for the X-37B autonomous spaceplane
- Inducted 20th U.S. Navy F/A-18 into Service Life Modification
- Delivered 1st Bell Boeing V-22 Osprey to Japan
- Delivered 1st MH-47G Block II Chinook helicopter to the U.S. Army Special Operations

- **Orders valued at \$5B; Backlog of \$62B**

Revenues & Operating Margins



MH-47G Block II Chinook

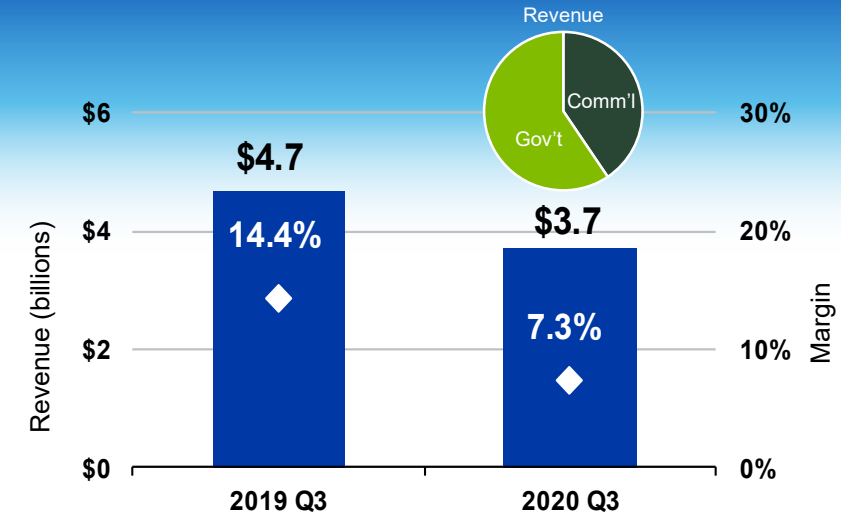
Healthy demand; focused on execution, productivity and competitiveness

GLOBAL SERVICES



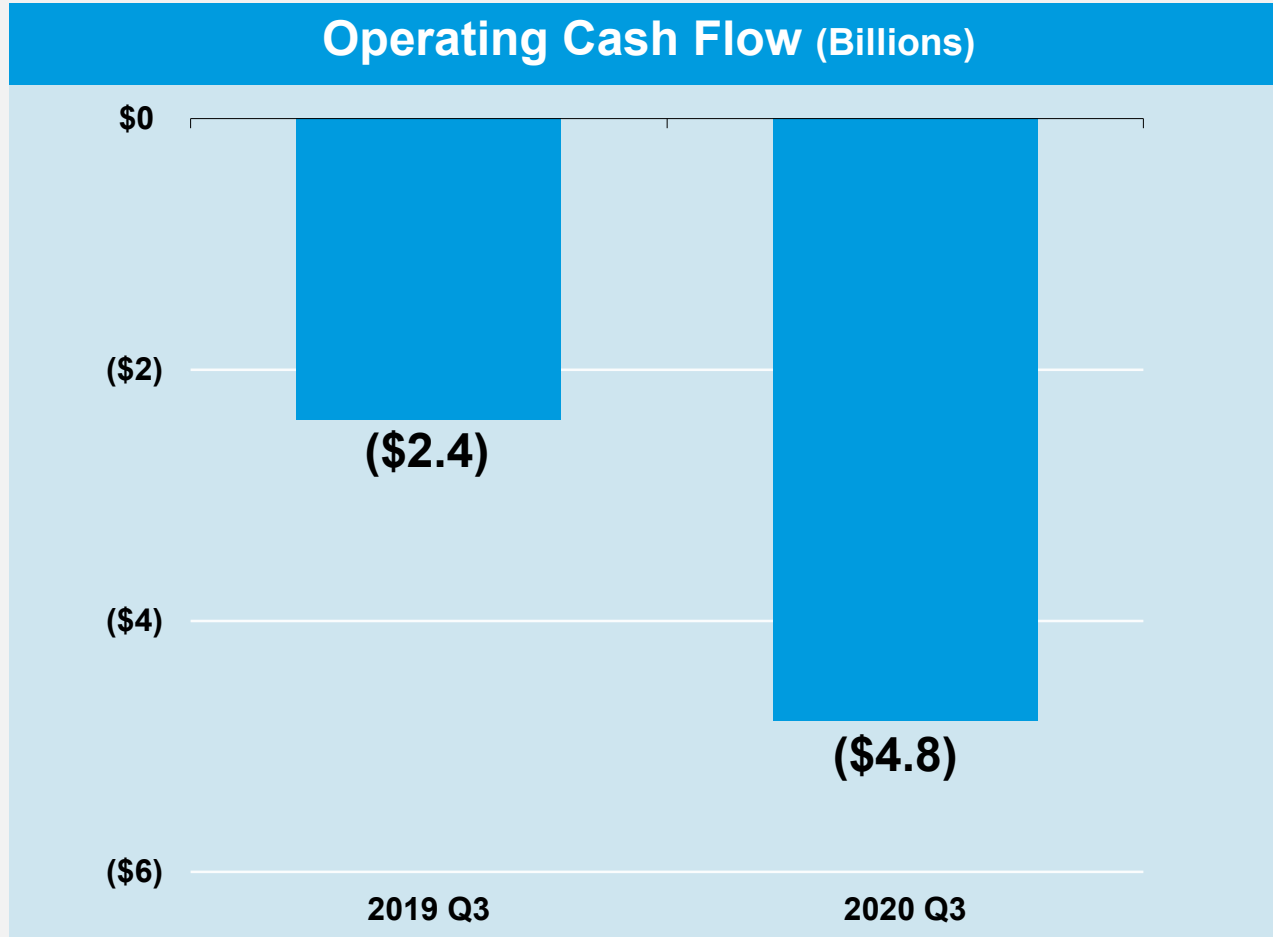
- Commercial services significantly impacted by COVID-19
- Outlook for government services remains stable
- Delivered first Operational Flight Trainer for the UK P-8A
- Captured new and follow-on business
 - Signed agreement with GECAS for 11 737-800 Boeing Converted Freighters
 - Secured six-year support contract for Australian P-8As
 - Awarded F-15EX training and services support contracts by the U.S. Air Force
- Orders valued at \$3B; Backlog of \$17B

Revenues & Operating Margins



Signed 737-800 BCF Agreement with GECAS

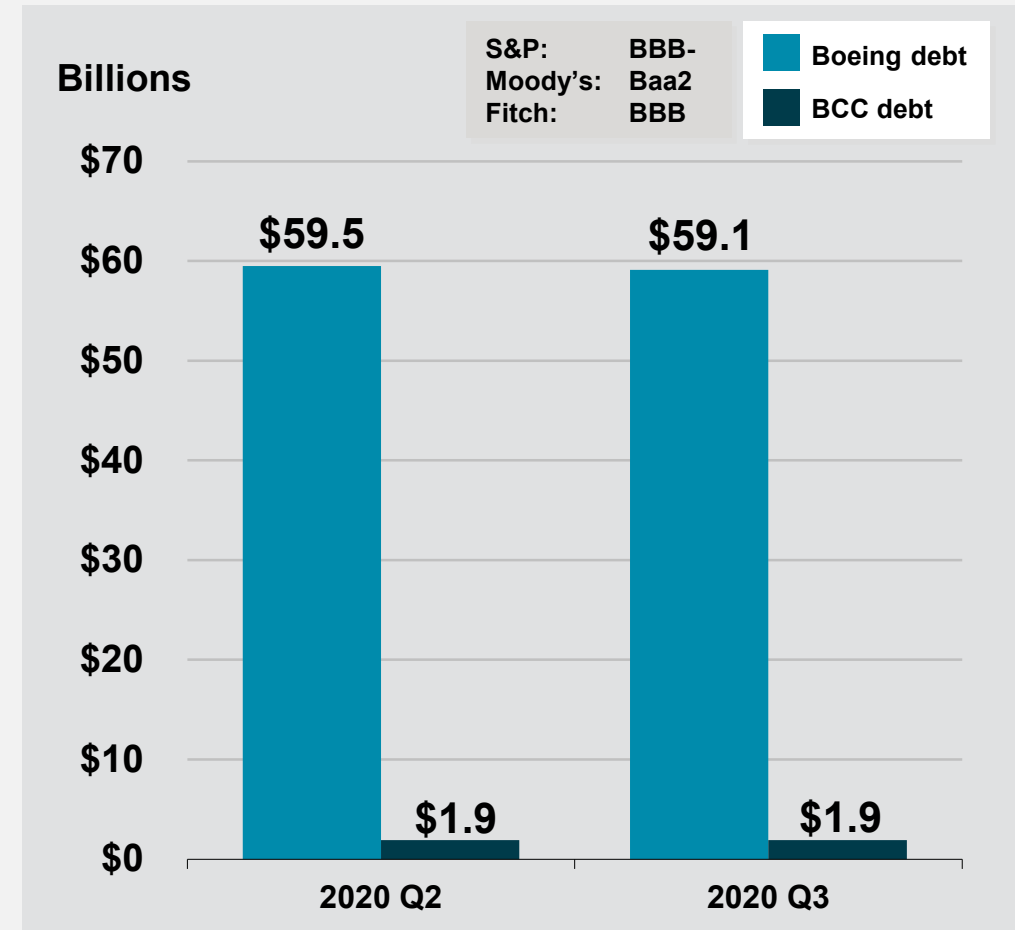
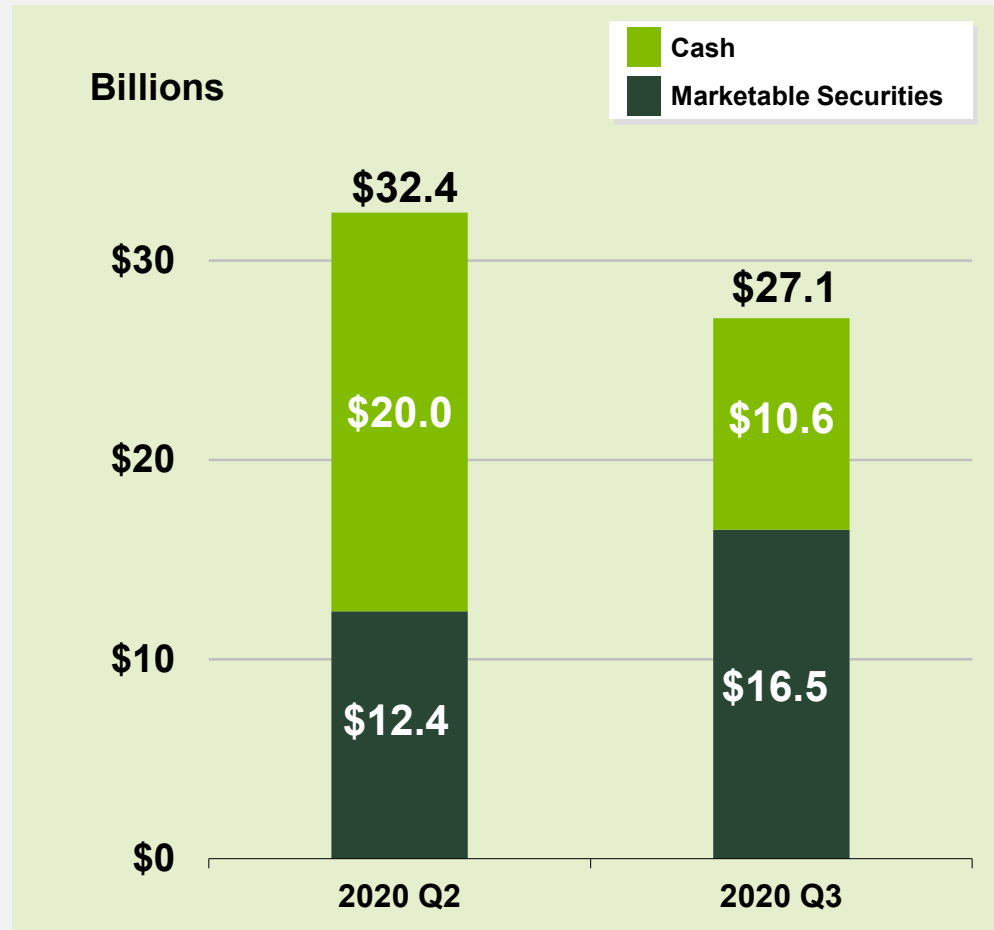
Government business steady; taking action to navigate COVID-19 impacts



- **COVID-19 disruption**
- **Lower commercial airplane deliveries, advance payments and commercial services**
- **Timing of receipts and expenditures**
- **Disciplined cash management**

Cash generation impacted by COVID-19 and lower commercial volume

CASH AND DEBT BALANCES



Focused on proactively managing liquidity to navigate COVID-19

- COVID-19 continues to have a severe impact on aerospace industry
- Long-term industry fundamentals remain strong; portfolio well-positioned
- Focused on our values and achieving our priorities
- Proactively managing liquidity and strengthening the balance sheet
- Transforming our business across five key pillars



Infrastructure



Overhead and
Organization



Portfolio and
Investments



Supply Chain
Health



Operational
Excellence

Taking action to adapt to new market in order to emerge stronger and more resilient



CAUTION CONCERNING FORWARD-LOOKING STATEMENTS



This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “may,” “should,” “expects,” “intends,” “projects,” “plans,” “believes,” “estimates,” “targets,” “anticipates,” and similar expressions generally identify these forward-looking statements. Examples of forward-looking statements include statements relating to our future financial condition and operating results, as well as any other statement that does not directly relate to any historical or current fact. Forward-looking statements are based on expectations and assumptions that we believe to be reasonable when made, but that may not prove to be accurate. These statements are not guarantees and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Many factors could cause actual results to differ materially and adversely from these forward-looking statements. Among these factors are risks related to: (1) the COVID-19 pandemic and related government actions, including with respect to our operations, our liquidity, the health of our customers and suppliers, and future demand for our products and services; (2) the 737 MAX, including the timing and conditions of 737 MAX regulatory approvals, lower than planned production rates and/or delivery rates, and increased considerations to customers and suppliers; (3) general conditions in the economy and our industry, including those due to regulatory changes; (4) our reliance on our commercial airline customers; (5) the overall health of our aircraft production system, planned commercial aircraft production rate changes, our commercial development and derivative aircraft programs, and our aircraft being subject to stringent performance and reliability standards; (6) changing budget and appropriation levels and acquisition priorities of the U.S. government; (7) our dependence on U.S. government contracts; (8) our reliance on fixed-price contracts; (9) our reliance on cost-type contracts; (10) uncertainties concerning contracts that include in-orbit incentive payments; (11) our dependence on our subcontractors and suppliers, as well as the availability of raw materials; (12) changes in accounting estimates; (13) changes in the competitive landscape in our markets; (14) our non-U.S. operations, including sales to non-U.S. customers; (15) threats to the security of our or our customers’ information; (16) potential adverse developments in new or pending litigation and/or government investigations; (17) customer and aircraft concentration in our customer financing portfolio; (18) changes in our ability to obtain debt financing on commercially reasonable terms and at competitive rates; (19) realizing the anticipated benefits of mergers, acquisitions, joint ventures/strategic alliances or divestitures; (20) the adequacy of our insurance coverage to cover significant risk exposures; (21) potential business disruptions, including those related to physical security threats, information technology or cyber-attacks, epidemics, sanctions or natural disasters; (22) work stoppages or other labor disruptions; (23) substantial pension and other postretirement benefit obligations; and (24) potential environmental liabilities.

Additional information concerning these and other factors can be found in our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made, and we assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

NON-GAAP MEASURE DISCLOSURE



The Boeing Company and Subsidiaries Reconciliation of Non-GAAP Measures (Unaudited)

The table provided below reconciles the non-GAAP financial measure core (loss)/earnings per share with the most directly comparable GAAP financial measure diluted (loss)/earnings per share. See page 5 of the company's press release dated October 28, 2020 for additional information on the use of core (loss)/earnings per share as a non-GAAP financial measure.

	Third Quarter 2020		Third Quarter 2019	
	\$ millions	Per Share	\$ millions	Per Share
<i>(Dollars in millions, except per share data)</i>				
Diluted (loss)/earnings per share (GAAP)		(\$0.79)		\$2.05
Pension FAS/CAS service cost adjustment	(\$260)	(0.46)	(\$274)	(0.48)
Postretirement FAS/CAS service cost adjustment	(93)	(0.16)	(90)	(0.16)
Non-operating pension expense	(84)	(0.16)	(93)	(0.17)
Non-operating postretirement expense	10	0.02	27	0.05
Provision for deferred income taxes on adjustments ¹	90	0.16	90	0.16
Subtotal of adjustments	(\$337)	(\$0.60)	(\$340)	(\$0.60)
Core (loss)/earnings per share (non-GAAP)		(\$1.39)		\$1.45
Weighted average diluted shares (in millions)		566.6		569.2

¹ The income tax impact is calculated using the U.S. corporate statutory tax rate.

737 MAX - ADDITIONAL DETAIL



- As Commercial Airplanes continues to produce at abnormally low production rates in 2020 and 2021, it expects to incur approximately \$5 billion of abnormal production costs that are being expensed as incurred
- Commercial Airplanes expensed \$590 million and \$2,099 million of abnormal production costs during the three and nine months ended September 30, 2020
- The following table summarizes changes in the 737 MAX customer concessions and other considerations liability during 2020:

<i>(Dollars in millions)</i>	2020
Beginning balance – January 1	\$7,389
Reductions for payments made	(1,695)
Reductions for concessions and other in-kind considerations	(83)
Changes in estimates	370
Ending balance – September 30	\$5,981