



FOURTH-QUARTER 2023 PERFORMANCE REVIEW

David Calhoun

President and Chief Executive Officer

Brian West

Executive Vice President and Chief Financial Officer

January 31, 2024

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) general conditions in the economy and our industry, including those due to regulatory changes; (2) our reliance on our commercial airline customers; (3) the overall health of our aircraft production system, production quality issues, commercial airplane production rates, our ability to successfully develop and certify new aircraft or new derivative aircraft, and the ability of our aircraft to meet stringent performance and reliability standards; (4) changing budget and appropriation levels and acquisition priorities of the U.S. government, as well as significant delays in U.S. government appropriations; (5) our dependence on our subcontractors and suppliers, as well as the availability of highly skilled labor and raw materials; (6) work stoppages or other labor disruptions; (7) competition within our markets; (8) our non-U.S. operations and sales to non-U.S. customers; (9) changes in accounting estimates; (10) realizing the anticipated benefits of mergers, acquisitions, joint ventures/strategic alliances or divestitures; (11) our dependence on U.S. government contracts; (12) our reliance on fixed-price contracts; (13) our reliance on cost-type contracts; (14) contracts that include in-orbit incentive payments; (15) unauthorized access to our, our customers’ and/or our suppliers’ information and systems; (16) potential business disruptions, including threats to physical security or our information technology systems, extreme weather (including effects of climate change) or other acts of nature, and pandemics or other public health crises; (17) potential adverse developments in new or pending litigation and/or government inquiries or investigations; (18) potential environmental liabilities; (19) effects of climate change and legal, regulatory or market responses to such change; (20) changes in our ability to obtain debt financing on commercially reasonable terms, at competitive rates and in sufficient amounts; (21) substantial pension and other postretirement benefit obligations; (22) the adequacy of our insurance coverage; and (23) customer and aircraft concentration in our customer financing portfolio.

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.

BUSINESS UPDATE



Focused on safety and quality

FOURTH-QUARTER FINANCIAL RESULTS

	<u>Q4 2023</u>	<u>Q4 2022</u>
Revenue	\$22.0B	\$20.0B
Core Operating Margin*	0.4%	(3.2)%
Core Loss Per Share*	(\$0.47)	(\$1.75)
Free Cash Flow*	\$3.0B	\$3.1B

* Non-GAAP measure. See slides 11-13 additional information on non-GAAP measures.

Results reflect higher commercial volume and improved performance

COMMERCIAL AIRPLANES

Revenues and Operating Margins

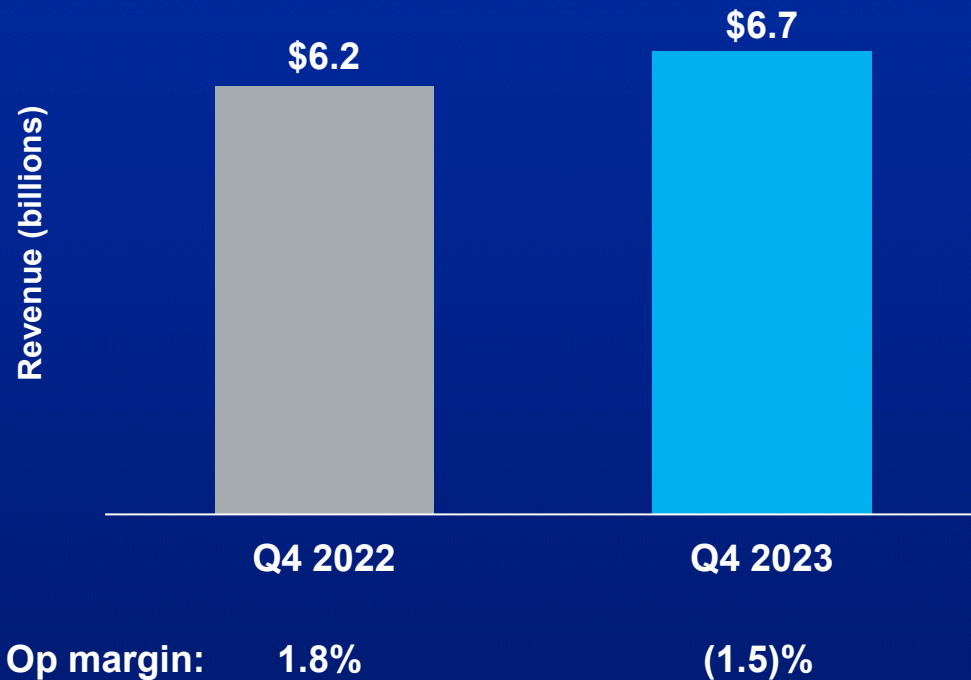


- Secured 611 net orders; backlog of \$441B
- Delivered 157 airplanes
- Began 737-10 certification flight testing
- Resumed 777X program production

Focused on safety, quality and operational stability

DEFENSE, SPACE & SECURITY

Revenues and Operating Margins

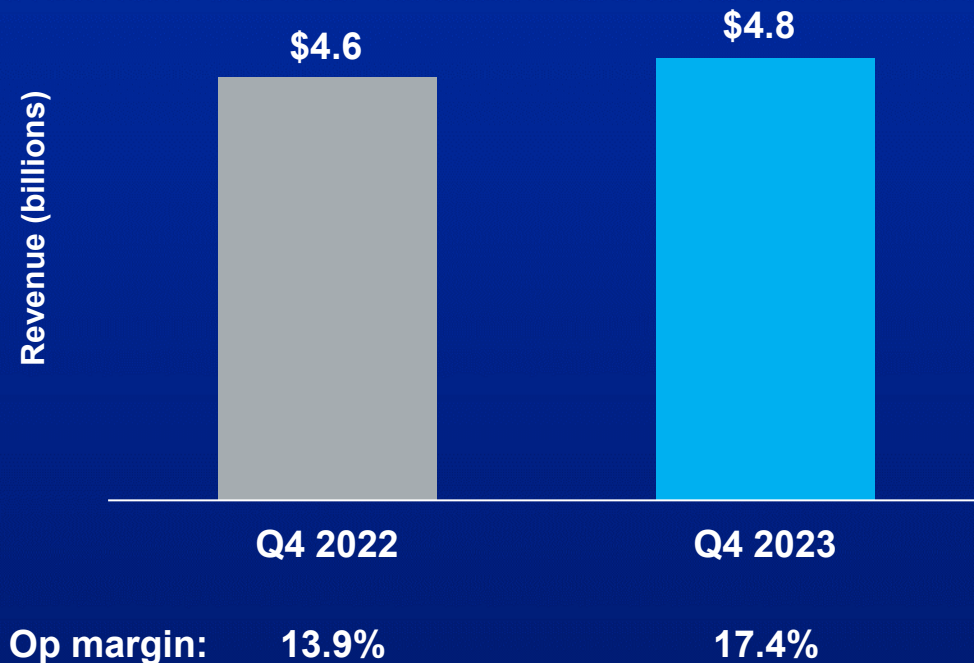


- Captured USAF award for 15 KC-46A Tankers
- Began USAF developmental flight test program on the T-7A Red Hawk
- Canada selected the P-8A Poseidon as its multi-mission aircraft
- Orders valued at \$8B; backlog of \$59B

Focused on production stability and development program execution

GLOBAL SERVICES

Revenues and Operating Margins



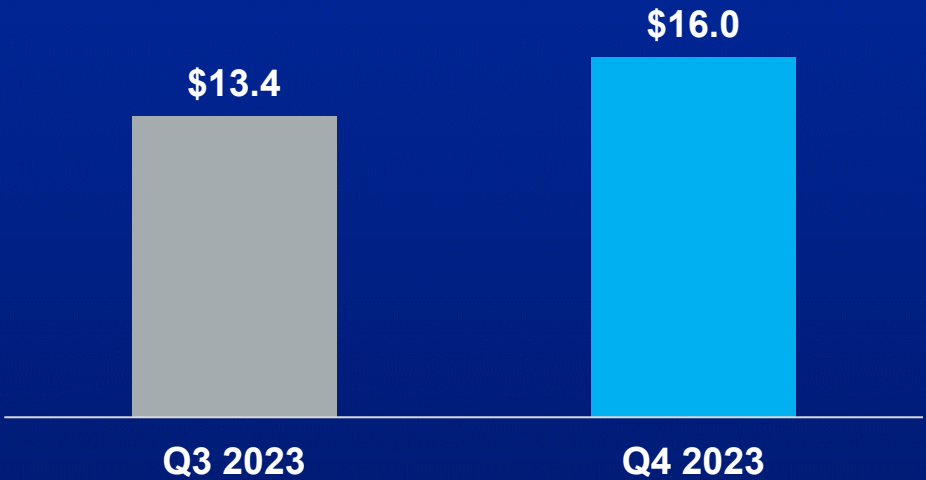
- Opened a parts distribution center in India
- Received a follow-on contract option to provide sustainment for the C-17 Globemaster III
- Orders valued at \$6B; backlog of \$20B

Continued strong performance...focused on meeting customer commitments

CASH AND DEBT BALANCES

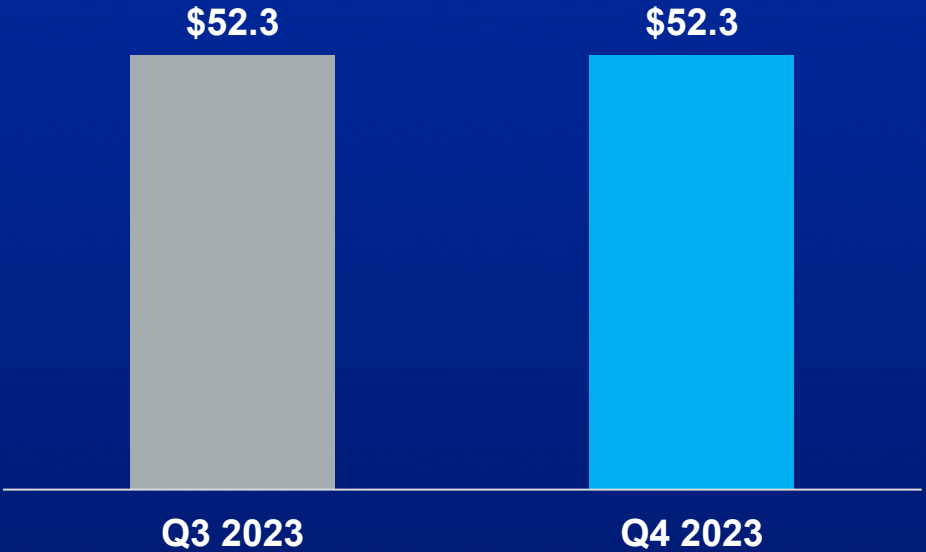
Cash and Marketable Securities

Billions



Consolidated Debt

Billions



S&P:	BBB-
Moody's:	Baa2
Fitch:	BBB-

Strong liquidity...focused on repaying debt

FULL YEAR FINANCIAL RESULTS

	<u>FY 2023</u>	<u>FY 2022</u>
Revenue	\$77.8B	\$66.6B
Core Operating Margin*	(2.4)%	(7.0)%
Core Loss Per Share*	(\$5.81)	(\$11.06)
Free Cash Flow*	\$4.4B	\$2.3B

* Non-GAAP measure. See slides 11-13 additional information on non-GAAP measures.

Results reflect higher commercial volume and improved performance



NON-GAAP MEASURE DISCLOSURES

The tables provided below reconcile the non-GAAP financial measures core operating earnings/(loss), core operating margin, and core earnings/(loss) per share with the most directly comparable GAAP financial measures, earnings/(loss) from operations, operating margin, and diluted earnings/(loss) per share. See page 5 of the company's earnings press release dated January 31, 2024 for additional information on the use of these non-GAAP financial measures.

<i>(Dollars in millions, except per share data)</i>	Fourth Quarter 2023		Fourth Quarter 2022	
	\$ millions	Per Share	\$ millions	Per Share
Revenues	22,018		19,980	
Earnings/(loss) from operations (GAAP)	283		(345)	
Operating margin (GAAP)	1.3 %		(1.7)%	
FAS/CAS service cost adjustment:				
Pension FAS/CAS service cost adjustment	(136)		(228)	
Postretirement FAS/CAS service cost adjustment	(57)		(69)	
FAS/CAS service cost adjustment	(193)		(297)	
Core operating earnings/(loss) (non-GAAP)	\$90		(\$642)	
Core operating margin (non-GAAP)	0.4 %		(3.2)%	
Diluted loss per share (GAAP)		(\$0.04)		(\$1.06)
Pension FAS/CAS service cost adjustment	(\$136)	(0.23)	(\$228)	(0.38)
Postretirement FAS/CAS service cost adjustment	(57)	(0.09)	(69)	(0.12)
Non-operating pension expense	(127)	(0.21)	(215)	(0.35)
Non-operating postretirement expense	(14)	(0.02)	(14)	(0.02)
Provision for deferred income taxes on adjustments ¹	70	0.12	110	0.18
Subtotal of adjustments	(\$264)	(\$0.43)	(\$416)	(\$0.69)
Core loss per share (non-GAAP)		(\$0.47)		(\$1.75)
Weighted average diluted shares (in millions)		609.5		598.9

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

NON-GAAP MEASURE DISCLOSURES

The tables provided below reconcile the non-GAAP financial measures core operating earnings/(loss), core operating margin, and core earnings/(loss) per share with the most directly comparable GAAP financial measures, earnings/(loss) from operations, operating margin, and diluted earnings/(loss) per share. See page 5 of the company's earnings press release dated January 31, 2024 for additional information on the use of these non-GAAP financial measures.

<i>(Dollars in millions, except per share data)</i>	Full Year 2023		Full Year 2022	
	\$ millions	Per Share	\$ millions	Per Share
Revenues	77,794		66,608	
Loss from operations (GAAP)	(773)		(3,519)	
Operating margin (GAAP)	(1.0)%		(5.3)%	
FAS/CAS service cost adjustment:				
Pension FAS/CAS service cost adjustment	(799)		(849)	
Postretirement FAS/CAS service cost adjustment	(257)		(294)	
FAS/CAS service cost adjustment	(1,056)		(1,143)	
Core operating loss (non-GAAP)	(1,829)		(4,662)	
Core operating margin (non-GAAP)	(2.4)%		(7.0)%	
Diluted loss per share (GAAP)		(3.67)		(8.30)
Pension FAS/CAS service cost adjustment	(799)	(1.32)	(849)	(1.43)
Postretirement FAS/CAS service cost adjustment	(257)	(0.42)	(294)	(0.49)
Non-operating pension expense	(529)	(0.87)	(881)	(1.47)
Non-operating postretirement expense	(58)	(0.10)	(58)	(0.10)
Provision for deferred income taxes on adjustments ¹	345	0.57	437	0.73
Subtotal of adjustments	(\$1,298)	(\$2.14)	(\$1,645)	(\$2.76)
Core loss per share (non-GAAP)		(\$5.81)		(\$11.06)
Weighted average diluted shares (in millions)		606.1		595.2

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

NON-GAAP MEASURE DISCLOSURES

The table provided below reconciles the non-GAAP financial measure free cash flow with the most directly comparable GAAP financial measure operating cash flow. See page 5 of the company's earnings press release dated January 31, 2024 for additional information on the use of free cash flow as a non-GAAP financial measure.

	<u>Fourth Quarter</u>		<u>Full Year</u>	
<i>In millions</i>	2023	2022	2023	2022
Operating Cash Flow	\$3,381	\$3,457	\$5,960	\$3,512
Less: Additions to Property, Plant & Equipment	(\$431)	(\$326)	(\$1,527)	(\$1,222)
Free Cash Flow (non-GAAP)	\$2,950	\$3,131	\$4,433	\$2,290