Fourth-Quarter 2018 Performance Review and 2019 Guidance

Dennis Muilenburg
Chairman, President and Chief Executive Officer

Greg Smith
Chief Financial Officer
Executive Vice President of Enterprise Performance & Strategy

January 30, 2019
2018 Summary

- Generated record revenue, earnings, EPS and cash flow
- Repurchased $9.0B of shares; paid $3.9B in dividends
- Delivered record 806 commercial airplanes, including 256 737 MAXs
- Increased 737 rate to 52/mo; continued 777X development
- Won key defense franchises and space awards; completed key milestones
- Achieved BGS growth; captured new opportunities
- Closed KLX acquisition; launched seats and APU JVs
- Reached agreement on Embraer strategic partnerships
Business Environment

- Commercial aviation remains long-term growth industry
  - 20 year Commercial Market Outlook of 42,730 airplanes

- Robust airline profitability, strong passenger traffic, healthy cargo market

- Diverse and balanced geographic, customer, and replacement demand

- Domestic support for our key defense and space programs

- Continuing international defense and space demand

- Growth opportunities over a 10-year period, $2.8 trillion services market

Healthy demand; business environment supportive of growth
Full Year Financial Results

Generated record revenue, earnings, and cash flow

* Non-GAAP measures. Definitions, reconciliations, and further disclosures regarding this non-GAAP measure are provided in the company’s earnings press release dated January 30, 2019 and on slide 15 of this presentation.
Fourth-Quarter Revenue and Earnings

Top and bottom line growth on strong performance

* Non-GAAP measures. Definitions, reconciliations, and further disclosures regarding this non-GAAP measure are provided in the company's earnings press release dated January 30, 2019 and on slide 14 of this presentation.
Commercial Airplanes

- Delivered 238 airplanes in 4Q; 806 in 2018
  - Included 111 737 MAX deliveries in 4Q; 256 in 2018
  - Delivered the first 737 MAX from the China Completion Center
  - Delivered the 787th 787 Dreamliner

- Won 262 net orders in 4Q; 893 in 2018
  - 777 program exceeded 2,000 orders since its launch
  - 737 MAX family surpassed 5,000 net orders
  - Orders valued at $16B in 4Q and $62B in 2018; robust backlog of $412B

- Strong profitability driven by cost performance and 737 delivery volume

- Continued progress on development programs
  - Completed final body join and power-on for the first flight test 777X aircraft

Healthy market; driving productivity while ramping production
Solid execution and healthy demand; increasing productivity and competitiveness

- Achieved strong 13% annual year-over-year revenue growth
- Captured new and follow-on business; well positioned for the future
  - Awarded contract to modernize 17 H-47 Chinooks for Spain
  - Awarded contract for second KC-46 Tanker to Japan
  - Unveiled the Joint Multi-Role SB>1 DEFIANT™ helicopter for the U.S. Army
  - Won contract to provide tactical satellite communications for the U.S. Air Force
- Executed balanced portfolio
  - Completed first delivery of KC-46 Tanker to U.S. Air Force in January 2019
  - Supported successful test for U.S. Air Force’s Minuteman III
- Orders valued at $5B in 4Q18 and $36B in 2018; Backlog of $57B
Global Services

- Generated robust 17% annual year-over-year revenue growth
- Captured new and follow-on business
  - Secured sustainment contract for C-17 Globemaster III
  - Awarded F-15 Qatar Performance Based Logistics contract
  - Captured F/A-18 services support to the U.S. Navy
  - Selected by Shenzhen Airlines to provide crew management solution
- Completed first KC-46 training flight with U.S. Air Force
- Successfully integrating KLX
- Began Auxiliary Power Unit joint venture operations with Safran
- Orders valued at $6B in 4Q and $18B in 2018; Backlog of $21B

Sizable market opportunity; growth outpacing market
Cash Flow

Operating Cash Flow (Billions)

- Planned higher commercial production rates
- Strong operating performance
- Timing of receipts and expenditures

Strong cash flow reflects healthy business
Boeing | Investor Relations

Cash and Debt Balances

Billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash</th>
<th>Marketable Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Q3</td>
<td>$10.0</td>
<td>$2.0</td>
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<tr>
<td>2018 Q4</td>
<td>$8.6</td>
<td>$0.9</td>
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Billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Boeing debt</th>
<th>BCC debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Q3</td>
<td>$9.4</td>
<td>$2.5</td>
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<tr>
<td>2018 Q4</td>
<td>$11.3</td>
<td>$2.5</td>
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</table>

Strong liquidity with manageable debt levels

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## Financial Guidance

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$109.5 – 111.5B</td>
</tr>
<tr>
<td>Core EPS*</td>
<td>$19.90 – 20.10</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>$17.0 – 17.5B</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>~$2.3B</td>
</tr>
</tbody>
</table>

* Non-GAAP measures. Definitions, reconciliations, and further disclosures regarding this non-GAAP measure are provided in the company’s earnings press release dated January 30, 2019 and on slide 14-15 of this presentation.

Strong performance driving upward revisions
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) 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, planned production changes, our commercial development and derivative aircraft programs, and our aircraft being subject to stringent performance and reliability standards; (4) changing budget and appropriation levels and acquisition priorities of the U.S. government; (5) our dependence on U.S. government contracts; (6) our reliance on fixed-price contracts; (7) our reliance on cost-type contracts; (8) uncertainties concerning contracts that include in-orbit incentive payments; (9) our dependence on our subcontractors and suppliers, as well as the availability of raw materials; (10) changes in accounting estimates; (11) changes in the competitive landscape in our markets; (12) our non-U.S. operations, including sales to non-U.S. customers; (13) threats to the security of our or our customers’ information; (14) potential adverse developments in new or pending litigation and/or government investigations; (15) customer and aircraft concentration in our customer financing portfolio; (16) changes in our ability to obtain debt on commercially reasonable terms and at competitive rates in order to fund our operations and contractual commitments; (17) realizing the anticipated benefits of mergers, acquisitions, joint ventures/strategic alliances or divestitures; (18) the adequacy of our insurance coverage to cover significant risk exposures; (19) potential business disruptions, including those related to physical security threats, information technology or cyber-attacks or natural disasters; (20) work stoppages or other labor disruptions; (21) substantial pension and other postretirement benefit obligations; (22) 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.
The table provided below reconciles the non-GAAP financial measure core earnings per share with the most directly comparable GAAP financial measure diluted earnings per share. See page 6 of the company’s press release dated January 30, 2019 for additional information on the use of core earnings per share as a non-GAAP financial measure.

<table>
<thead>
<tr>
<th>(Dollars in millions, except per share data)</th>
<th>Fourth Quarter 2018</th>
<th></th>
<th>Fourth Quarter 2017</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ millions</td>
<td>Per Share</td>
<td>$ millions</td>
<td>Per Share</td>
</tr>
<tr>
<td>Diluted earnings per share (GAAP)</td>
<td>$5.93</td>
<td>0.35</td>
<td>$5.49</td>
<td>0.52</td>
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<tr>
<td>Pension FAS/CAS service cost adjustment</td>
<td>($225)</td>
<td>(0.35)</td>
<td>($316)</td>
<td>(0.52)</td>
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<tr>
<td>Postretirement FAS/CAS service cost adjustment</td>
<td>(83)</td>
<td>(0.14)</td>
<td>(73)</td>
<td>(0.12)</td>
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<tr>
<td>Non-operating pension expense</td>
<td>(45)</td>
<td>(0.08)</td>
<td>(29)</td>
<td>(0.05)</td>
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<tr>
<td>Non-operating postretirement expense</td>
<td>24</td>
<td>0.04</td>
<td>32</td>
<td>0.05</td>
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<tr>
<td>Provision for deferred income taxes on adjustments¹</td>
<td>69</td>
<td>0.12</td>
<td>135</td>
<td>0.22</td>
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<tr>
<td>Subtotal of adjustments</td>
<td>($260)</td>
<td>($0.45)</td>
<td>($251)</td>
<td>($0.42)</td>
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<tr>
<td>Core earnings per share (non-GAAP)</td>
<td>$5.48</td>
<td></td>
<td>$5.07</td>
<td></td>
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<tr>
<td>Weighted average diluted shares (in millions)</td>
<td>577.5</td>
<td></td>
<td>605.1</td>
<td></td>
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</tbody>
</table>

¹ The income tax impact is calculated using the U.S. corporate statutory tax rate.
The table provided below reconciles the non-GAAP financial measure core earnings per share with the most directly comparable GAAP financial measure diluted earnings per share. See page 6 of the company’s press release dated January 30, 2019 for additional information on the use of core earnings per share as a non-GAAP financial measure.

<table>
<thead>
<tr>
<th>(Dollars in millions, except per share data)</th>
<th>2019 Guidance</th>
<th>Full Year 2018</th>
<th>Full Year 2017</th>
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<tbody>
<tr>
<td></td>
<td>$ millions</td>
<td>Per Share</td>
<td>$ millions</td>
</tr>
<tr>
<td>Diluted earnings per share (GAAP)</td>
<td>$21.90 - 22.10</td>
<td>$17.85</td>
<td>$13.85</td>
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<tr>
<td>Pension FAS/CAS service cost adjustment</td>
<td>($1,005)</td>
<td>(1.71)</td>
<td>($1,127)</td>
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<tr>
<td>Postretirement FAS/CAS service cost adjustment</td>
<td>(322)</td>
<td>(0.55)</td>
<td>(311)</td>
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<tr>
<td>Non-operating pension expense</td>
<td>(143)</td>
<td>(0.24)</td>
<td>(117)</td>
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<tr>
<td>Non-operating postretirement expense</td>
<td>($90)</td>
<td>(0.17)</td>
<td>123</td>
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<tr>
<td>Provision for deferred income taxes on adjustments(^1)</td>
<td>101</td>
<td>0.17</td>
<td>123</td>
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<tr>
<td>Subtotal of adjustments</td>
<td>($2.00)</td>
<td>($1,082)</td>
<td>($931)</td>
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<tr>
<td>Core earnings per share (non-GAAP)</td>
<td>$19.90 - 20.10</td>
<td>$16.01</td>
<td>$12.33</td>
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<tr>
<td>Weighted average diluted shares (in millions)</td>
<td>560 - 565</td>
<td>586.2</td>
<td>610.7</td>
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\(^1\) The income tax impact is calculated using the U.S. corporate statutory tax rate.