



Fourth-Quarter 2016 Performance Review

Dennis Muilenburg

Chairman, President and Chief Executive Officer

Greg Smith

Chief Financial Officer

Executive Vice President, Corporate Development & Strategy

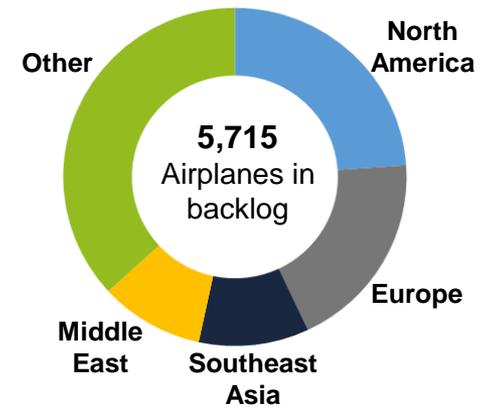
January 25, 2017

2016 Summary

Boeing | Investor Relations

- Generated strong revenue, solid earnings and record cash flow
- Returned nearly \$10 billion to shareholders; declared quarterly dividend increase of 30% per share
- Captured 668 commercial airplane orders
- Awarded key defense and space contracts
- Launched Boeing Global Services
- Continued cost reduction and productivity improvement focus

4Q16 BCA Backlog



668 Orders Captured in 2016

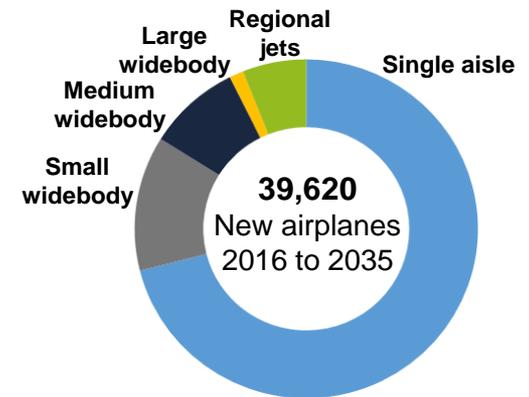
Record cash flow...investing for growth & returning cash to shareholders

Business Environment

Boeing | Investor Relations

- Commercial aviation remains long-term growth industry
- Healthy passenger traffic; modestly improving air cargo market
- Strong narrowbody demand; solid widebody with some hesitancy
- Anticipate modest, five-year U.S. defense budget growth
- Strong domestic support for our key defense and space programs
- Healthy international defense and space demand

2016 Current Market Outlook

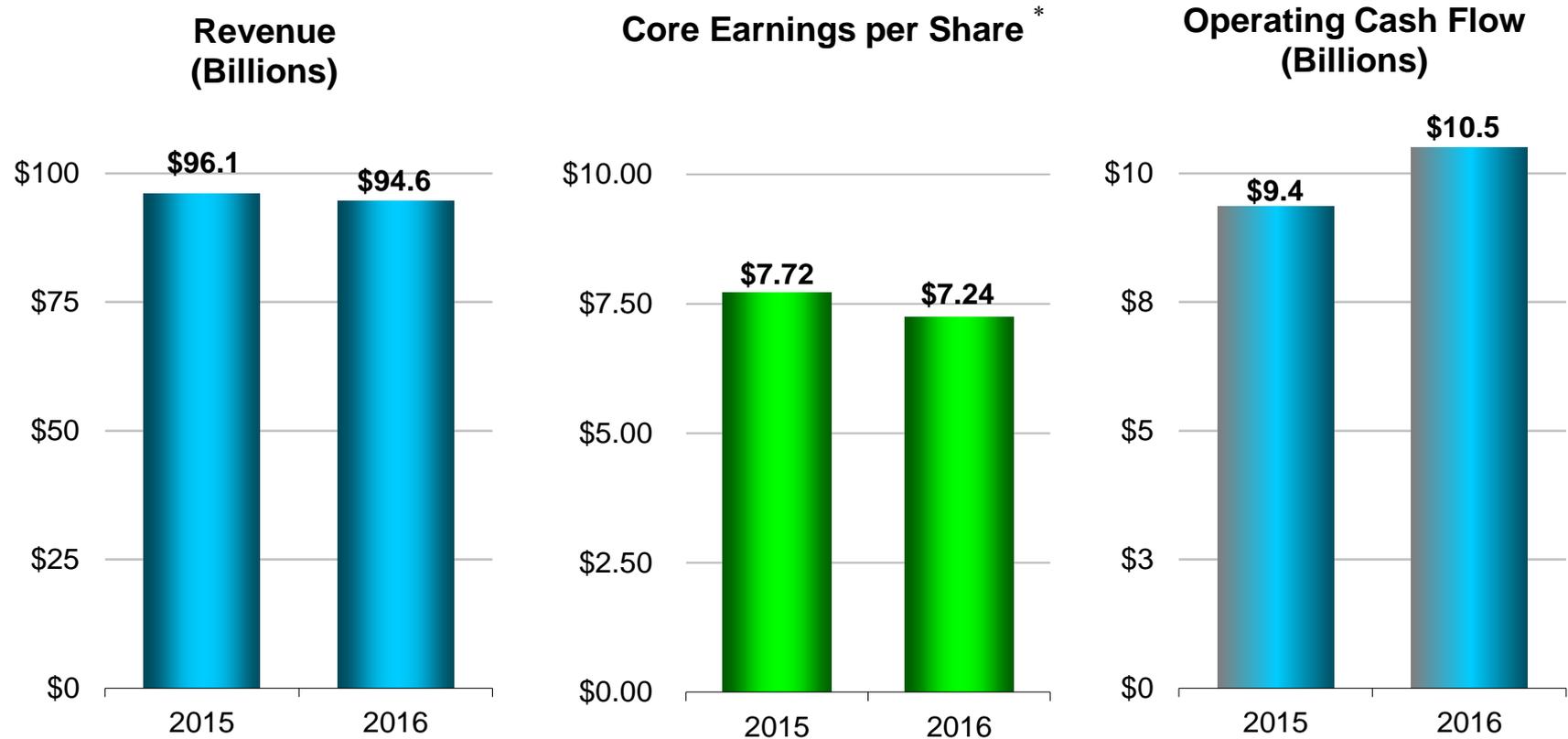


Strong Demand...3,605 MAX Orders

Healthy near-term demand; significant long-term opportunity

Full Year Financial Results

Boeing | Investor Relations



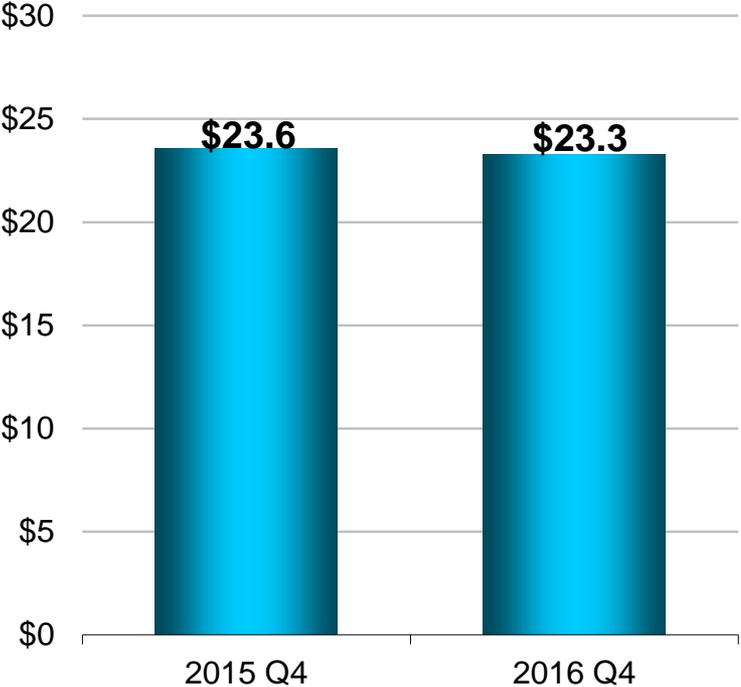
* Non-GAAP measures. Definitions, reconciliations, and further disclosures regarding this non-GAAP measure are provided in the company's earnings press release dated January 25, 2017 and on slide 13 of this presentation.

Generated record cash flow and solid underlying performance

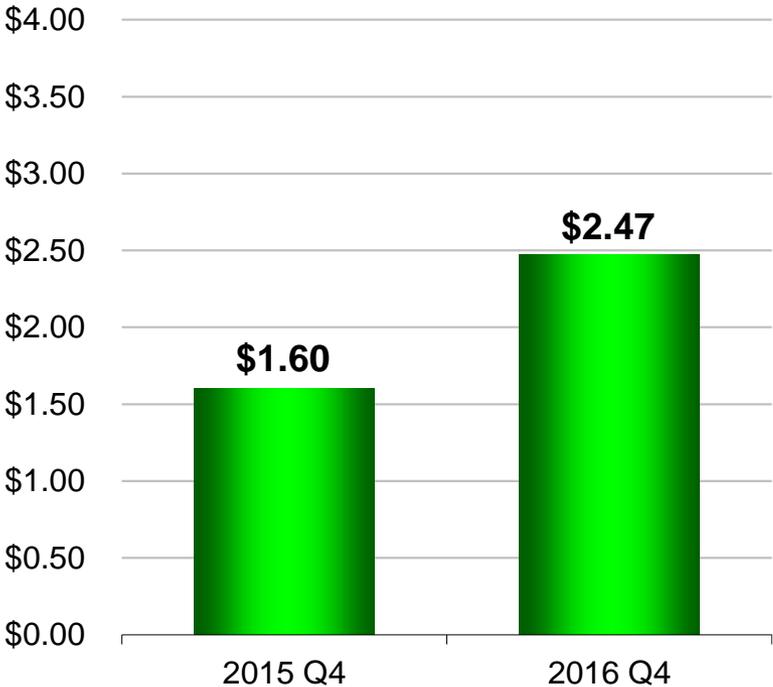
Fourth-Quarter Revenue and Earnings

Boeing | Investor Relations

Revenue (Billions)



Core Earnings per Share *



* Non-GAAP measures. Definitions, reconciliations, and further disclosures regarding this non-GAAP measure are provided in the company's earnings press release dated January 25, 2017 and on slide 13 of this presentation.

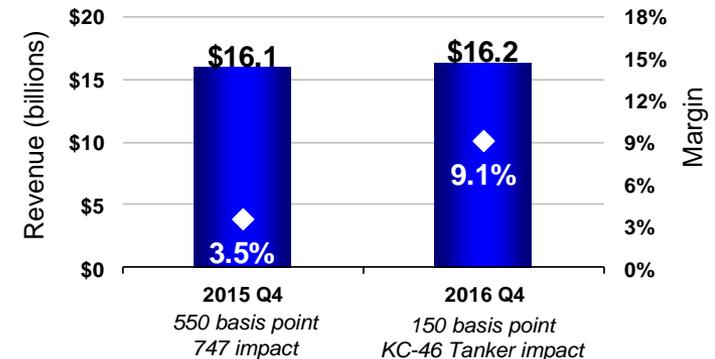
Solid underlying operating performance on production and services

Commercial Airplanes

Boeing | Investor Relations

- **Delivered 185 airplanes in Q4; 748 in 2016**
- **Orders valued at \$23B; robust backlog of \$416B**
 - Won 288 net orders in Q4; 668 in 2016
- **Started final assembly of first 787-10**
- **Delivered 500th 787; fastest twin aisle to 500 in history**
- **Started final assembly of first 737 MAX 9**
- **Began manufacturing 777X pre-production components**

Revenues & Operating Margins



787-10 Begins Final Assembly

Focusing on execution, quality and productivity

Defense, Space & Security

Boeing | Investor Relations

■ New international business

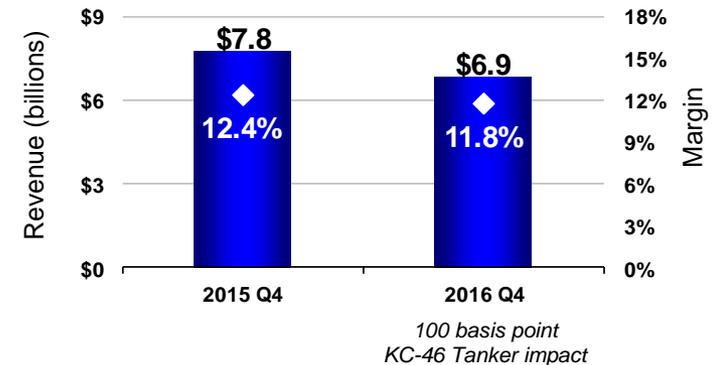
- Derivative Aircraft
 - India: P-8 Option exercised (4)
 - Norway: P-8 Congressional Notification (5)
- Helicopters
 - Saudi: CH-47 Congressional Notification (48)
 - UAE: AH-64 Congressional Notification (37)
- Fighters
 - Kuwait: F/A-18 cleared Congressional Notification (28)
 - Qatar: F-15 cleared Congressional Notification (36)
 - Canada: Announcement of intent to buy F/A-18 (18)

■ Executing balanced portfolio

- Delivered 38 aircraft and 2 satellites
- First flight of T-X aircraft

■ Orders valued at \$8B; Backlog of \$57B

Revenues & Operating Margins



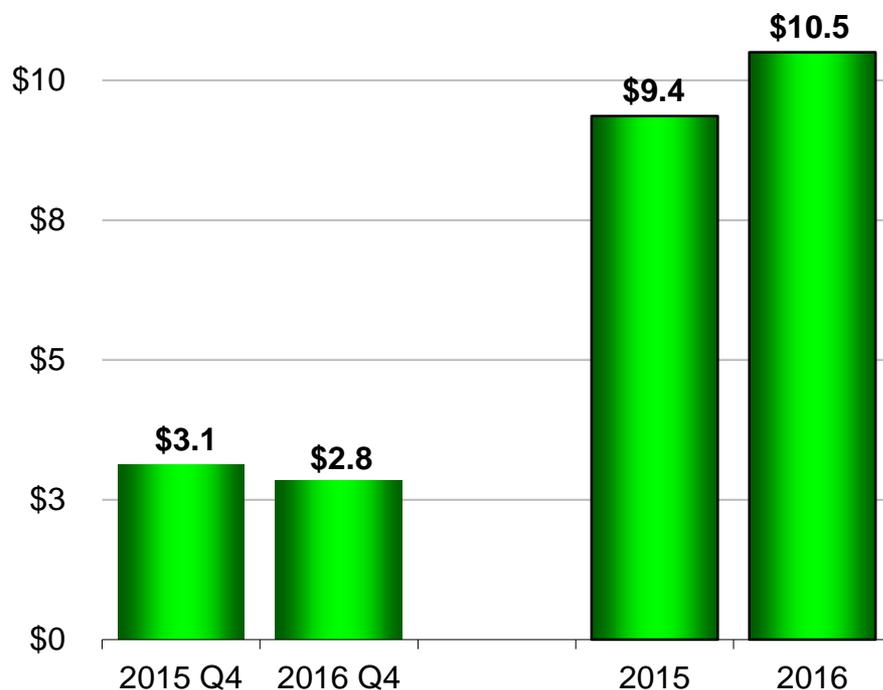
T-X First Flight

Focused on execution and meeting customers' needs

Cash Flow

Boeing | Investor Relations

Operating Cash Flow (Billions)

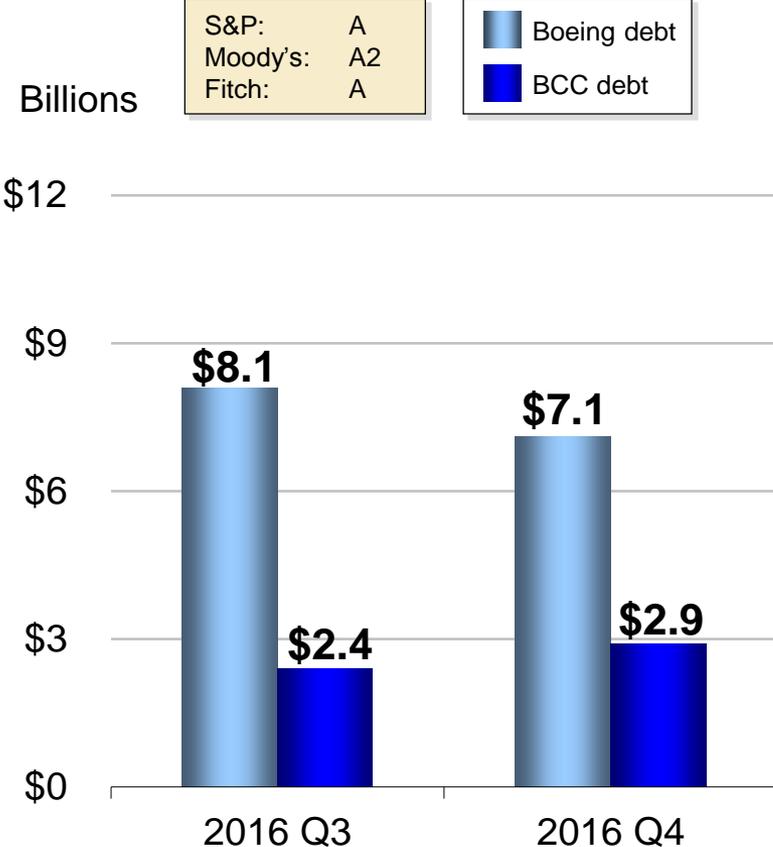
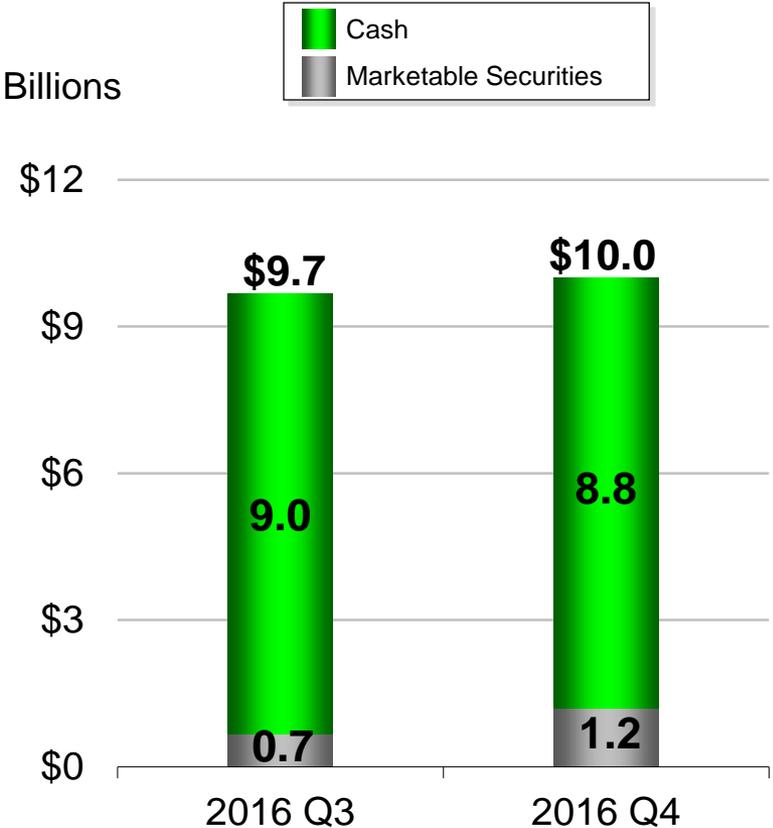


- Solid operating performance
- Continuing to drive disciplined cash management
- Repurchased 55 million shares in 2016 for \$7 billion and paid \$2.8 billion in dividends

Strong cash flow; continued capital deployment to shareholders

Cash and Debt Balances

Boeing | Investor Relations



Strong liquidity with manageable debt levels

Financial Guidance

Boeing | Investor Relations

	<u>2017</u>
Revenue	\$90.5 – 92.5B
Core EPS[*]	\$9.10 – 9.30
Operating Cash Flow	~\$10.75B
Capital Expenditures	~\$2.3B

* Non-GAAP measures. Definitions, reconciliations, and further disclosures regarding this non-GAAP measure are provided in the company's earnings press release dated January 25, 2017 and on slide 13 of this presentation.

Delivering on backlog while continuing to drive productivity

Caution Concerning Forward-Looking Statements

Boeing | Investor Relations

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 rate increases across multiple commercial airline programs, 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) potential adverse developments in new or pending litigation and/or government investigations; (14) customer and aircraft concentration in Boeing Capital’s customer financing portfolio; (15) changes in our ability to obtain debt on commercially reasonable terms and at competitive rates in order to fund our operations and contractual commitments; (16) realizing the anticipated benefits of mergers, acquisitions, joint ventures/strategic alliances or divestitures; (17) the adequacy of our insurance coverage to cover significant risk exposures; (18) potential business disruptions, including those related to physical security threats, information technology or cyber-attacks or natural disasters; (19) work stoppages or other labor disruptions; (20) significant changes in discount rates and actual investment return on pension assets; (21) potential environmental liabilities; and (22) threats to the security of our or our customers’ information.

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 tables provided below reconcile the non-GAAP financial measures core earnings per share, Commercial Airplanes operating margin excluding the KC-46 Tanker charge, and BDS operating margin excluding the KC-46 Tanker charge with the most directly comparable GAAP financial measures, diluted earnings per share, Commercial Airplanes operating margin, and BDS operating margin. See page 7 of the company's press release dated January 25, 2017 for additional information on the use of core earnings per share as a non-GAAP financial measure.

(Dollars in millions, except per share data)

	<u>Fourth Quarter</u>	<u>Fourth Quarter</u>
	<u>2016</u>	<u>2015</u>
GAAP Diluted Earnings Per Share	\$2.59	\$1.51
Unallocated Pension (Income)/Expense	(0.14)	0.18
Unallocated Other Postretirement Benefit Income	(0.05)	(0.04)
Provision for deferred income taxes on adjustments ¹	0.07	(0.05)
Core Earnings Per Share (Non-GAAP)	\$2.47	\$1.60
Weighted Average Diluted Shares (in millions)	630.3	681.2
Commercial Airplanes Revenues	\$16,241	
GAAP Commercial Airplanes Earnings from Operations	1,473	
GAAP Commercial Airplanes Operating margin	9.1%	
KC-46 Tanker charge at Commercial Airplanes	243	
Commercial Airplanes Earnings from Operations excluding the charge (non-GAAP)	1,716	
Commercial Airplanes operating margin excluding the charge (non-GAAP)	10.6%	
BDS Revenues	\$6,860	
GAAP BDS Earnings from Operations	809	
GAAP BDS Operating margin	11.8%	
KC-46 Tanker charge at BDS	69	
BDS Earnings from Operations excluding the charge (non-GAAP)	878	
BDS operating margin excluding the charge (non-GAAP)	12.8%	

¹ The income tax impact is calculated using the tax rate in effect for the non-GAAP adjustments.