



Third-Quarter 2019 Performance Review

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October 23, 2019

SAFETY | QUALITY | INTEGRITY

Committed to continuously driving safety across the aviation ecosystem

REMEMBERING LIVES LOST

Lion Air Flight 610

Indonesia | October 29, 2018 | 6:20 a.m.

Ethiopian Airlines Flight 302

Ethiopia | March 10, 2019 | 8:41 a.m.

ESTABLISHED FUND FOR VICTIMS' FAMILIES AND COMMUNITY SUPPORT



SOFTWARE UPDATES

- Robust MCAS software update **THREE ADDITIONAL LAYERS** of protection
- **800+ TEST** and **PRODUCTION FLIGHTS** with new software totaling **1,500+ HOURS**
- Additional updates to the flight control computer software for **FURTHER REDUNDANCY AND SAFETY**



TRAINING UPDATES

- Developing **COMPREHENSIVE TRAINING** proposed with global regulators
- **ONGOING FEEDBACK** from pilots around the globe
- **NEARLY 90%** of MAX operators participated in simulator session with software update



FLEET SUPPORT

- **24/7 OPERATIONS CENTER**
- Deliver **HIGHEST QUALITY** on-the-ground **SUPPORT** for fleet readiness
- **ENTRY-INTO-SERVICE APPROACH** to support MAX return to service augmented with advanced analytics



GLOBAL OUTREACH

- **CONTINUED LISTENING** and **FEEDBACK** from customers and regulators
- **20 GLOBAL CONFERENCES** for operators & financiers with **1100+ PARTICIPANTS** from **250+ ORGANIZATIONS**
- **545 PARTICIPANTS** in **SIMULATOR SESSIONS** from 140 customers, regulators and other stakeholders



AIRPLANE PRODUCTION

- Actions to **DRIVE QUALITY AND STABILITY** across production system
- **CLOSELY ENGAGING WITH** more than **900 737 SUPPLIERS** and efforts for **SUPPLY CHAIN STABILITY**
- **MEASURED DECISIONS** on production rate to plan for future



COMPANY ACTIONS

- **STRENGTHENING** the culture of **SAFETY** at Boeing and industry-wide
- Separated Chairman and CEO roles for increased **FOCUS ON SAFETY** and **RTS**
- **REINFORCED CORE VALUES** of **SAFETY, QUALITY** and **INTEGRITY** in annual recommitment
- **ALL-EMPLOYEE QUALITY** stand-down and training

STRENGTHENING THE CULTURE OF SAFETY

at Boeing and industry-wide

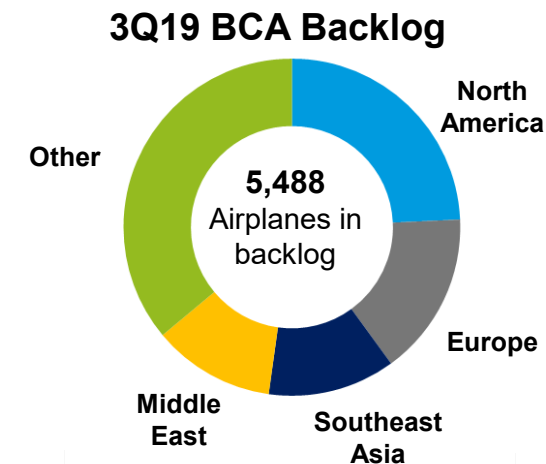
1 PERMANENT AEROSPACE SAFETY BOARD COMMITTEE	2 ENTERPRISE PRODUCT & SERVICES SAFETY ORGANIZATION	3 ENTERPRISE ENGINEERING REALIGNMENT	4 DESIGN REQUIREMENTS PROGRAM	5 ENHANCED CONTINUED OPERATION SAFETY PROGRAM
6 FLIGHT DECK DESIGN AND OPERATION ASSESSMENT	7 SAFETY PROMOTION CENTER EXPANSION	8 STRENGTHENED SAFETY SYSTEMS	9 LEADERSHIP IN NEW CAPABILITIES	10 TALENT INVESTMENT

Third-Quarter Summary

Boeing | Investor Relations

- Continue to engage global regulators and customers on 737 MAX safe return to service
- Generated revenue of \$20.0B and core earnings per share* of \$1.45
- Recorded operating cash flow of (\$2.4B); paid \$1.2B of dividends
- Delivered 62 commercial airplanes
- Won key defense and space awards; completed key milestones
- Continued BGS growth; captured new opportunities

* Non-GAAP measure. Additional information is provided in the company's earnings press release dated October 23, 2019 and on slide 14 of this presentation.



MQ-25 First Test Flight

Focused on 737 MAX safe return to service; driving enterprise operating performance

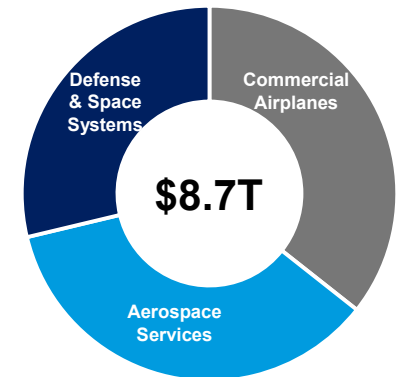
Business Environment

Boeing | Investor Relations

- Commercial aviation remains long-term growth industry
 - 20-year Commercial Market Outlook of 44,040 airplanes
- Healthy airline industry profitability, resilient passenger traffic
- Diverse and balanced geographic, customer, and replacement demand
- Global trade tension putting near-term pressure on widebody market
- Domestic support for our key defense and space programs
- Continuing international defense and space demand
- Growth opportunities over a 10-year period, \$3.1 trillion services market

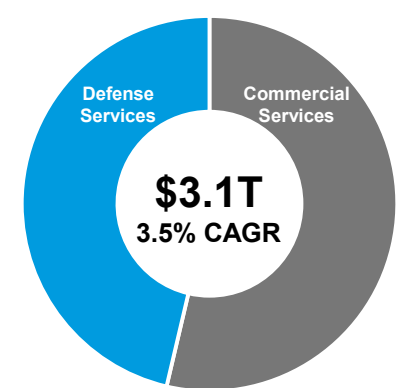
Strong and Growing Markets

10-Year Served Market



Aerospace Services

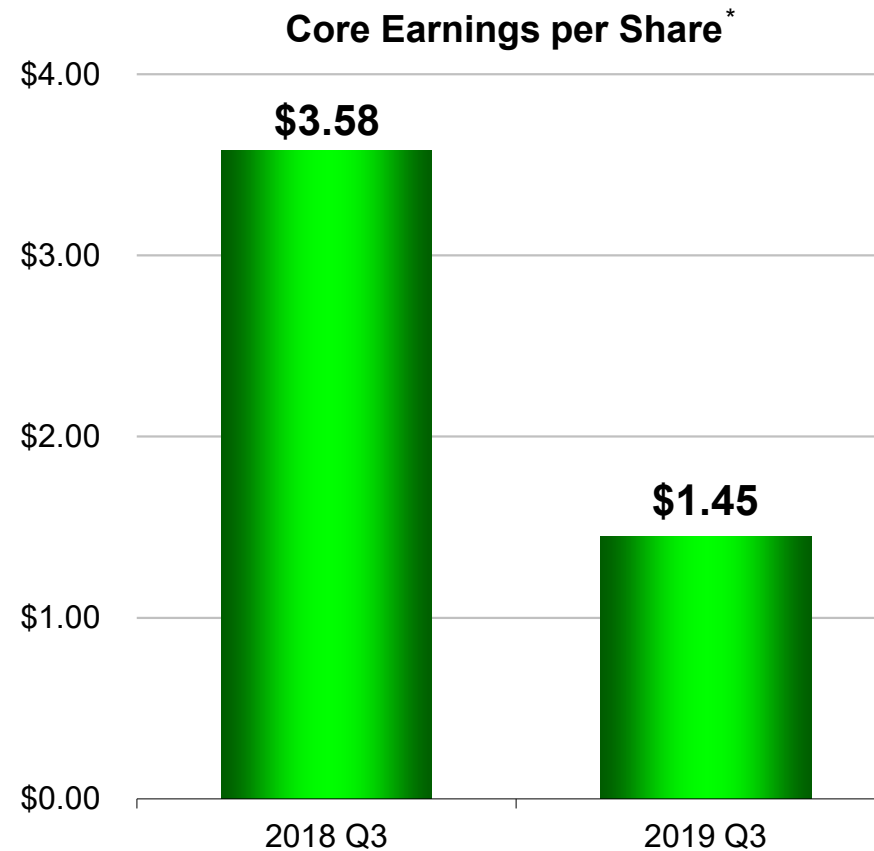
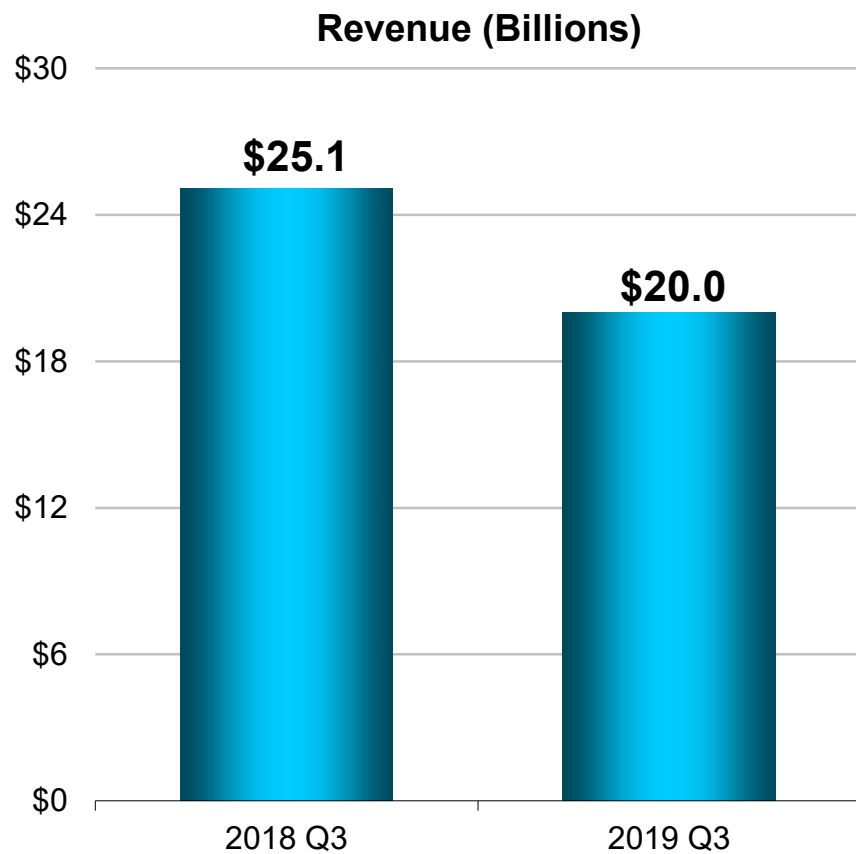
10-Year Served Market



Fundamentals remain strong; business environment supportive of growth

Third-Quarter Revenue and Earnings

Boeing | Investor Relations



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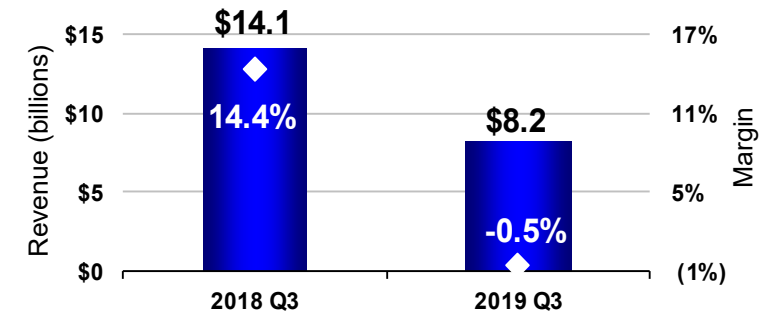
Driven by lower 737 deliveries, partially offset by higher defense & services volume

Commercial Airplanes

Boeing | Investor Relations

- **Focused on 737 MAX safe return to service**
- **Financial results significantly impacted by 737 MAX grounding**
- **Cost to produce 737 aircraft in program accounting quantity increased \$0.9B**
- **Delivered 62 airplanes**
- **Orders valued at \$5B; backlog of \$387B**
 - Korean Air ordered 20 787 aircraft
 - Air New Zealand ordered 8 787-10 aircraft
 - China Airlines ordered 6 777 freighters
- **Reducing 787 production rate to 12/month for ~2 years beginning in late 2020**
- **777X on track for first flight in early 2020, now targeting first delivery in early 2021**

Revenues & Operating Margins



Korean Air orders 20 787 aircraft

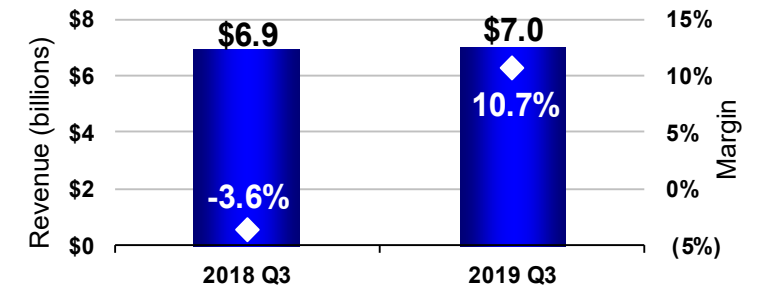
Focused on 737 MAX safe return to service; results significantly impacted

Defense, Space & Security

Boeing | Investor Relations

- **Captured new and follow-on business; well positioned for the future**
 - Lot 5 contract for 15 KC-46A Tanker aircraft for U.S. Air Force
 - Contract for 9 AH-64E Apache for U.S. Army
- **Executed balanced portfolio**
 - Achieved MQ-25 unmanned aerial refueler first test flight
 - Performed 100th test flight of the T-7A Red Hawk
 - Completed final assembly of Space Launch System core stage structure
 - Completed first flight of United Kingdom P-8A Poseidon
- **Orders valued at \$5B; Backlog of \$62B**

Revenues & Operating Margins



T-7A Red Hawk

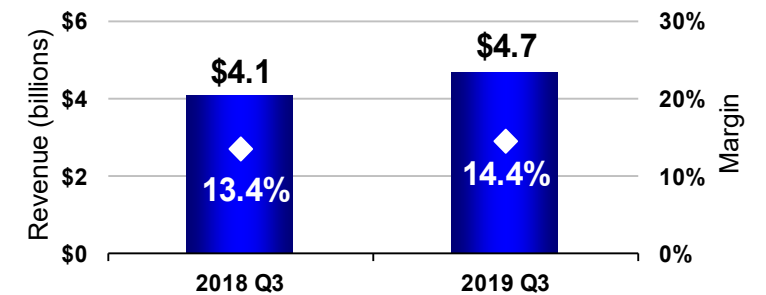
Solid execution and healthy demand; increasing productivity and competitiveness

Global Services

Boeing | Investor Relations

- **Generated strong 14% year-over-year revenue growth**
- **Captured new and follow-on business**
 - Awarded contract with U.S. Air Force to provide F-15 training to Qatar
 - Selected by U.S. Air Force for A-10 Thunderbolt II re-winging contract
 - Signed agreement with IndiGo for digital solutions
 - Secured KC-46A Tanker Lot 5 services contract
- **Delivered first SpiceXpress 737-800 Boeing Converted Freighter**
- **Orders valued at \$6B; Backlog of \$21B**

Revenues & Operating Margins

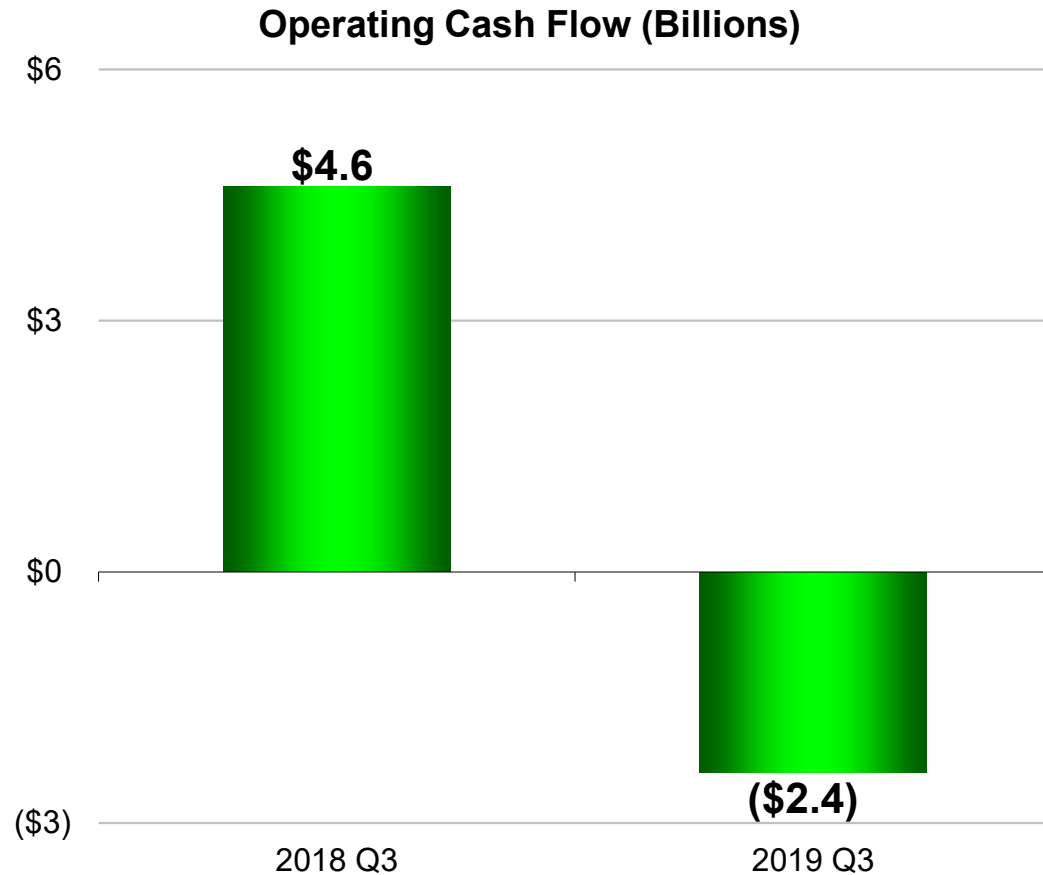


Selected by U.S. Air Force for A-10 re-winging contract

Sizable market opportunity; growth outpacing market

Cash Flow

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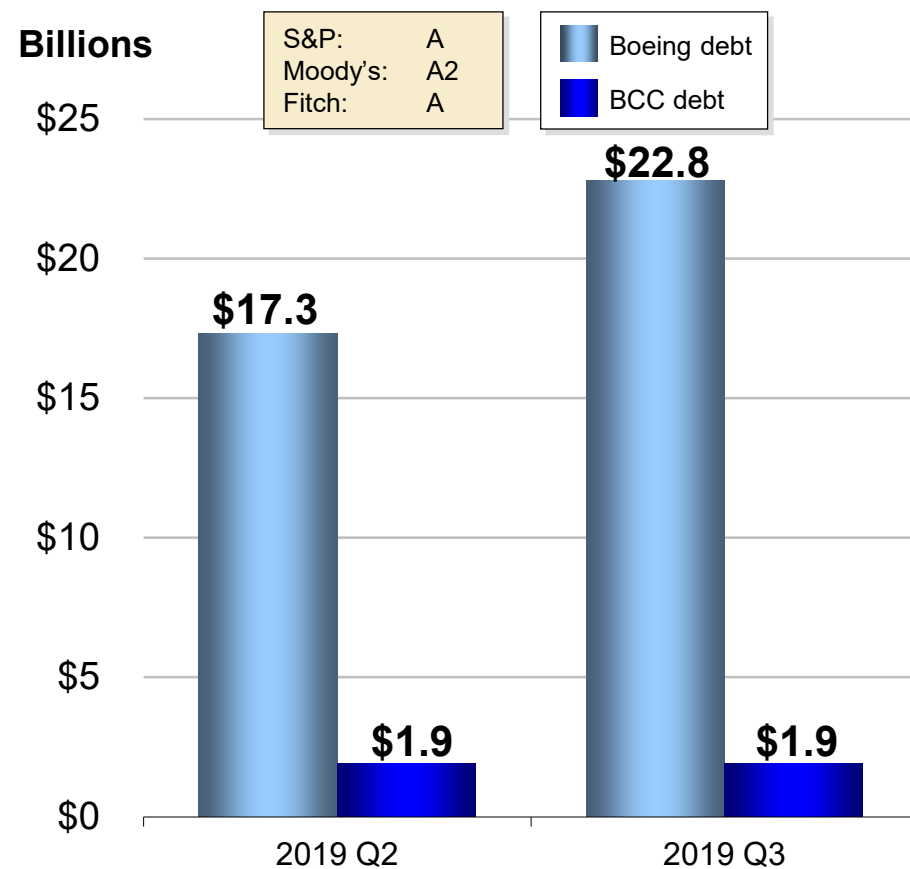
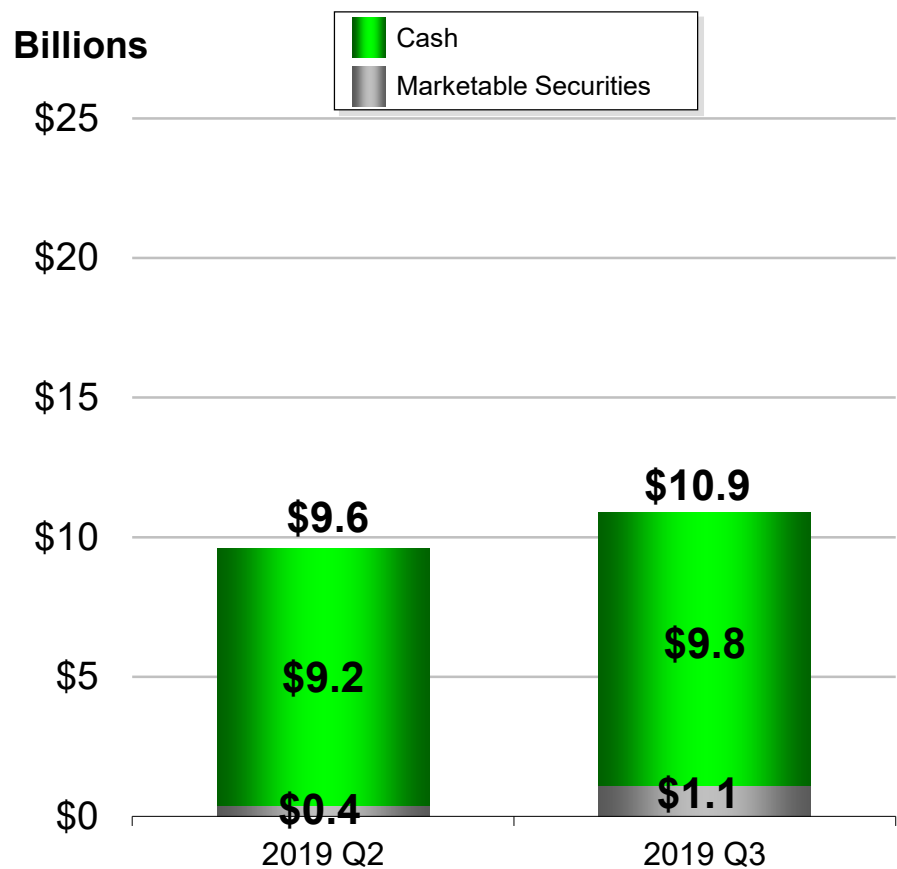


- Lower 737 delivery and advance payments
- Timing of receipts and expenditures

Cash generation significantly impacted by 737 MAX

Cash and Debt Balances

Boeing | Investor Relations



Strong liquidity with manageable debt levels



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 timing and conditions surrounding the return to service of the 737 MAX fleet (2) general conditions in the economy and our industry, including those due to regulatory changes; (3) our reliance on our commercial airline customers; (4) 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; (5) changing budget and appropriation levels and acquisition priorities of the U.S. government; (6) our dependence on U.S. government contracts; (7) our reliance on fixed-price contracts; (8) our reliance on cost-type contracts; (9) uncertainties concerning contracts that include in-orbit incentive payments; (10) our dependence on our subcontractors and suppliers, as well as the availability of raw materials; (11) changes in accounting estimates; (12) changes in the competitive landscape in our markets; (13) our non-U.S. operations, including sales to non-U.S. customers; (14) threats to the security of our or our customers’ information; (15) potential adverse developments in new or pending litigation and/or government investigations; (16) customer and aircraft concentration in our customer financing portfolio; (17) changes in our ability to obtain debt on commercially reasonable terms and at competitive rates in order to fund our operations and contractual commitments; (18) realizing the anticipated benefits of mergers, acquisitions, joint ventures/strategic alliances or divestitures; (19) the adequacy of our insurance coverage to cover significant risk exposures; (20) potential business disruptions, including those related to physical security threats, and information technology or cyber-attacks or natural disasters; (21) work stoppages or other labor disruptions; (22) substantial pension and other postretirement benefit obligations; (23) 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 Measure
(Unaudited)

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 October 23, 2019 for additional information on the use of core earnings per share as a non-GAAP financial measure.

<i>(Dollars in millions, except per share data)</i>	Third Quarter 2019		Third Quarter 2018	
	\$ millions	Per Share	\$ millions	Per Share
Diluted earnings per share (GAAP)		\$2.05		\$4.07
Pension FAS/CAS service cost adjustment	(\$274)	(0.48)	(\$260)	(0.45)
Postretirement FAS/CAS service cost adjustment	(90)	(0.16)	(77)	(0.13)
Non-operating pension expense	(93)	(0.17)	(50)	(0.09)
Non-operating postretirement expense	27	0.05	29	0.05
Provision for deferred income taxes on adjustments ¹	90	0.16	75	0.13
Subtotal of adjustments	(\$340)	(\$0.60)	(\$283)	(\$0.49)
Core earnings per share (non-GAAP)		\$1.45		\$3.58
Weighted average diluted shares (in millions)		569.2		580.8

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