



# Second-Quarter 2017 Performance Review

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Chairman, President and Chief Executive Officer

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Chief Financial Officer

Executive Vice President of Enterprise Performance & Strategy

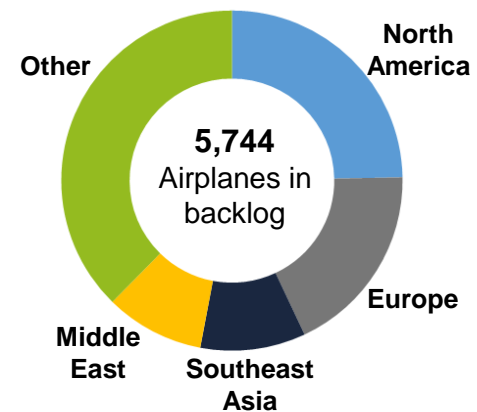
July 26, 2017

# Second-Quarter Summary

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- Generated strong earnings and robust operating cash flow
- Repurchased \$2.5B of shares; paid \$0.9B in dividends
- Won 183 commercial airplane orders
- Launched 737 MAX 10 with 361 orders/commitments
- Secured key defense and space awards
- Captured new services opportunities
- Continued to accelerate cost reduction and productivity initiatives

## 2Q17 BCA Backlog



Launched 737 MAX 10

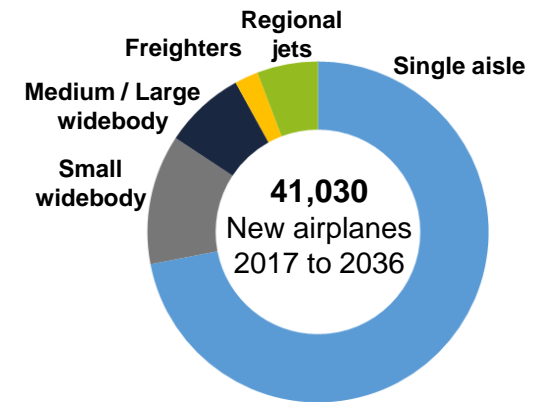
***Strong results; positioned business for growth***

# Business Environment

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- Commercial aviation remains long-term growth industry
- Healthy airline profitability; robust passenger traffic
- Strong narrowbody demand; varying near-term widebody demand
- Growth opportunities within 10-year, \$2.6 trillion services market
- Domestic support for our key defense and space programs
- Continuing international defense and space demand

## 2017 Current Market Outlook



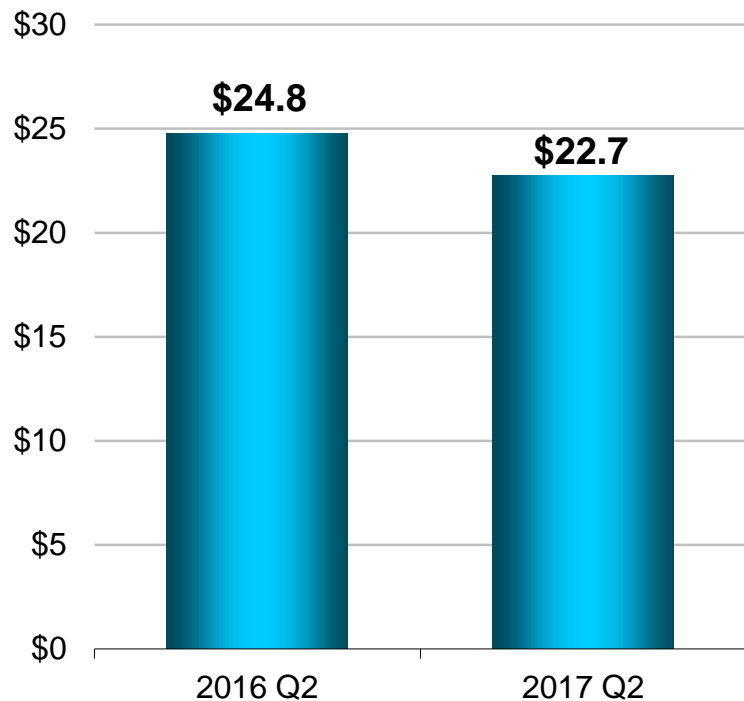
AerCap Ordered 30 787-9 Dreamliners

***Healthy near-term demand; significant long-term opportunities***

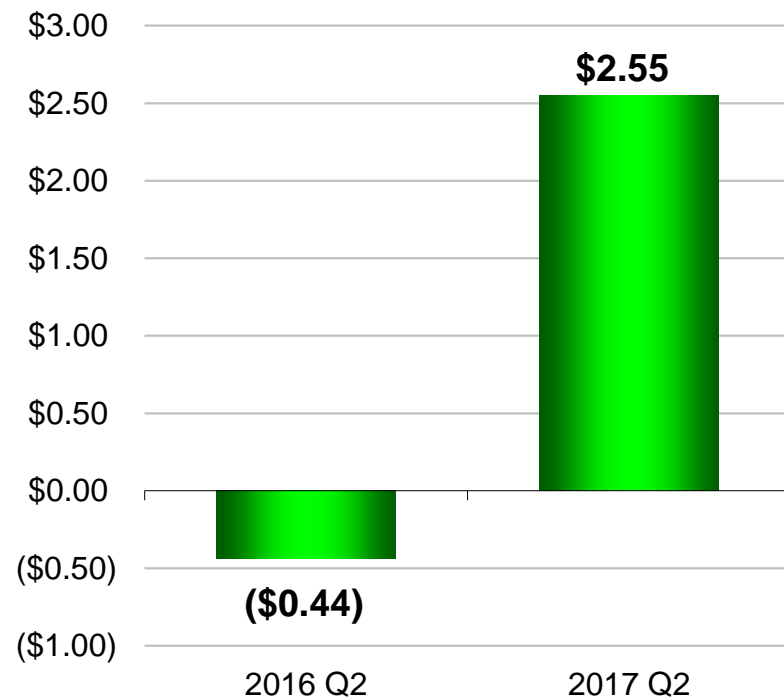
# Second-Quarter Revenue and Earnings

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## 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 July 26, 2017 and on slide 12 of this presentation.

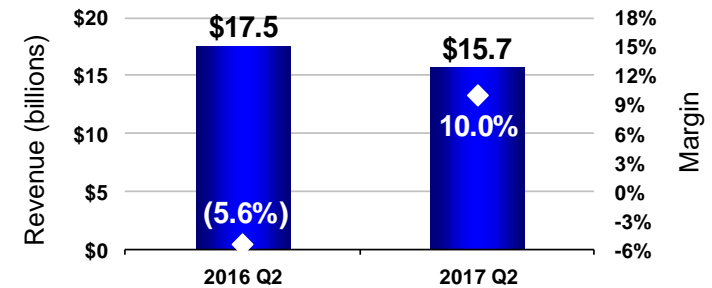
***Solid operating performance on production and services***

# Commercial Airplanes

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- **Delivered 183 airplanes**
- **Won 183 net orders**
  - Orders valued at \$22B; robust backlog of \$424B
  - 2Q orders for 88 widebody aircraft; 1,266 in backlog
- **Delivered first 737 MAX 8 to Malindo Air**
- **Launched 737 MAX 10 at Paris Air Show**
- **Second and third 787-10 entered flight test program**
- **Continued 777X development progress**
  - Composite Wing Center began fabricating static test parts

## Revenues & Operating Margins



737 MAX First Delivery

***Healthy market; driving productivity while ramping production***

# Defense, Space & Security

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- **Capturing new and follow-on business**

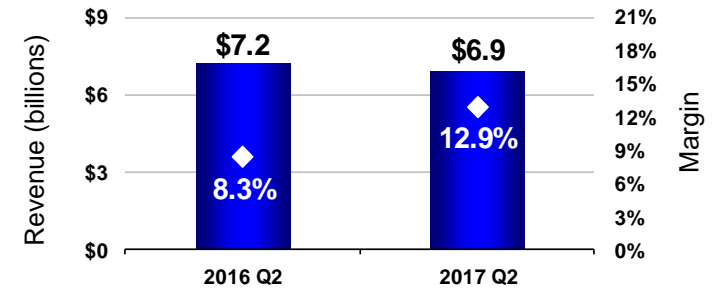
- MDA award for Redesigned Kill Vehicle Development
- Contract for 38 AH-64E Apache aircraft for UK
- F-15 fleet support contract from DLA

- **Executing balanced portfolio**

- Delivered 43 aircraft and 2 satellites
- First flight of second production-ready T-X aircraft
- Successful Ground-based Midcourse Defense intercept

- **Orders valued at \$5B; Backlog of \$58B**

## Revenues & Operating Margins



Second Boeing T-X Takes Flight

***Solid execution; increasing productivity and competitiveness***

# Cash Flow

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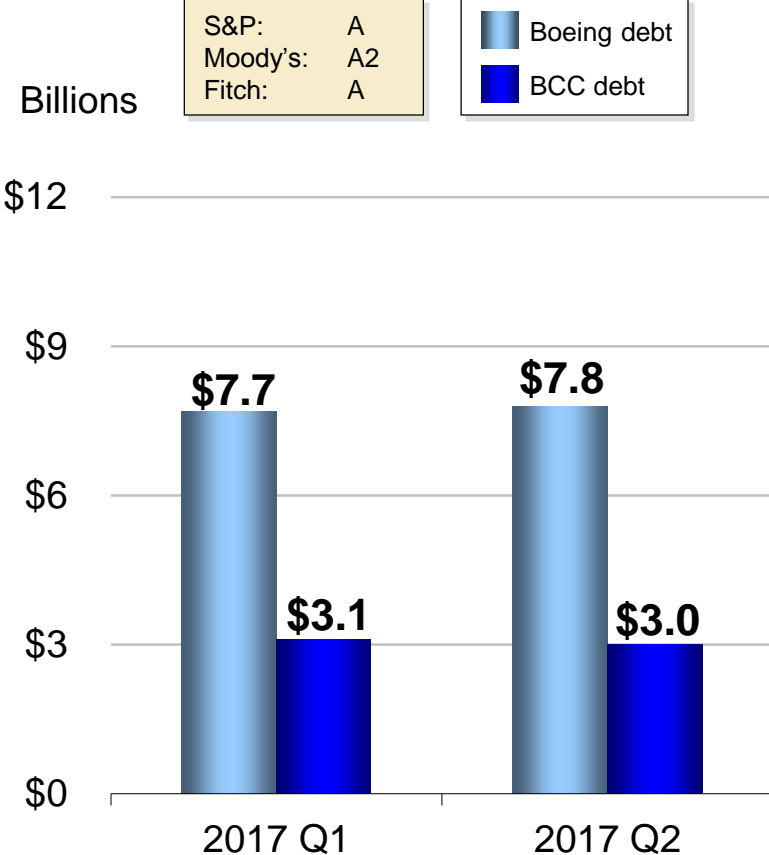
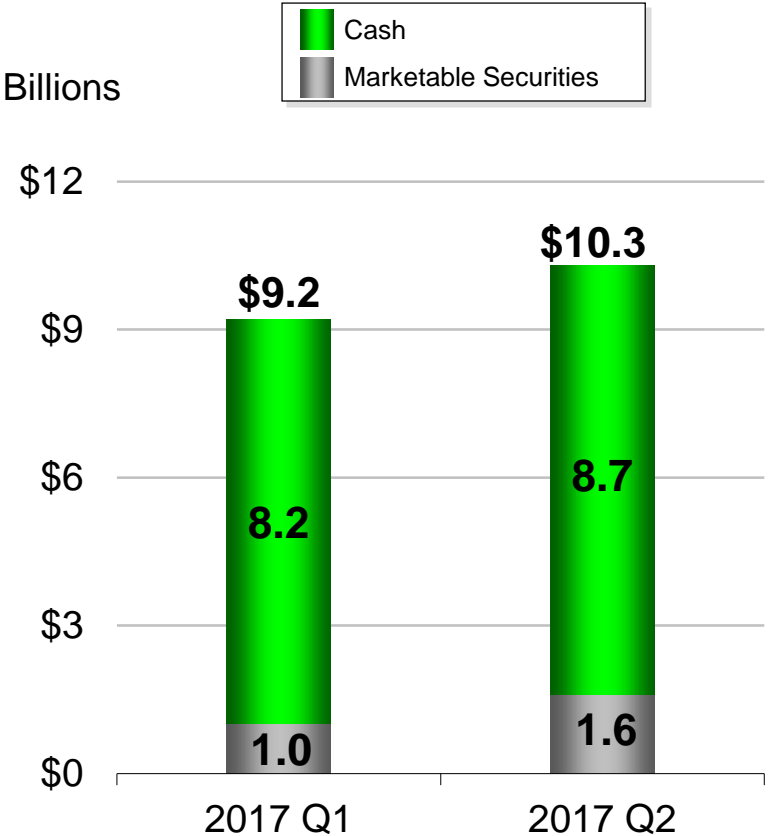


- Strong operating performance
- Favorable timing of receipts and expenditures
- Repurchased 13.6 million shares in 2Q17 for \$2.5 billion and paid \$0.9B billion in dividends

***Strong cash flow; continued capital deployment to shareholders***

# Cash and Debt Balances

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***Strong liquidity with manageable debt levels***



# Financial Guidance

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|                      | <u>2017</u>                                |
|----------------------|--|
| Revenue              | \$90.5 – 92.5B                             |
| Core EPS *           | <del>\$9.20 – 9.40</del><br>\$9.80 – 10.00 |
| Operating Cash Flow  | <del>~\$10.75B</del><br>~\$12.25B          |
| Capital Expenditures | <del>~\$2.3B</del><br>~\$2.0B              |

\* Non-GAAP measures. Definitions, reconciliations, and further disclosures regarding this non-GAAP measure are provided in the company's earnings press release dated July 26, 2017 and on slide 12 of this presentation.

*Delivering on backlog while continuing to drive productivity*

# Caution Concerning Forward-Looking Statements

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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

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

The tables provided below reconcile the non-GAAP financial measures core earnings/(loss) per share with the most directly comparable GAAP financial measure, diluted earnings/(loss) per share. See page 6 of the company's press release dated July 26, 2017 for additional information on the use of core earnings/(loss) per share as a non-GAAP financial measure.

| <i>(Dollars in millions, except per share data)</i>               | Second Quarter |          | Guidance          |
|---|----------------|----------|-------------------|
|   | 2017           | 2016     | 2017              |
| Revenues  | \$22,739       | \$24,755 |                   |
| GAAP Earnings/(Loss) From Operations                              | \$2,535        | (\$419)  |                   |
| Unallocated Pension Income  | (\$278)        | (\$34)   |                   |
| Unallocated Other Postretirement Benefit Income                   | (\$45)         | (\$35)   |                   |
| Unallocated Pension and Other Postretirement Benefit Income       | (\$323)        | (\$69)   | ~(\$1,220)        |
| Core Operating Earnings/(Loss) (non-GAAP)                         | \$2,212        | (\$488)  |                   |
| GAAP Diluted Earnings/(Loss) Per Share                            | \$2.89         | (\$0.37) | \$11.10 - \$11.30 |
| Unallocated Pension Income  | (\$0.46)       | (\$0.05) |                   |
| Unallocated Postretirement Benefit Income                         | (\$0.07)       | (\$0.06) | (\$1.30)          |
| Provision for deferred income taxes on adjustments <sup>(1)</sup> | \$0.19         | \$0.04   |                   |
| Core Earnings/(Loss) Per Share (non-GAAP)                         | \$2.55         | (\$0.44) | \$9.80 - \$10.00  |
| Weighted Average Diluted Shares (millions)                        | 609.6          | 636.3    | ~ 610             |

<sup>(1)</sup>The income tax impact is calculated using the tax rate in effect for the non-GAAP adjustments.