



Acquisition of KLX Inc.

May 1, 2018

Forward-Looking Information

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Forward-Looking Information Is Subject to Risk and Uncertainty

Certain statements in this document may be “forward-looking” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the expected timetable for completing the transaction, future business prospects, and benefits and synergies of the transaction, as well as any other statement that does not directly relate to any historical or current fact. Forward-looking statements are based on current assumptions about future events 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 from these forward-looking statements. As a result, these statements speak only as of the date they are made and we undertake no obligation to update or revise any forward-looking statement, except as required by law. Specific factors that could cause actual results to differ materially from these forward-looking statements include the effect of global economic conditions, the ability of the parties to consummate the transaction, our ability to successfully integrate KLX’s business and realize anticipated synergies, and other important factors disclosed previously and from time to time in reports filed by Boeing and KLX with the Securities and Exchange Commission.

Boeing's Acquisition of KLX Inc.

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- Positions Boeing to compete and win in \$2.6 trillion 10 year services market
- Accelerates Boeing Global Services' growth strategy
- Transaction structured to purchase Aerospace Solutions Group (ASG) business and is conditional upon the spin-off of KLX's Energy Services Group business
- Compelling combination of value drivers
 - ✓ Strong synergy opportunity yet limited overlap with existing product lines and geographic footprint
 - ✓ Significant opportunity to grow revenue across expanded customer base
 - ✓ Retaining key ASG leaders that will continue to grow business profitably

Creates premier provider of parts and productivity services

KLX Aerospace Solutions Group

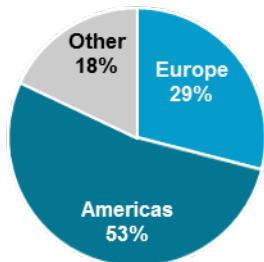
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- KLX's ASG – leading provider of aerospace fasteners, chemicals, consumables, and logistics services
- FY2017 Revenue \$1.4B, EBITDA \$270M*
- ~2,000 employees in ASG
- KLX ASG headquartered in Miami, FL

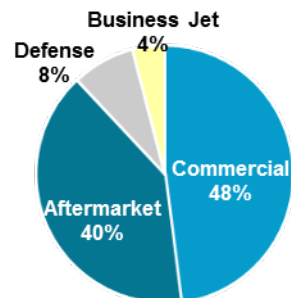


More than 1 million part numbers in stock from more than 3,000 suppliers

Geography



End Market



Provides kitting solutions, inventory management and demand planning

* Non-GAAP measure; see slide 8 for reconciliation.

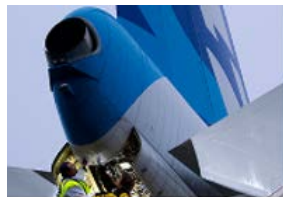
Accelerates Services Growth Strategy

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Boeing Global Services - Capabilities



Supply Chain



Engineering, Modification & Maintenance



Digital Aviation & Analytics



Training & Professional Services

- **Genuine Boeing parts**
- **Aviation and related parts through**  **AVIALL**
 - Leading provider of aircraft parts, supplies, chemicals, tools and materials
 - Supplies the global aerospace and defense industries
 - Extensive lines of aviation oils, tires, batteries, hardware and more
 - Diverse maintenance, repair, rotables and innovative logistics and supply chain solutions
- **Complete supply chain solutions**
- **Fleet Material Solutions**

KLX's ASG

- Largest independent distributor of fasteners, consumables and chemicals to aerospace OEMs and aftermarkets
- Logistic services include kitting solutions, inventory management & demand planning, and more

Combination creates most complete product offering (one-stop shopping), cross-selling opportunities to expand customer base and strong synergy

Transaction Overview

<p>Transaction Structure</p>	<ul style="list-style-type: none">• Acquiring KLX Inc. for \$63 per share in cash and assumption of approximately \$1.0 billion of net debt• Transaction conditional upon the spin-off of KLX's Energy Services Group business• Implied equity value of \$3.25B and enterprise value of \$4.25B• KLX will be a part of Boeing Global Services (BGS) and fully integrated with Aviall
<p>Transaction Rationale</p>	<ul style="list-style-type: none">• Positions Boeing to compete and win in \$2.6 trillion 10 year services market• Highly complementary to BGS business and consistent with strategy to grow services revenue• Creating industry-leading aviation distribution portfolio to expand relationships with commercial and defense OEMs, operators, and MROs• Provides significant opportunity to expand offerings and cross-sell products/value-added services• Combined supply chain benefits Boeing production programs and distribution customers• Provides increased value to shareholders
<p>Financial Highlights</p>	<ul style="list-style-type: none">• Anticipated annual cost savings growing to approximately \$70M by 2021; further improvements realized over time• Revenue synergy opportunities across expanded customer base• Expecting neutral earnings impact through 2019 and earnings accretion thereafter• Financed primarily with cash on hand, supplemented with debt• No change to Boeing's 2018 guidance or capital deployment strategy and commitment to returning approximately 100 percent of free cash flow to shareholders
<p>Timing / Approvals</p>	<ul style="list-style-type: none">• Estimated close in Q3 2018• Conditional upon completion of Energy Services Group business spin-off, KLX shareholder approval, regulatory approvals and other customary closing conditions



Non-GAAP Reconciliation

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	FY2017
KLX Reported Operating Earnings	\$216
<i>Less: ESG EBIT⁽¹⁾</i>	\$22
ASG EBIT	\$238
<i>Plus: ASG D&A</i>	\$32
Reported ASG EBITDA	\$270

(1) ESG EBIT was negative in 2017