



Second-Quarter 2019 Performance Review

Dennis Muilenburg

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Executive Vice President of Enterprise Performance & Strategy

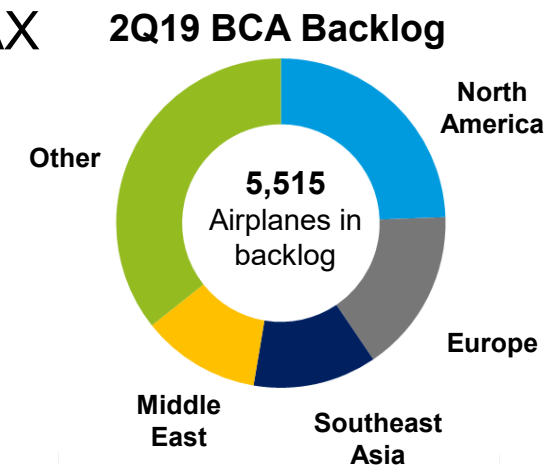
July 24, 2019

Second-Quarter Summary

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- Continue to engage global regulators and customers on 737 MAX safe return to service
- Booked \$4.9B after-tax charge and increased costs of \$1.7B related to 737 MAX
- Recognized revenue of \$15.8B and core loss per share* of (\$5.82)
- Recorded operating cash flow of (\$0.6B); paid \$1.2B of dividends
- Delivered 90 commercial airplanes, including 42 787s
- 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 July 24, 2019 and on slide 13 of this presentation.



First T-X Test Flight

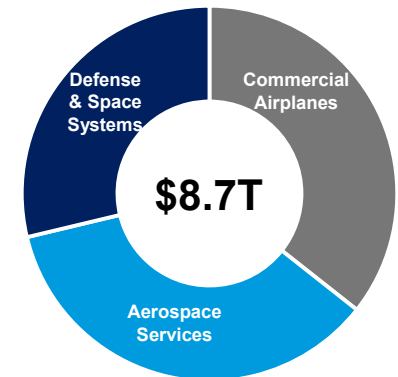
Focused on 737 MAX safe return to service; driving enterprise operating performance

Business Environment

- Commercial aviation remains long-term growth industry
 - 20-year Commercial Market Outlook of 44,040 airplanes
- Healthy airline profitability, resilient passenger traffic, solid 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, \$3.1 trillion services market

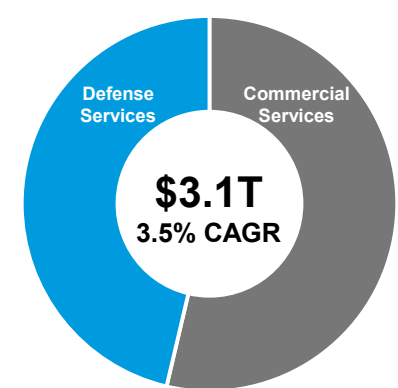
Strong and Growing Markets

10-Year Served Market



Aerospace Services

10-Year Served Market



Fundamentals remain strong; business environment supportive of growth

737 MAX

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■ Second quarter results

- Recorded lower BCA revenue and operating earnings due to fewer 737 deliveries
- Booked \$4.9B after-tax charge related to estimated potential concessions and other considerations
- Included \$1.7B increased costs to produce aircraft in the 737 program accounting quantity

■ Assessing future financial implications

- Return to service timing and conditions
- Production rate and delivery profile

■ Continued focus across the enterprise

- Active engagement with stakeholders on safe return to service
- Maintain broader production and supply chain health

■ Prudently managing liquidity

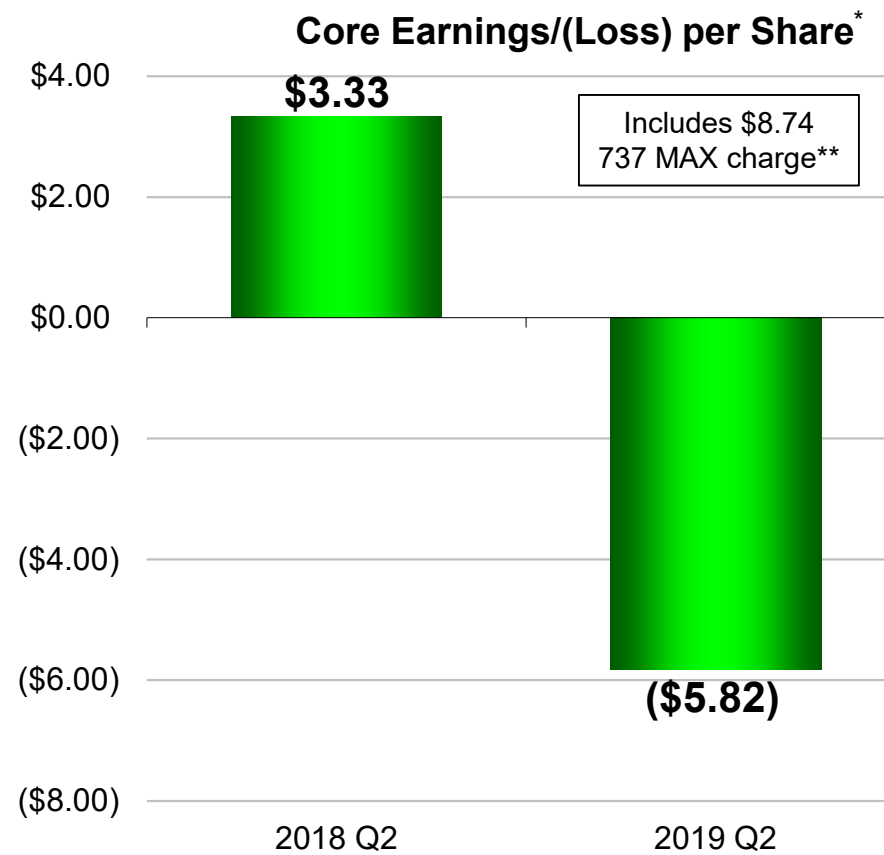
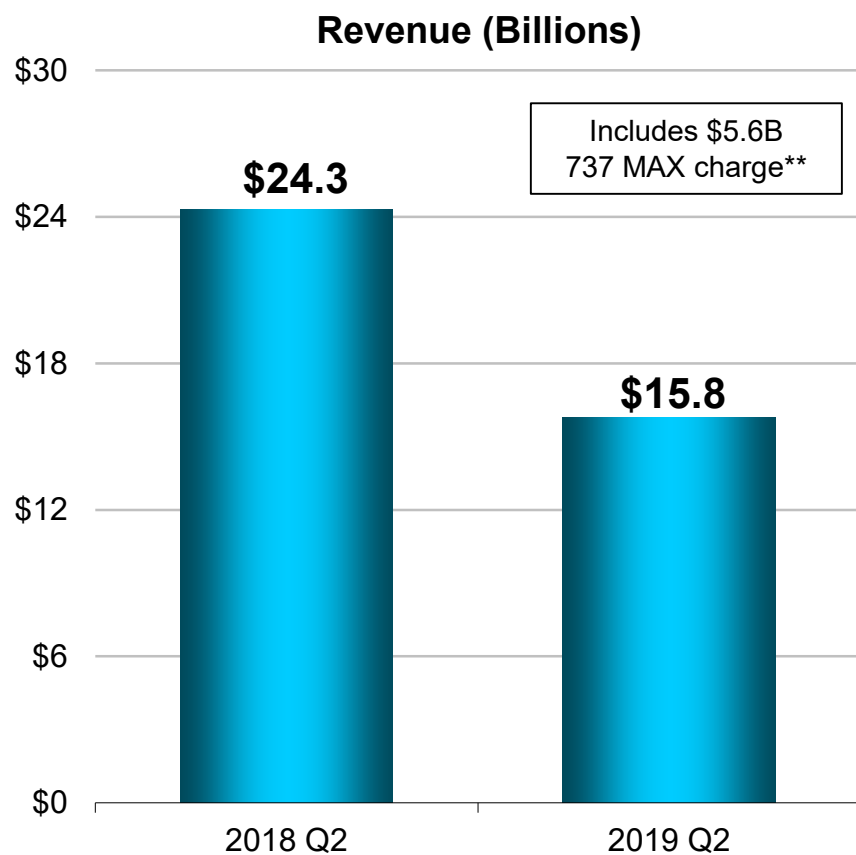
■ Long-term strategy and fundamentals remain unchanged



Relentless commitment to safety and quality

Second-Quarter Revenue and Earnings

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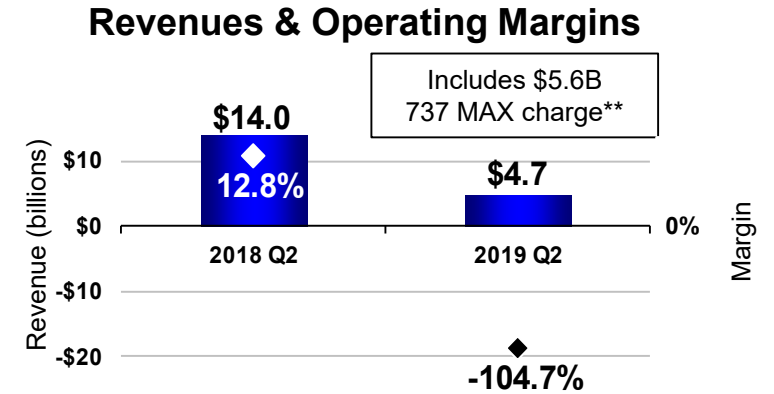
** The 737 MAX charge is related to potential concessions and other considerations to customers

Driven by 737 MAX impacts, partially offset by higher defense & services volume

Commercial Airplanes

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- **Focused on 737 MAX safe return to service**
- **Financial results significantly impacted by 737 MAX grounding**
- **Delivered 90 airplanes, including 42 787s**
- **Healthy backlog of \$390B**
 - Captured freighter orders for DHL (2 777F) and FedEx (6 767F)
- **Paris Air Show highlights**
 - 200 737 MAX Letter of Intent from IAG
 - 11 777 freighter commitments from China Airlines and Qatar Airways
 - 25 787 commitments from Korean Air and Air Lease Corp
- **777X progressing on pre-flight testing; working through engine challenges**



Delivered 42 787s

** The 737 MAX charge is related to potential concessions and other considerations to customers

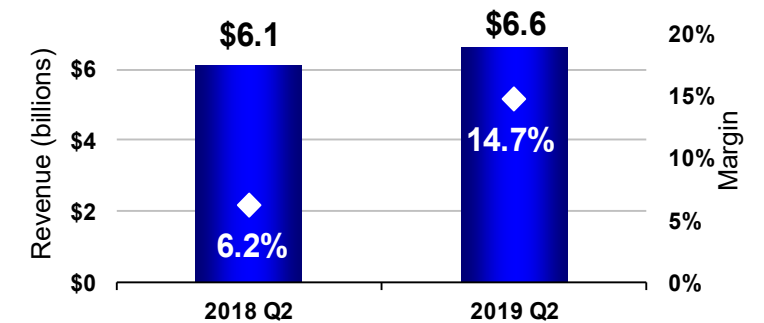
Focused on 737 MAX safe return to service; results significantly impacted

Defense, Space & Security

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- **Captured new and follow-on business; well positioned for the future**
 - Joint Direct Attack Munition contract for the U.S. Air Force
 - Wideband Global Satellite Communication contract for the U.S. Air Force
 - MH-47G Block II Chinook contract for the U.S. Army Special Operations
 - F/A-18 service life modification contract for the U.S. Navy
- **Executed balanced portfolio**
 - Completed final Commercial Crew parachute test
 - Conducted first T-X Trainer flight test on contract
- **Orders valued at \$4B; Backlog of \$64B**

Revenues & Operating Margins



MH-47G Block II Chinook

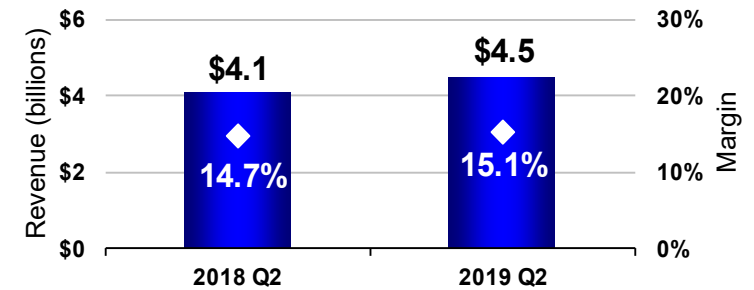
Solid execution and healthy demand; increasing productivity and competitiveness

Global Services

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- **Generated strong 11% year-over-year revenue growth**
- **Captured new and follow-on business**
 - Signed commitment with ASL and GECAS for up to 45 737-800 freighter conversions
 - Secured AH-64 Apache Performance Based Logistics contract with U.S. Army
 - Announced digital agreements at Paris Air Show with Delta Air Lines & JetBlue Airways
 - Extended contract to provide KC-767A Tanker mission readiness for Italian Air Force
- **Orders valued at \$4B; Backlog of \$20B**

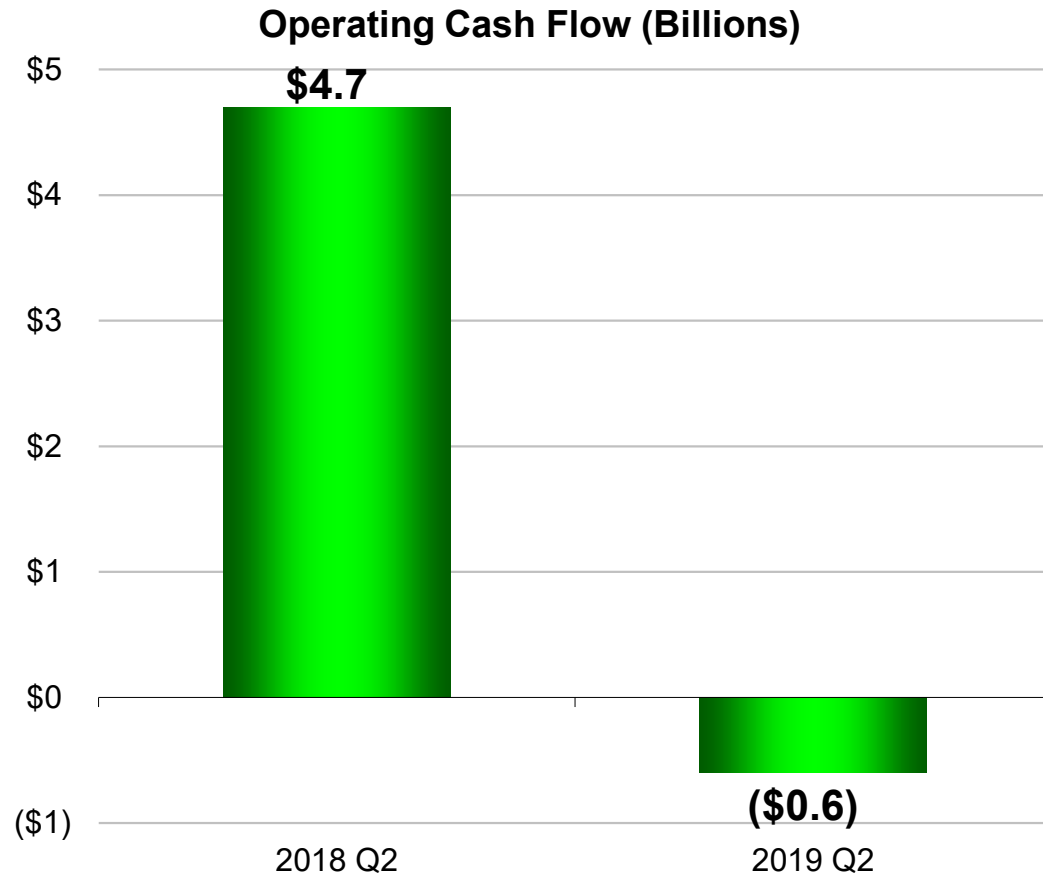
Revenues & Operating Margins



U.S. Army awards 4th consecutive Apache PBL contract

Sizable market opportunity; growth outpacing market

Cash Flow

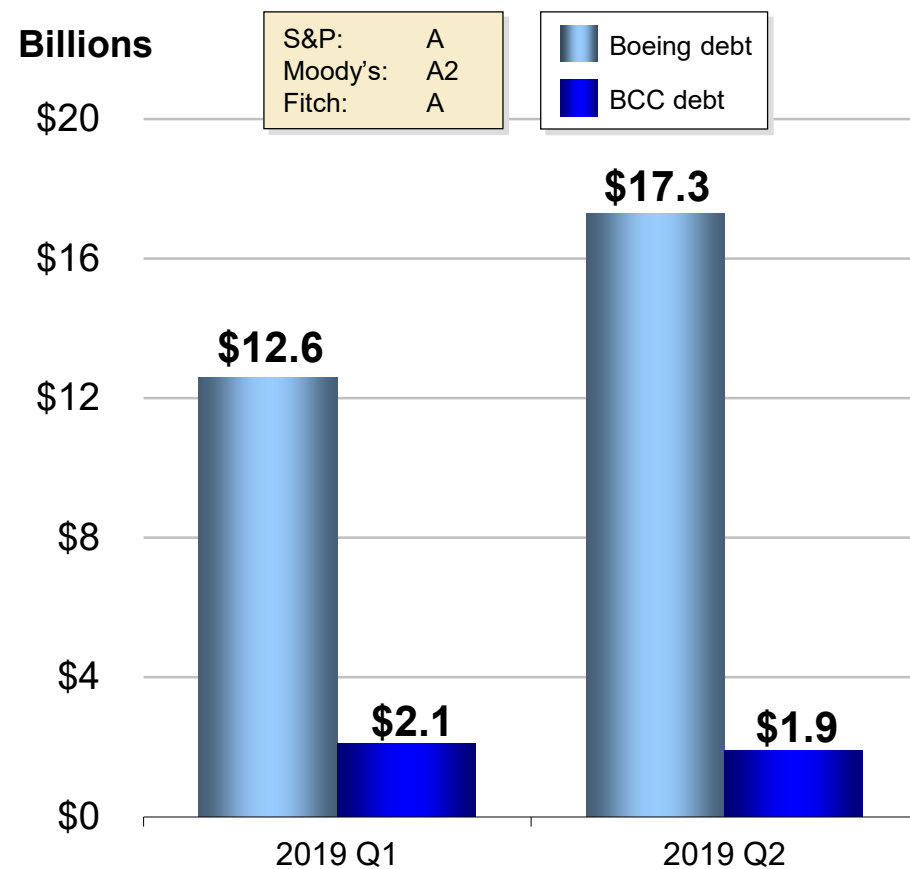
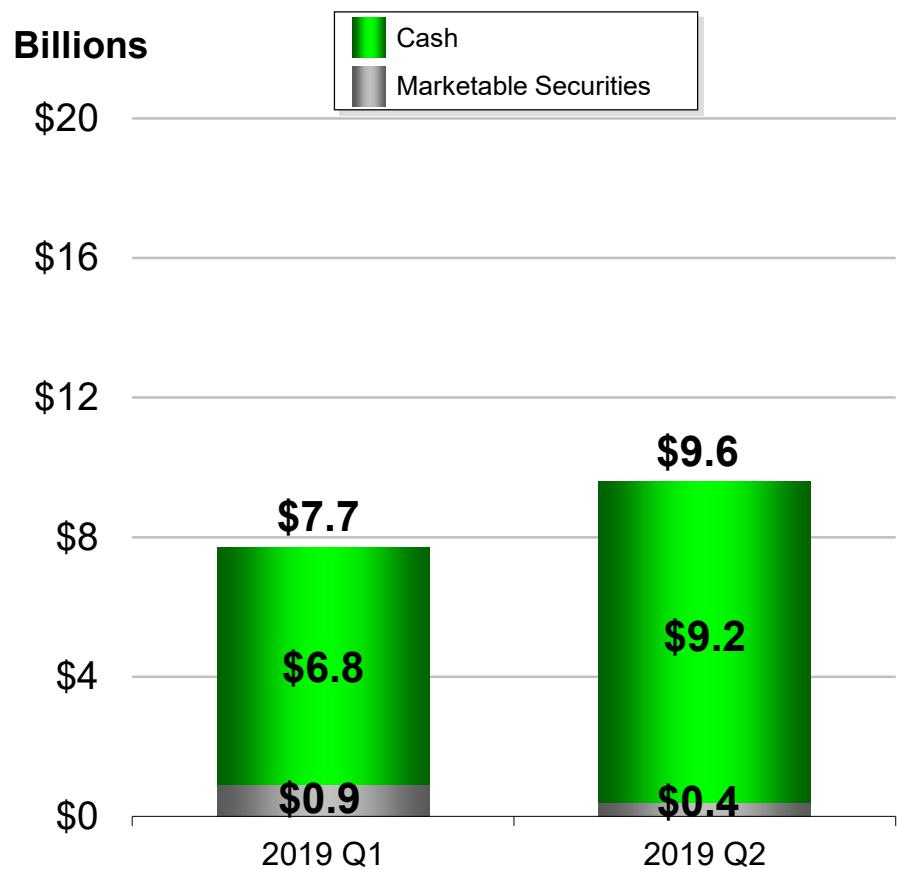


- Lower 737 deliveries and production rate
- Timing of receipts and expenditures

Cash generation significantly impacted by 737 MAX

Cash and Debt Balances

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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 (loss)/earnings per share with the most directly comparable GAAP financial measure diluted (loss)/earnings per share. See page 6 of the company's press release dated July 24, 2019 for additional information on the use of core (loss)/earnings per share as a non-GAAP financial measure.

| <i>(Dollars in millions, except per share data)</i> | Second Quarter 2019 | | Second Quarter 2018 | |
|---|----------------------------|------------------|----------------------------|------------------|
| | \$ millions | Per Share | \$ millions | Per Share |
| Diluted (loss)/earnings per share (GAAP) | | (\$5.21) | | \$3.73 |
| Pension FAS/CAS service cost adjustment | (\$275) | (0.49) | (\$237) | (0.40) |
| Postretirement FAS/CAS service cost adjustment | (90) | (0.16) | (80) | (0.14) |
| Non-operating pension expense | (94) | (0.17) | (6) | (0.01) |
| Non-operating postretirement expense | 26 | 0.05 | 24 | 0.04 |
| Provision for deferred income taxes on adjustments ¹ | 91 | 0.16 | 63 | 0.11 |
| Subtotal of adjustments | (\$342) | (\$0.61) | (\$236) | (\$0.40) |
| Core (loss)/earnings per share (non-GAAP) | | (\$5.82) | | \$3.33 |
| Weighted average diluted shares (in millions) | | 565.3 | | 588.7 |

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