

Also produces business jets, fighters (F-15, F/A-18), helicopters (CH-47, AH-64); guided weapons (Harpoon, Joint Direct Attack Munition), satellites, space launch systems, and manages the International Space Station. In 2013, foreign sales accounted for 57% of

Evercore Trust, 6.9%; Capital World Investors, 9.1% (3/14 proxy). Chairman and CEO: W. James McNerney, Jr. Incorporated: Delaware. Address: 100 North Riverside, Chicago, Illinois 60606-1596. Telephone: 312-544-2000. Internet: www.boeing.com

Current Liab. 53204 ANNUAL RATES Past Past Est'd '11-'13 5 Yrs. to '17-'19 of change (per sh) 4.5% 6.5% 4.0% 4.0% Revenues "Cash Flow" 9.0% 10.0% 5.0% 4.5% 14.5% Earnings 11.5% 15.0% 18.5% 9.0% Dividends Book Value

22389 1436

21157

44982

23629 1563

26294

51486

23813 1579

Accts Payable Debt Due

Cal- endar	QUAR Mar.31	TERLY RE Jun.30	VENUES (Sep.30	\$ mill.) Dec.31	Full Year
2011	14910	16543	17727	19555	68735
2012	19383	20005	20008	22302	81698
2013	18893	21815	22130	23785	86623
2014	20465	22045	23784	23906	90200
2015	23500	23600	23700	24700	95500
Cal-	EARNINGS PER SHARE A Full				
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2011	.79	1.25	1.46	1.32	4.82
2012	1.21	1.27	1.35	1.28	5.11
2013	1.44	1.41	1.51	1.61	5.96
2014	1.28	2.24	1.86	1.82	7.20
2015	1.85	2.00	1.90	2.10	7.85
Cal-	QUARTERLY DIVIDENDS PAID B =				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
2010	.42	.42	.42	.42	1.68
2011	.42	.42	.42	.42	1.68
2012	.44	.44	.44	.44	1.76
2013	.485	.485	.485	.485	1.94
2014	.73	.73	.73	.73	

Boeing should soon close out a solid year. If our fourth-quarter bottom-line estimate of \$1.82 a share is on the mark, then the aerospace/defense behemoth will register a full-year earnings gain of more than 20%. The healthy showing ought to reflect the elevated and sustained demand for Boeing's offerings. More specifically, during the first nine months of the year, the company delivered 528 commercial aircraft, 11% more than in the previous year. In addition, orders continued to be placed at a significant pace, and Boeing's backlog now stands at more than 5,500 airplanes valued at approximately \$430 billion.

However, the stock has not fared as well. Despite the good quarterly results, positive outlook (discussed below), and the ongoing bull rally, shares of Boeing have actually declined so far in 2014. In fact, year to date, the stock price is down nominally, while the Dow has registered a gain of 8%. We are not terribly surprised by the issue's malaise, since it was the top performer in the Dow during 2013, when it advanced 80%, Thus, we attribute the recent lackluster showing to simple profittaking by the investment community.

Boeing's prospects for 2015 beyond appear rosy. As mentioned, its backlog is huge, which should support full production for many years. In addition, we think that more orders are on the horizon. Passenger air travel ought to continue to increase and, with many airlines now on better financial footing, we expect that several carriers will be eager to replace their aging fleets with new technologically advanced and fuel-efficient aircraft. All told, we expect that Boeing's bottom line will come in at \$7.85 a share in 2015. We also project that earnings will reach \$10.20 a share by the 2017-2019 period. **As for the equity, we think that it**

would make a fine addition to most **portfolios.** First, we expect the stock to resume its upward trajectory, which should interest short-term investors. In fact, according to our proprietary Ranking System for Timeliness, the stock will outperform the year-ahead market. The issue also offers decent risk-adjusted (Safety: 1) total return potential to 2017-2019. Continued share buybacks and dividend increases should sweeten the deal here. Ian Gendler December 12, 2014

(A) Diluted egs. Excl. nonrecur. gns./losses: '99, 30¢; '00, d40¢; '01, 62¢; '02, d\$2.21; '03, d11¢; '04, 67¢; '05, 72¢; '06, d54¢; '07, 2¢; '08, 2¢; '09, d3¢; '10, 45¢; '11, 52¢. EPS may not

sum to total due to round'g. Next egs. rpt. due late Jan. (B) Div'ds paid in early Mar., Jun., Sept., Dec. ■ Div'd rein. plan avail. (C) Incl intang. In 2013: \$8.1 bill., \$10.84/sh. (D) In mil-

Company's Financial Strength Stock's Price Stability A++ 80 Price Growth Persistence **Earnings Predictability** 30