BOEING COMPANY NYSE-BA

RECENT PRICE **267.99** | P/E RATIO **22.6** (24.6 / 17.0) | RELATIVE P/E RATIO **1.12** | DIV'D YLD **2.4%** | VALUE LINE

TIMELINESS 2 Lowered 10/13/17
SAFETY 1 Raised 6/13/14
TECHNICAL 3 Lowered 11/17/17
BETA 1.05 (1.00 = Market)

High:	92.1	107.8	88.3	56.6	76.0	80.6	77.8	142.0	144.6	158.8	160.1	268.0
Low:	65.9	84.6	36.2	29.0	54.1	56.0	66.8	72.7	116.3	115.1	102.1	155.2

Target Price Range
2020 | 2021 | 2022

2020-22 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	280	(+5%)	4%
Low	230	(-15%)	-1%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	0	5	17	0	2	0	1	3	1
to Sell	0	6	0	0	8	0	0	5	0

Institutional Decisions

	1Q2017	2Q2017	3Q2017
to Buy	638	640	660
to Sell	702	723	821
Hld's(000)	475198	466303	460673

% TOT. RETURN 10/17

	THIS STOCK	VL ARITH.* INDEX
1 yr.	86.6	21.4
3 yr.	125.2	27.5
5 yr.	317.1	92.9

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
72.94	67.61	63.08	66.13	72.11	81.19	90.12	87.24	94.01	87.46	92.30	108.12	115.90	128.43	144.18	153.24	***157.95***	***165.85***	Revenues per sh	***200.00***
5.10	4.72	2.82	3.57	4.50	5.78	7.53	5.94	4.13	6.85	7.08	7.56	8.60	10.40	10.51	14.36	***15.25***	***15.95***	"Cash Flow" per sh	***20.80***
2.79	2.82	1.00	1.63	2.39	3.62	5.26	3.63	1.87	4.46	4.82	5.11	5.96	7.38	7.44	10.84	***11.45***	***12.00***	Earnings per sh A	***16.00***
.68	.68	.68	.85	1.05	1.25	1.45	1.62	1.68	1.68	1.68	1.76	1.94	2.92	3.64	4.36	***5.68***	***6.50***	Div'ds Decl'd per sh B■	***8.50***
1.34	1.25	.93	1.23	2.03	2.22	2.35	2.40	1.63	1.53	2.30	2.25	2.81	3.16	3.68	4.23	***3.00***	***3.50***	Cap'l Spending per sh	***4.00***
13.57	9.62	10.17	14.23	14.54	6.25	12.22	d1.85	2.93	3.76	4.72	7.76	19.90	12.26	9.50	1.32	***d.85***	***d2.65***	Book Value per sh C	***4.75***
797.89	799.66	800.28	793.20	760.58	757.84	736.68	698.14	726.29	735.30	744.70	755.60	747.40	706.70	666.62	617.15	***585.00***	***565.00***	Common Shs Outst'g D	***525.00***
18.6	14.1	33.4	29.4	26.0	22.2	17.9	18.3	24.1	14.7	14.5	14.3	17.3	17.4	19.3	12.3	*Bold figures are*		Avg Ann'l P/E Ratio	***16.0***
.95	.77	1.90	1.55	1.38	1.20	.95	1.10	1.61	.94	.91	.91	.97	.92	.97	.65	*Value Line*		Relative P/E Ratio	***1.00***
1.3%	1.7%	2.0%	1.8%	1.7%	1.6%	1.5%	2.4%	3.7%	2.6%	2.4%	2.4%	1.9%	2.3%	2.5%	3.3%	*estimates*		Avg Ann'l Div'd Yield	***3.3%***

CAPITAL STRUCTURE as of 9/30/17
Total Debt $10768 mill. **Due in 5 Yrs** $4100 mill.
LT Debt $9780 mill. **LT Interest** $360 mill.
(Total interest coverage '16: 18.2x)
(90% of Cap'l)
Leases, Uncapitalized Annual Rentals $293 mill.
Pension Assets-12/16 $56.8 bill.
Oblig. $83.2 bill.
Pfd Stock None

Common Stock 595,578,523 shs.
as of 10/18/17

MARKET CAP: $160 billion (Large Cap)

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		20-22
66387	60909	68281	64306	68735	81698	86623	90762	96114	94571	***92400***	***93700***	Revenues ($mill)	***105000***
11.1%	8.9%	5.4%	10.2%	10.7%	9.7%	9.4%	10.1%	9.4%	10.8%	***12.0%***	***12.0%***	Operating Margin	***13.0%***
1486.0	1491.0	1666.0	1727.0	1660.0	1811.0	1844.0	1906.0	1833.0	1910.0	***1980***	***2000***	Depreciation ($mill) E	***2200***
4058.0	2654.0	1335.0	3311.0	3614.0	3903.0	4586.0	5446.0	5176.0	6950.0	***6950***	***7000***	Net Profit ($mill)	***8725***
33.7%	33.6%	22.9%	26.5%	33.0%	34.0%	26.4%	23.7%	27.7%	16.7%	***28.0%***	***30.0%***	Income Tax Rate	***30.0%***
6.1%	4.4%	2.0%	5.1%	5.3%	4.8%	5.3%	6.0%	5.4%	7.3%	***7.5%***	***7.5%***	Net Profit Margin	***8.3%***
d4258	d4961	2392.0	5177.0	8536.0	12327	13588	11068	17822	12354	***10000***	***6500***	Working Cap'l ($mill)	***5000***
7455.0	6952.0	12217	11473	10018	8973.0	8072.0	8141.0	8730.0	9568.0	***9800***	***10000***	Long-Term Debt ($mill)	***9000***
9004.0	d1294	2128.0	2766.0	3515.0	5867.0	14875	8665.0	6335.0	817.0	***d500***	***d1500***	Shr. Equity ($mill)	***2500***
26.5%	51.1%	11.3%	25.6%	29.0%	28.2%	20.8%	33.4%	35.3%	68.4%	***76.5%***	***84.5%***	Return on Total Cap'l	***77.5%***
45.1%	- -	62.7%	NMF	NMF	66.5%	30.8%	62.9%	81.7%	NMF	***NMF***	***NMF***	Return on Shr. Equity	***NMF***
32.9%	- -	5.4%	74.4%	67.4%	44.0%	21.0%	38.4%	42.4%	NMF	***NMF***	***NMF***	Retained to Com Eq	***NMF***
27%	45%	91%	38%	34%	34%	32%	39%	48%	40%	***50%***	***54%***	All Div'ds to Net Prof	***53%***

CURRENT POSITION ($MILL.)	2015	2016	9/30/17
Cash Assets	12052	10029	10032
Receivables	8713	8832	10644
Inventory (Avg Cst)	47257	43199	43031
Other	212	428	435
Current Assets	68234	62488	64142
Accts Payable	24814	25881	26726
Debt Due	1234	384	988
Other	24364	23869	26695
Current Liab.	50412	50134	54409

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
Revenues	7.0%	9.0%	*6.0%*
"Cash Flow"	10.0%	14.5%	*10.0%*
Earnings	13.0%	18.0%	*11.0%*
Dividends	13.0%	16.5%	*15.0%*
Book Value	-4.0%	15.0%	*NMF*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	20465	22045	23784	24468	90762
2015	22149	24543	25849	23573	96114
2016	22632	24755	23898	23286	94571
2017	20976	22739	24309	***24376***	***92400***
2018	***22400***	***23600***	***24000***	***23700***	***93700***

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	1.28	2.24	1.86	2.02	7.38
2015	1.87	1.59	2.47	1.51	7.44
2016	1.83	2.86	3.60	2.59	10.84
2017	2.34	2.89	3.06	***3.16***	***11.45***
2018	***2.75***	***2.90***	***3.15***	***3.20***	***12.00***

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2013	.485	.485	.485	.485	1.94
2014	.73	.73	.73	.73	2.92
2015	.91	.91	.91	.91	3.64
2016	1.09	1.09	1.09	1.09	4.36
2017	1.42	1.42	1.42	1.42	

BUSINESS: The Boeing Company is a leading manufacturer of commercial aircraft. Manufactures the 737, 747, 767, 777, and 787. 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 2016, foreign sales accounted for 59% of total; R&D: 4.9%. Has 150,500 employees. Off./dir. control about 0.3% of stock; State Street Corp., 10.4%; Evercore Trust, 5.8%; Cap'l World Investors, 8.4%; Vanguard Group, 6.3%; BlackRock, 5.4% (4/17 proxy). President, CEO, and Chairman: Dennis A. Muilenburg. Inc.: DE. Addr.: 100 North Riverside Plaza, Chicago, IL 60606-1596. Tel.: 312-544-2000. Web: www.boeing.com.

Boeing shares have been terrific performers of late. Since our September report, the stock price has spiked about 30 points, or almost 13%. What's more, the aerospace behemoth has been, easily, the best performer in the Dow so far in 2017, having registered a total return of 75%. For perspective, Apple (AAPL) is in second place, at 53%. Boeing's run can mostly be attributed to the bull market, recent quarterly financial results, as well as an excellent business outlook.

We remain bullish in regard to the company's near-term prospects. Thanks to Boeing's September-quarter performance, and remarks by leadership, we have increased our earnings forecasts. Lower operating expenses, research & development expenditures, and taxes, along with greater sales/deliveries of higher-margined planes, should lead to greater profitability. What's more, management will likely remain aggressive in regard to buying back stock, and the lower share count will contribute to the share-earnings advance we envision. On that note, for 2017, we now expect the bottom line to reach $11.45 a share, or 6% higher than the year-earlier tally.

Our long-term outlook is also positive. Boeing's commercial aircraft backlog remains massive at more than 5,700 airplanes valued at $412 billion. This should support full production for many years. In addition, we anticipate more bookings, as fuel costs are relatively low and demand for flights remains high. This will continue to improve the financial positions of many airlines and desire to replace their aging fleets with new aircraft. All told, we project that Boeing's profits will reach $16.00 a share by the 2020–2022 period.

We think that the stock is expensive. Nonetheless, as we mentioned three months ago, there is a lot of wind at the issue's back, which may push the price higher over the near term, especially if the bull market continues. That said, the equity is trading at a lofty, and likely unsustainable, P/E ratio, so less nimble investors may want to stay on the sidelines. We also wouldn't blame current shareholders for taking some profits. Lastly, due to the run-up in price, BA now trades within our 3- to 5-year Target Price Range.

Ian Gendler *December 8, 2017*

(A) Diluted egs. Excl. nonrecur. gns./losses: '01, 62¢; '02, d$2.21; '03, d11¢; '04, 67¢; '05, 72¢; '06, d54¢; '07, 2¢; '08, 2¢; '09, d3¢; '10, 45¢; '11, 52¢; '15, d77¢; '16. d$3.23. 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 2016: $7.8 bill., $12.74/sh. (D) In millions. (E) Depr. on accelerated basis.

Company's Financial Strength	A++
Stock's Price Stability	80
Price Growth Persistence	90
Earnings Predictability	80

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