

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 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.

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

68234

24814

24364

50412

1234

Current Assets

Accts Payable Debt Due

Current Liab

62488

25881

23869

50134

384

64142

26726

26695

54409

988

Cal-	QUARTERLY REVENUES (\$ mill.)				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	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-	EARNINGS PER SHARE A				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	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-	QUARTERLY DIVIDENDS PAID B =				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	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	

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 near-term prospects. company's 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 highermargined 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 vear-earlier tally.

Our long-term outlook is also positive. 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

Company's Financial Strength Stock's Price Stability Price Growth Persistence **Earnings Predictability**

A++ 80 80