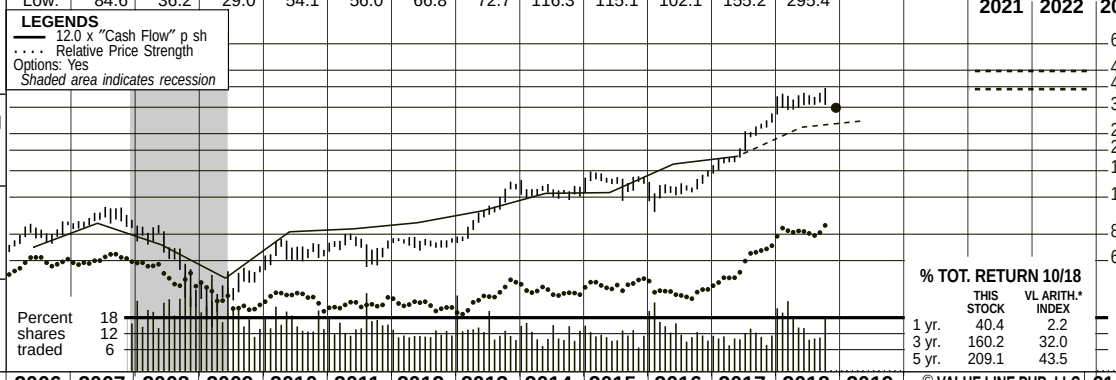
BOEING COMPANY NYSE-BA

RECENT PRICE **318.03** | P/E RATIO **18.0** (Trailing: 20.7 Median: 17.0) | RELATIVE P/E RATIO **1.10** | DIV'D YLD **2.5%** | VALUE LINE

TIMELINESS 3 Lowered 11/2/18
SAFETY 1 Raised 6/13/14
TECHNICAL 1 Raised 12/7/18
BETA 1.10 (1.00 = Market)

High:	107.8	88.3	56.6	76.0	80.6	77.8	142.0	144.6	158.8	160.1	299.3	394.3
Low:	84.6	36.2	29.0	54.1	56.0	66.8	72.7	116.3	115.1	102.1	155.2	295.4

Target Price Range
2021 | 2022 | 2023



2021-23 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	475	(+50%)	13%
Low	390	(+25%)	8%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	1	15	0	0	0	0	0	0	0
to Sell	0	1	0	0	5	0	0	0	0

Institutional Decisions

	1Q2018	2Q2018	3Q2018
to Buy	699	818	854
to Sell	1002	863	864
Hld's(000)	407398	402552	397175

% TOT. RETURN 10/18

	THIS STOCK	VL ARITH.* INDEX
1 yr.	40.4	2.2
3 yr.	160.2	32.0
5 yr.	209.1	43.5

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
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	158.01	*178.20*	*194.35*	Revenues per sh	*240.00*
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	15.59	*21.45*	*23.05*	"Cash Flow" per sh	*32.60*
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	11.71	*16.90*	*18.25*	Earnings per sh A	*27.00*
.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	*6.84*	*8.00*	Div'ds Decl'd per sh B■	*12.00*
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	2.94	*3.50*	*4.00*	Cap'l Spending per sh	*3.00*
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	.60	*d1.80*	*d1.90*	Book Value per sh C	*16.00*
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	591.04	*550.00*	*530.00*	Common Shs Outst'g D	*500.00*
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	18.3	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.77	1.90	1.55	1.38	1.20	.95	1.10	1.61	.94	.91	.91	.97	.92	.97	.65	.90	*Value Line*		Relative P/E Ratio	*.90*
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%	2.7%	*estimates*		Avg Ann'l Div'd Yield	*2.8%*

CAPITAL STRUCTURE as of 9/30/18
Total Debt $11876 mill. **Due in 5 Yrs** $5000 mill.
LT Debt $10487 mill. **LT Interest** $420 mill.
(Total interest coverage '17: 27.9x)
(More than 100% of Cap'l)
Leases, Uncapitalized Annual Rentals $283 mill.
Pension Assets-12/17 $64.2 bill. **Oblig.** $86.5 bill.
Pfd Stock None

Common Stock 567,885,369 shs.
as of 10/17/18

MARKET CAP: $181 billion (Large Cap)

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		21-23
60909	68281	64306	68735	81698	86623	90762	96114	94571	93392	*98000*	*103000*	Revenues ($mill)	*120000*
8.9%	5.4%	10.2%	10.7%	9.7%	9.4%	10.1%	9.4%	10.8%	13.0%	*14.0%*	*14.5%*	Operating Margin	*16.0%*
1491.0	1666.0	1727.0	1660.0	1811.0	1844.0	1906.0	1833.0	1910.0	2069.0	*2000*	*1975*	Depreciation ($mill) E	*2300*
2654.0	1335.0	3311.0	3614.0	3903.0	4586.0	5446.0	5176.0	6950.0	7146.0	*9800*	*10250*	Net Profit ($mill)	*14000*
33.6%	22.9%	26.5%	33.0%	34.0%	26.4%	23.7%	27.7%	16.7%	28.9%	*16.0%*	*16.0%*	Income Tax Rate	*16.0%*
4.4%	2.0%	5.1%	5.3%	4.8%	5.3%	6.0%	5.4%	7.3%	7.7%	*10.0%*	*10.0%*	Net Profit Margin	*11.7%*
d4961	2392.0	5177.0	8536.0	12327	13588	11068	17822	12354	8892.0	*10000*	*8000*	Working Cap'l ($mill)	*15000*
6952.0	12217	11473	10018	8973.0	8072.0	8141.0	8730.0	9568.0	9782.0	*9500*	*9000*	Long-Term Debt ($mill)	*8000*
d1294	2128.0	2766.0	3515.0	5867.0	14875	8665.0	6335.0	817.0	355.0	*d1000*	*d1000*	Shr. Equity ($mill)	*8000*
51.1%	11.3%	25.6%	29.0%	28.2%	20.8%	33.4%	35.3%	68.4%	72.3%	*NMF*	*NMF*	Return on Total Cap'l	*89.0%*
- -	62.7%	119.7%	102.8%	66.5%	30.8%	62.9%	81.7%	NMF	NMF	*NMF*	*NMF*	Return on Shr. Equity	*NMF*
- -	5.4%	74.4%	67.4%	44.0%	21.0%	38.4%	42.4%	NMF	NMF	*NMF*	*NMF*	Retained to Com Eq	*94.0%*
45%	91%	38%	34%	34%	32%	39%	48%	40%	48%	*40%*	*44%*	All Div'ds to Net Prof	*44%*

CURRENT POSITION ($MILL.)	2016	2017	9/30/18
Cash Assets	10029	9992	9990
Receivables	8832	10516	12829
Inventory (Avg Cst)	43199	44344	62038
Other	428	309	2829
Current Assets	62488	65161	87686
Accts Payable	25881	27494	26532
Debt Due	384	1335	1389
Other	23869	27440	51496
Current Liab.	50134	56269	79417

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '15-'17 to '21-'23
Revenues	6.5%	9.5%	*8.0%*
"Cash Flow"	8.5%	13.5%	*16.0%*
Earnings	10.5%	16.0%	*18.0%*
Dividends	14.0%	21.5%	*17.5%*
Book Value	-10.0%	-7.0%	*NMF*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	22149	24543	25849	23573	96114
2016	22632	24755	23898	23286	94571
2017	20976	22739	24309	25368	93392
2018	23382	24258	25146	*25214*	*98000*
2019	*24500*	*25200*	*26300*	*27000*	*103000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	3.44	11.71
2018	4.15	3.73	4.07	*4.95*	*16.90*
2019	*4.15*	*4.45*	*4.65*	*5.00*	*18.25*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	5.68
2018	1.71	1.71	1.71	1.71	

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 2017, foreign sales accounted for 55% of total; R&D: 3.4% of sales. Has 140,800 employees. Officers/directors control less than 1.0% of stock; The Vanguard Group, 7.0%; BlackRock, 5.4%; Newport Trust Company, 5.7% (3/18 proxy). President, CEO, and Chairman: Dennis A. Muilenburg. Inc.: DE. Address: 100 North Riverside Plaza, Chicago, IL 60606-1596. Telephone: 312-544-2000. Internet: www.boeing.com.

Shares of Boeing have retreated of late. After multiple years of significant stock price gains and market outperformance, the issue has fallen about 10% over the past three months. This has coincided with the broader market's correction during that period, though the Dow has dropped only 6%. In addition to the market selloff, we attribute Boeing's decline to simple profit taking. As we had mentioned multiple times in our previous reports, the stock appeared quite expensive according to a number of valuation metrics, and a modest backtracking seemed inevitable at some point.

That said, we remain bullish in regard to the company's operations. Boeing reported excellent results in the September quarter, highlighted by the delivery of 190 commercial aircraft, wider margins, and profits of $4.07 a share (33% higher year over year). In addition, management increased its full-year 2018 revenue and earnings guidance. Specifically, it now anticipates $98 billion–$100 billion for the top line, up from the previous expectation of $97 billion–$99 billion. As for share net, leadership's new range is $16.90–$17.10. Previously, it was looking for share earnings of $16.40–$16.60. We think that the new guidance is obtainable, though our top- and bottom-line estimates are at the low end of the respective ranges. Looking further out, our earnings estimate for 2019 remains unchanged at $18.25 a share, which would represent an advance of 8% compared to this year's probable tally. We expect Boeing to continue to perform well, since its backlogs for aircraft and defense/space systems remain massive at more than $460 billion. This should allow for full production for many years to come.

What about the stock at this point? As mentioned, we thought BA was quite expensive and, despite its good business prospects, we were hesitant to recommend it at those lofty levels. Now, following the recent correction, the issue is trading at a more reasonable valuation, and we think it would make a fine addition to most portfolios. In our view, Boeing offers worthwhile return potential to 2021–2023 and, particularly important during this period of heightened market volatility, it is ranked 1 (Highest) for Safety.

Ian Gendler *December 7, 2018*

(A) Diluted egs. Excl. nonrecur. gns./losses: '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; '17, $1.72. 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 2017: $8.1 bill., $13.76/sh. (D) In millions. (E) Depr. on accelerated basis.

Company's Financial Strength	A++
Stock's Price Stability	75
Price Growth Persistence	95
Earnings Predictability	80

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