

Also produces business jets, fighters (F-15, F/A-18), helicopters (CH-47, AH-64, V-22); guided weapons (Harpoon, Joint Direct Attack Munition), satellites, space launch systems, and manages the International Space Station. In 2018, foreign sales accounted for

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.

ANNUAL RATES Past Est'd '16-'18 Past 10 Yrs. 6.5% 10.5% 12.5% 5 Yrs. 9.0% 17.5% 20.5% 25.5% -40.0% of change (per sh) to '22-'24 Revenues "Cash Flow" 10.5% 15.5% 17.5% Earnings Dividends Book Value 16.5% NMF 14.5%

62488

25881

23869

50134

384

Current Assets

Accts Payable Debt Due

Current Liab

65161

27494 1335

27440

56269

87830

27724

50676

81590

3190

Cal- endar	QUAR Mar.31	TERLY RE Jun.30	VENUES (Sep.30	\$ mill.) Dec.31	Full Year
2016	22632	24755	23898	23286	94571
2017	20976	22739	24309	25368	93392
2018	23382	24258	25146	28431	101127
2019	25600	27200	28800	30400	112000
2020	28700	29000	29300	31000	118000
Cal-	EARNINGS PER SHARE A				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
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	5.93	17.86
2019	4.80	5.30	5.70	6.45	22.25
2020	5.25	6.00	6.50	7.25	25.00
Cal-	QUARTERLY DIVIDENDS PAID B =				Full
endar	Mar.31	Jun.30	Sep.30	Dec.31	Year
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	6.84
2019	2.06				

Boeing shares are now trading near their all-time high. Late in 2018, in tandem with the broader market, the stock lost a bit of ground. However, once the calendar flipped, the issue has skyrocketed. In fact, year to date, the issue has advanced 30%, compared to the S&P 500's gain of 11%. In addition to the overall market strength, we attribute Boeing's rise to the release of better-than-expected December-period financial results, as well as a healthy outlook for 2019 and beyond. We have raised our near-term finan-

cial estimates. For the fourth quarter, Boeing achieved share net of \$5.93, which easily topped consensus Wall Street expectations. Management also introduced favorable guidance for full-year 2019. Specifically, leadership now anticipates the top and bottom lines to reach \$109.5 billion-\$111.5 billion and \$21.90-22.10 per share, respectively. The midpoints of these respective ranges would result in yearover-year revenue and share-net gains of 9% and 23%. Our estimates are slightly higher than management's guidance.

Not surprisingly, Boeing's business prospects appear excellent. It ought to

continue to work through its massive backlog for commercial aircraft and defense systems that, at December 31st, exceeded \$465 billion. That, along with better execution, reduced operating expenses, lower R&D expenditures, and the sale of more-profitable planes should lead to further margin expansion.

Shareholder-friendly actions will con**tinue**, **as well**. Over the last two years, Boeing has bought back more than 72 million shares, at a cost of about \$18.2 billion. On December 17th, it announced a new repurchase plan for up to \$20 billion of company stock. Furthermore, the board recently raised the quarterly dividend 20%, to \$2.06 a share. Over the next several years, we expect the share count to materially decline and for the dividend payout to increase at a double-digit rate.

What about the stock at this point? Although BA is now trading at a rich valuation, its healthy business prospects and management's commitment to bolstering shareholder value lead us to recommend the issue as a core, long-term holding that should fit nicely in most equity portfolios. Ian Gendler March 8, 2019

(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 | Incl intang. In 2018: \$11.3 bill., \$19.91/sh. (D)

may not sum to total due to round'g. Next egs. rpt. due late April. (B) Div'ds paid in early Mar., Jun., Sept., Dec. Div'd rein. plan avail. (C)

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