BOEING COMPANY NYSE-BA

RECENT PRICE **373.13** | P/E RATIO **28.7** (Trailing: 57.2 / Median: 17.0) | RELATIVE P/E RATIO **1.62** | DIV'D YLD **2.2%** | VALUE LINE

TIMELINESS 3 Lowered 5/3/19
SAFETY 2 Lowered 6/7/19
TECHNICAL 3 Lowered 11/29/19
BETA 1.15 (1.00 = Market)

High:	88.3	56.6	76.0	80.6	77.8	142.0	144.6	158.8	160.1	299.3	394.3	446.0
Low:	36.2	29.0	54.1	56.0	66.8	72.7	116.3	115.1	102.1	155.2	292.5	309.4

Target Price Range
2022 | 2023 | 2024

LEGENDS
— 13.0 x "Cash Flow" p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$296-$602	$449 (20%)

2022-24 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	485	(+30%)	9%
Low	355	(-5%)	2%

Institutional Decisions

	4Q2018	1Q2019	2Q2019
to Buy	938	980	982
to Sell	923	1018	973
Hld's(000)	394695	383038	387650

% TOT. RETURN 10/19

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-2.1	4.9
3 yr.	156.5	30.2
5 yr.	209.5	36.8

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
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	178.15	*144.65*	*209.00*	Revenues per sh	*227.25*
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	22.15	*6.80*	*25.25*	"Cash Flow" per sh	*31.80*
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	17.86	*2.80*	*21.00*	Earnings per sh A	*26.25*
.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	*8.24*	*8.24*	Div'ds Decl'd per sh B■	*10.50*
.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	3.03	*3.10*	*3.00*	Cap'l Spending per sh	*2.75*
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	.60	*d7.50*	*d1.80*	Book Value per sh C	*21.80*
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	567.64	*560.00*	*555.00*	Common Shs Outst'g D	*550.00*
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	19.2	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
1.90	1.55	1.38	1.20	.95	1.10	1.61	.94	.91	.91	.97	.92	.97	.65	.92	1.04	*Value Line*		Relative P/E Ratio	*.90*
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%	2.0%	*estimates*		Avg Ann'l Div'd Yield	*2.5%*

CAPITAL STRUCTURE as of 9/30/19
Total Debt $24652 mill. **Due in 5 Yrs** $6500 mill.
LT Debt $20298 mill. **LT Interest** $800 mill.
(Total interest coverage '18: 23.0x)
(More than 100% of Cap'l)
Leases, Uncapitalized Annual Rentals $307 mill.
Pension Assets-12/18 $56.1 bill. **Oblig.** $71.4 bill.
Pfd Stock None

Common Stock 562,791,233 shs.
as of 10/16/19

MARKET CAP: $210 billion (Large Cap)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		22-24
68281	64306	68735	81698	86623	90762	96114	94571	93392	101127	*81000*	*116000*	Revenues ($mill)	*125000*
5.4%	10.2%	10.7%	9.7%	9.4%	10.1%	9.4%	10.8%	13.0%	13.8%	*6.0%*	*14.0%*	Operating Margin	*16.0%*
1666.0	1727.0	1660.0	1811.0	1844.0	1906.0	1833.0	1910.0	2069.0	2114.0	*2200*	*2275*	Depreciation ($mill) E	*2500*
1335.0	3311.0	3614.0	3903.0	4586.0	5446.0	5176.0	6950.0	7146.0	10460	*1600*	*11750*	Net Profit ($mill)	*15000*
22.9%	26.5%	33.0%	34.0%	26.4%	23.7%	27.7%	16.7%	28.9%	9.9%	*NMF*	*15.0%*	Income Tax Rate	*15.0%*
2.0%	5.1%	5.3%	4.8%	5.3%	6.0%	5.4%	7.3%	7.7%	10.3%	*2.0%*	*10.1%*	Net Profit Margin	*12.0%*
2392.0	5177.0	8536.0	12327	13588	11068	17822	12354	8892.0	6240.0	*1200*	*6000*	Working Cap'l ($mill)	*17500*
12217	11473	10018	8973.0	8072.0	8141.0	8730.0	9568.0	9782.0	10657	*20000*	*20000*	Long-Term Debt ($mill)	*15000*
2128.0	2766.0	3515.0	5867.0	14875	8665.0	6335.0	817.0	355.0	339.0	*d4200*	*d1000*	Shr. Equity ($mill)	*12000*
11.3%	25.6%	29.0%	28.2%	20.8%	33.4%	35.3%	68.4%	72.3%	97.3%	*12.5%*	*64.0%*	Return on Total Cap'l	*56.5%*
62.7%	119.7%	102.8%	66.5%	30.8%	62.9%	81.7%	NMF	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*	*NMF*	Retained to Com Eq	*72.5%*
91%	38%	34%	34%	32%	39%	48%	40%	48%	38%	*NMF*	*39%*	All Div'ds to Net Prof	*40%*

CURRENT POSITION ($MILL.)	2017	2018	9/30/19
Cash Assets	9992	8564	10913
Receivables	10516	13904	14642
Inventory (Avg Cst)	44344	62567	73279
Other	309	2795	2822
Current Assets	65161	87830	101656
Accts Payable	27494	27724	15101
Debt Due	1335	3190	4354
Other	27440	50676	72391
Current Liab.	56269	81590	91846

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	6.5%	9.0%	*5.5%*
"Cash Flow"	10.5%	17.5%	*10.5%*
Earnings	12.5%	20.5%	*12.0%*
Dividends	14.5%	25.5%	*11.0%*
Book Value	-17.0%	-40.0%	*NMF*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	22632	24755	23898	23286	94571
2017	20976	22739	24309	25368	93392
2018	23382	24258	25146	28341	101127
2019	22917	15751	19980	*22352*	*81000*
2020	*28000*	*28500*	*29500*	*30000*	*116000*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full 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	3.75	d5.21	2.05	*2.21*	*2.80*
2020	*3.75*	*5.00*	*5.75*	*6.50*	*21.00*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full 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	2.06	2.06	2.06	

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, 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 56% of total; R&D: 3.2% of sales. Has 153,000 employees. Officers/directors control less than 1.0% of stock; The Vanguard Group, 7.4%; BlackRock, 5.8%; Newport Trust Company, 5.9%; T. Rowe Price, 5.9% (3/19 proxy). Pres., CEO, and Chairman: Dennis A. Muilenburg. Inc.: DE. Addr.: 100 North Riverside Plaza, Chicago, IL 60606-1596. Phone: 312-544-2000. Web: www.boeing.com.

We have overhauled our financial presentation and outlook for Boeing. The company continues to struggle with the grounding of all 737 Max 8 planes, following two crashes that claimed the lives of 346 individuals. Expenses related to the catastrophes, in addition to lost/delayed sales of new 737s, caused Boeing to sustain a huge share loss of $5.21 in the June quarter. The bottom-line performance for the September interim was better, but still represented a hefty year-over-year decline. For full-year 2019, we now expect profits of just $2.80, compared to our previously depressed estimate of $5.05. Our new call works out to a near-85% drop from 2018's tally. We have also, once again, lowered our 2020 earnings-per-share estimate, which now stands at $21.00 (previously it was $23.00). To deal with the 737 fallout, Boeing recently slowed its share repurchases and increased its long-term debt commitments by about $6 billion. A higher-than-expected share count coupled with increased interest payments were also catalysts for our reduced profit outlook.

Management expects that the 737s will return to the skies shortly. That said, on October 23rd, leadership estimated that the planes would receive regulatory approval within the following few weeks. More than a month has now passed and there still has not been any certification. In addition, even after approval has been granted, Boeing, and the airlines that fly 737 Max 8s, will have to deal with customer concerns in regard to safety. It is certainly plausible that a meaningful percentage of flyers will avoid these aircraft in favor of other planes. Furthermore, Boeing announced that it has settled a number of wrongful death suits related to the two crashes; financial terms were not disclosed. It is likely that additional settlements and/or court cases will arise over the months/years ahead. Boeing will also have to absorb the hit to its reputation, potential government fines, and possible delivery delays (or order cancelations) for new 737s. All told, getting the Max 8s back in the air is only part of the solution.

We continue to recommend that investors avoid this stock. There are just too many unknowns at this time.

Ian Gendler *December 6, 2019*

(A) Diluted egs. Excl. nonrecur. gns./losses: '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 2018: $11.3 bill., $19.91/sh. **(D)** In millions. **(E)** Depr. on accelerated basis.

Company's Financial Strength	A++
Stock's Price Stability	65
Price Growth Persistence	90
Earnings Predictability	50

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