28-Jan-2025

The Boeing Co. (BA)

Q4 2024 Earnings Call

Copyright © 2001-2025 FactSet CallStreet, LLC

CORPORATE PARTICIPANTS

Matthew Welch
Vice President-Investor Relations, The Boeing Co.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.

OTHER PARTICIPANTS

David Strauss
Analyst, Barclays Capital, Inc.

Peter J. Arment
Analyst, Robert W. Baird & Co., Inc.

Sheila Kahyaoglu
Analyst, Jefferies LLC

Ronald J. Epstein
Analyst, BofA Securities, Inc.

Myles Walton
Analyst, Wolfe Research LLC

Scott Deuschle
Analyst, Deutsche Bank Securities, Inc.

Seth M. Seifman
Analyst, JPMorgan Securities LLC

Noah Poponak
Analyst, Goldman Sachs & Co. LLC

Douglas S. Harned
Analyst, Bernstein Institutional Services LLC

Jason Gursky
Analyst, Citigroup Global Markets, Inc.

Gavin Parsons
Analyst, UBS Securities LLC

Gautam Khanna
Analyst, TD Securities (USA) LLC

Copyright © 2001-2025 FactSet CallStreet, LLC

MANAGEMENT DISCUSSION SECTION

Operator: Thank you for standing by. Good day, everyone, and welcome to The Boeing Company's Fourth Quarter 2024 Earnings Conference Call. Today's call is being recorded. The management discussion and the slide presentation plus the analyst question-and-answer session are being broadcast live over the Internet. [Operator Instructions]

At this time, for opening remarks and introductions, I am turning the call over to Mr. Matt Welch, Vice President of Investor Relations for The Boeing Company. Mr. Welch, please go ahead.

Matthew Welch

Vice President-Investor Relations, The Boeing Co.

Thank you, and good morning. Welcome to Boeing's quarterly earnings call. I am Matt Welch, and with me today are Kelly Ortberg, Boeing's President and Chief Executive Officer; and Brian West, Boeing's Executive Vice President and Chief Financial Officer.

And as a reminder, you can follow today's broadcast and slide presentation at boeing.com. Projections, estimates and goals included in today's discussion involve risks, including those described in our SEC filings and in the forward-looking statement disclaimer at the beginning of the presentation. We also refer you to the disclosures relating to non-GAAP measures in our earnings release and presentation.

Now, I will turn the call over to Kelly Ortberg.

Robert Kelly Ortberg

President, Chief Executive Officer & Director, The Boeing Co.

Thanks, Matt, and thanks to everyone for joining today's call. Before I get into the fourth quarter earnings, let me first offer our thoughts and deepest condolences for the families and loved ones of those on board Jeju Air Flight 2216. We continue to support the airline and the US National Transportation Safety Board, as they assist the South Korean authorities in the accident investigation.

Now, turning to the fourth quarter earnings. During the last call, I highlighted four areas critical to our recovery. And as the new year begins, we're making steady progress in all four areas. The first area, stabilizing the business. Following the resolution of the IAM strike, our commercial team has been executing a methodical plan to restart our factories within the framework of our safety management system. This included ensuring all manufacturing employees were current on their training and certifications prior to returning to work on the factory floor. We took time to rebalance the production line, so that when we started up, we did so with a healthy production system.

People are back to work and excited about the task ahead, and you can see the energy when you're on the factory floor. For the 737 MAX, we have sufficient parts inventory to enable producing at 38 a month, including fuselages, which were a pacing item prior to the strike. And all three of the production lines in Renton are now cycling. In the past quarter, we completed our safety management meeting with the FAA in which they reviewed our safety management system and our production status, including spending time on the factory floor.

Copyright © 2001-2025 FactSet CallStreet, LLC

They reported that they saw significant improvements, and I'm pleased that we have an agreed upon path for rate increases beyond 38 per month. It's all about adhering to our safety management system and a stable factory, as measured through agreed upon key performance indicators, or KPIs. It's an early innings on the production ramp, and we need to stay disciplined on maintaining a stable production system. But early signs are encouraging. The best news is that our customers are reporting that they are encouraged with what they are seeing, as they monitor our production.

Progress on the 787 also continues, and we finished last year at a production rate of five per month. Like the 737, we are working to ensure the 787 production system, including the supply chain, is stable prior to making the next rate increase. An important accomplishment to stabilize the business was to shore up our balance sheet. We are committed to recovering the business, while maintaining an investment grade credit rating and delivering for our shareholders. I think the demand for our offering last year speaks volumes about the market's confidence in our recovery.

We're working across the supply chain, including the sub-tiers, to ensure readiness and stability with our production rates. Notably, supplier part across all of our commercial programs are within their established control limits. We have instituted dedicated sessions with suppliers to provide insights, as well as to promote two-way communication to stay aligned, as we operate together as one extended production system.

The second element of our recovery is the improved performance on our development programs. While the charges for the quarter in BDS are disappointing, I have had the opportunity to complete deep dive EAC reviews on all the troubled programs. We are very focused on creating stability within the EACs, so we stop this quarterly drumbeat of cost growth. This means being more proactive and clear-eyed on the risks and our estimates to complete the projects. While I know it doesn't show in this past quarter's performance, we're making progress in working with our customers to actively manage the contracts to achieve better outcomes for both parties.

You've seen that we've entered into an MOA with the US Air Force on the T-7A program. We're also in active discussions with our customer on the VC-25B program to make the necessary changes to improve the program performance and delivery. The US Air Force has turned this as an active management, which is a term I really like. We're focused on actively managing all of our problematic programs to improve the performance for the company and our customers.

While I said there's no silver bullet on these fixed price programs, I do feel better about our ability to better manage the performance in 2025. On the commercial side, we continue to focus on getting the 737-7 and 737-10, as well as the 777X through certification. There are no updates to the timelines we previously communicated on these programs.

On the 737-7 and 737-10, we're still working through the testing phase, focused on finalizing the icing design solution, which we plan to include in the certification program. Working closely with the FAA, especially in light of their leadership changes, will be a key focus area for us this year. The 777X is back in flight test, and we have a good handle on fixing the thrust link issue we uncovered.

Now, moving to the third area, culture change. This will be a multiyear journey, but we're already making progress. Our leaders are getting more engaged with their teams and customers. We're having the frank discussions about what we need to change. In 2025, we'll be rebaselining our core values and behaviors to make our expectations perfectly clear to all our Boeing teammates. These will be incorporated into our leadership development program and become fundamental elements of our performance management system.

Copyright © 2001-2025 FactSet CallStreet, LLC

Leadership promotions will be grounded not only in what we get done, but how we get things done. We're going to help focus the teams on what it takes to make Boeing successful and promote a culture of unity and accountability by implementing a single enterprise score for all of our annual incentive plans.

As I talk with employees, there's a growing swell of excitement around restoring trust and getting their Boeing back, and they want to be a part of this turnaround. So the last area is building a new future for Boeing. While workforce reductions are always difficult, I'm pleased that we have been able to reduce layers of management and redundant overheads in our system. This will serve us well, as we establish a less bureaucratic, more focused and agile operating environment for our future. We're preparing for the road ahead by continuing to make important investments in our core business, while streamlining our portfolio in areas that aren't core to us.

So, let me wrap up by saying that the markets we serve are robust and growing. Demand for our core commercial and defense products and services remain strong. Our backlog of more than $0.5 trillion clearly demonstrates the value of our portfolio, and we're focused on meeting our commitments and delivering safe, high-quality products to our customers. I do want to acknowledge and thank the incredibly talented employees at Boeing. Your resiliency and commitment gives me confidence in our path forward. It's going to take all of us working together.

Next, let me turn it over to Brian to cover the operating results. And after that, we'll be happy to take your questions. So, Brian, over to you.

Brian J. West

Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.

Thanks, Kelly, and good morning, everyone. Let's start with the total company financial performance for the quarter. Revenue was $15.2 billion, down 31%, primarily driven by lower commercial deliveries associated with the IAM work stoppage. The core loss per share was $5.90, primarily reflecting previously announced impacts of the IAM work stoppage and agreement, charges on certain defense programs, as well as costs associated with workforce reductions announced last year.

Free cash flow was a usage of $4.1 billion in the quarter, in line with the expectations shared at our last earnings call. Results were impacted by lower commercial deliveries and unfavorable working capital timing, primarily driven by the IAM work stoppage.

Turning to the next page, I'll cover Boeing Commercial Airplanes. BCA delivered 57 airplanes in the quarter. Revenue was $4.8 billion, and operating margin was minus 43.9%, primarily reflecting previously announced impacts from the IAM work stoppage and agreement, including pre-tax charges of $1.1 billion on the 777X and 767 programs. Backlog in the quarter ended at $435 billion and includes more than 5,500 airplanes.

Now, I'll give more color on the key programs. The 737 program delivered 36 airplanes in 4Q, including a step-up to 18 airplanes in December. And as of yesterday, we've delivered 33 airplanes in January with four days to go.

On production, we restarted the factory in December and plan to gradually increase rate. We expect to be in a position to go above 38 airplanes per month later in the year. All three lines in our Renton factory [ph] are cycling (00:12:30) and monthly production is already in the low to mid-20s for January. More broadly on the master schedule, we continue to make adjustments as needed and manage supplier by supplier based on inventory levels.

Over the past year, our buffer inventory has grown to promote stability across our production system. As production stabilizes and rates increase over time, we plan to deliberately return buffer inventory to more normal

Copyright © 2001-2025 FactSet CallStreet, LLC

levels. The quarter ended with 55 737-8s built prior to 2023, the majority for customers in China and India, down 5 737-8s from 3Q, with about another 10 737-8s already delivered in January.

Given the impact of the strike, we now expect to shut down the shadow factory mid-year and deliver all remaining airplanes to customers within the year.

On the 737-7 and 737-10, inventory levels were stable at approximately 35 airplanes and testing on the anti-icing design solution is ongoing with certification expected to follow later in the year.

On the 787 program, we delivered 15 airplanes in the quarter, as we made progress on working through production recovery plans for heat exchangers and delivery delays associated with seat certifications. The program exited the year at a production rate of five airplanes per month and [ph] we (00:13:59) recently announced plans to expand South Carolina operations, as we prepared for anticipated future need of the commercial market. We are intent on ensuring the production system and the supply chain demonstrate stability prior to making the next increase on rates sometime this year.

We ended the quarter with 25 airplanes in inventory built prior to 2023 that require rework, down five airplanes from last quarter. Our ability to finish the rework and shut down the shadow factory was also impacted by the work stoppage and we expect to complete this work in early 2025.

Finally, on 777X, as previously announced, the $900 million pre-tax charge, primarily reflects higher estimated labor costs associated with finalizing the IAM agreement and will be incurred over the next several years. Flight testing recently resumed, and we still expect first delivery in 2026, and we'll continue to follow the lead of the FAA as we move through certification.

777X inventory spend in 2024 finished at $2.6 billion, as 4Q spending levels moderated due to the work stoppage. As noted previously, we expect the cash profile to look similar to prior development programs with the first year prior to first delivery, typically the largest use of cash driven by inventory build associated with the production ramp, which will unwind as deliveries accelerate.

Moving on to the next page in Boeing Defense & Space. BDS booked $8 billion in orders during the quarter, including awards for 15 KC-46A Tankers from the US Air Force and seven P-8A aircraft for the US Navy, and the backlog ended at $64 billion.

Revenue was $5.4 billion, down 20% year-over-year on volume and program charges, and operating margin was minus 41.9%. BDS delivered 34 aircraft and two satellites in the quarter, including the final T-7A EMD aircraft to the US Air Force. The 15% of the portfolio comprised of fixed price development programs recorded a $1.7 billion pre-tax charge as previously announced. The fixed price development cost pressures were driven by the KC-46A and T-7A programs, with KC-46 primarily reflecting higher estimated manufacturing costs, including the impacts of the IAM work stoppage and agreement and T-7A driven by higher estimated production costs on contracts in 2026 and beyond. Roughly one-third of these new charges will work through the cash flows in the next few years with the remainder spread over the coming decade.

Given the fixed price nature of these contracts, we'll continue to be transparent about impacts as we work to stabilize and mature these programs. We acknowledge that these are disappointing results. These are complicated development programs, and we remain focused on retiring risk each quarter and ultimately delivering these mission-critical capabilities to our customers.

Copyright © 2001-2025 FactSet CallStreet, LLC

As Kelly shared, we continue to make progress in 4Q, including key order and delivery milestones already noted. Importantly, the updated acquisition approach for the T-7A is a proof point for how we are working with our customers to find better overall outcomes for both parties, and those efforts will continue as we work through other parts of the portfolio.

On the 25% of portfolio, primarily comprised of fighter and satellite programs. Our fighter programs again recognized losses in 4Q due to disruptions associated with the F-15EX ramp-up and the F-18 production wind-down. We also recognized impacts across satellites and a few other legacy platforms tied to development realities as we work to refresh the capabilities of these platforms to support our customer needs.

The remaining 60% of revenues of the portfolio are generally performing in the mid to high-single-digit margin range, although the P8 commercial derivative program experienced margin compression in the fourth quarter due to the IAM work stoppage and agreement. While still more work in front of us, we continue to be confident that BDS margins can improve to high-single-digit levels in the medium to longer term.

The demand for our defense products remains very strong, supported by the threat environment confronting our nation and our allies. We still expect the business to return to historical performance levels as we stabilize production, execute on development programs and transition to new contracts with tighter underwriting standards.

Moving on to the next page, Boeing Global Services. BGS continued to perform well, delivering record operating margins in the quarter. The business received $6 billion in orders and the backlog ended at $21 billion. Revenue was $5.1 billion, up 6%, primarily on higher commercial volume. Operating margin was a record 19.5% in the quarter, up 210 basis points compared to last year with both our commercial and government businesses delivering double-digit margins.

In the quarter, BGS secured awards for C-17 sustainment, as well as a contract for F-15 Japan Super Interceptor upgrade and services from the US Air Force. BGS is a terrific long-term franchise focused on profitable, capital efficient service offerings and executing well with mid-single-digit revenue growth, mid-teen margins and very high cash flow conversion.

Turning to the next page, I'll cover cash and debt. On cash and marketable securities, we ended the quarter at $26.3 billion, primarily reflecting the successful $24 billion capital raise in October, partially offset by the free cash flow usage and debt repayment. The debt balance ended at $53.9 billion, down $3.8 billion in the quarter, driven by the early repayment of a $3.5 billion bond originally set to mature in 2025.

Importantly, this prepayment derisks our 2025 maturity profile, resulting in $800 million of debt maturities remaining in the year. The company maintains access to $10 billion of revolving credit facilities, all of which remain undrawn.

We remain committed to managing the balance sheet in a prudent manner with two main objectives; first, continue to prioritize the investment-grade rating; and second, allow the factory and supply chain reset. We will continue to evaluate opportunities to further supplement the balance sheet as we make certain portfolio decisions through the course of the year.

Turning to the next page, I'll cover the total financial company results for the full year. Full year revenue was $66.5 billion, down 14% year-over-year, driven by lower commercial deliveries, including impacts of the IAM work stoppage.

Copyright © 2001-2025 FactSet CallStreet, LLC

The core loss per share was $20.38, down from prior year, primarily on lower deliveries and commercial and defense program charges, including impacts of the IAM work stoppage and agreement.

Free cash flow was $14.3 billion usage for the year, down versus prior year on commercial deliveries and unfavorable working capital timing, including the impact of the work stoppage.

Stepping back, let me provide some additional context on 2025 free cash flow. 2025 will be an important year in our recovery. And while we still expect it to be a use of cash, we anticipate a significant improvement over 2024.

Within 2025, we expect 1Q free cash flow will be a usage and similar to 4Q 2024, driven by continued working capital headwinds as we ramp production, as well as normal seasonality. We still expect the first half to be a use of cash with the second half turning positive and accelerating as we exit 2025.

CapEx investments stepped up last year and could increase by approximately $500 million in 2025 to support planned growth across both the commercial and defense businesses. Importantly, we expect to exit the year with real momentum in the business as we return to normal production rates.

This outlook will be underwritten by a few critical factors; increasing 737 production rates through the year; moving 787 steadily towards its long-term production rates; liquidating our legacy 737 and 787 inventory and shutting down both shadow factories; strategically investing in the business, including the 777X production ramp and CapEx to support planned growth across the portfolio; improving our defense business as we continue to mature the fixed price development programs and work to transition recently challenged programs with our renewed focus on disciplined program management and stabilizing the business; and finally, continuing to demonstrate strong performance across our services business.

Broadly, the markets we serve continue to be significant, and our backlog of more than $0.5 trillion demonstrates that our product portfolio is positioned to win. Long term, these fundamentals underpin our confidence as we continue to manage the business with a long-term view built on safety, quality and delivering for our customers.

With that, I'd like to open it up for questions.

Copyright © 2001-2025 FactSet CallStreet, LLC

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] And our first question is from the line of David Strauss from Barclays. Please go ahead.

David Strauss
Analyst, Barclays Capital, Inc.

Q

Thank you. Good morning.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Hi, David.

David Strauss
Analyst, Barclays Capital, Inc.

Q

Kelly, I wanted to ask how you viewed the restart on MAX, how that's gone. You mentioned some of the – or you mentioned KPPs that you have with the – or KPIs that you have with the FAA. Can you maybe elaborate on what exactly those are, how close you're already hitting, what's necessary to get to go above 38 airplanes a month? And then, Brian, can you just give us an idea of what to expect for all-in MAX and 787 deliveries in 2025? Thanks.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Yes, David. So, let me talk about the production startup on MAX. So, as you know, we came out of the strike and didn't actually jump right on building aircraft. We spent time training the workforce, getting them all up to speed, but also really, as I said, balancing the line, which is really important starting the lineup in a stable manner. And it already is paying dividends.

We're seeing the production process come back very well, and I feel pretty good about where we are right now with the production rate. Remember that we've got a significant amount of inventory, both in airplanes and in supply parts. So, I don't see any constraints right now from the supply chain for us in ramping up the 737 to the 38 airplanes a month rate.

And notably, the work at Spirit has – during the strike, has really paid off. That team has done a great job of improving the overall performance and quality of the fuselages, which are going to help flow through the factory. So, as I said, it's early days, but I feel really good, and I think our deliberate plan is going to pay dividends for us going forward.

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.

A

David, a little bit on how to think about 737 deliveries for the year. We're not putting out formal guidance, a little too early for that. But let's just talk about a framework for the year. So, January is off to a very solid start, and delivery should be in the high-30s for the month.

Now, keep in mind, some of these airplanes are the benefit of clearing the delivery center ramp that had accumulated in the November or December timeframe. So, there's an advantage of a nice tailwind entering the

Copyright © 2001-2025 FactSet CallStreet, LLC

year. We expect February will be lighter because there's fewer manufacturing days and also the timing of the factory restart and then March is likely to be better than February as we begin to get more predictability.

So, as we've said, the first half is going to reflect our gradual, steady restart of the factory. And the second half is likely going to benefit from achieving higher production rates, which include the 38 airplanes per month target and possibly higher based on approval from the FAA, as Kelly mentioned.

So, as we sit here today, we've got a lot of work in front of us. 2025, in some ways, could look like 2023, maybe a bit better, if things go our way.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.
A

Hey, David, let me come back also and talk about the six KPIs that you asked about. So, these are KPIs that we've agreed with FAA on what the threshold is and where the control limits we want to operate. And these are what we've collectively determined will measure the stability of our production system.

I'll quickly tell you what the six are. They're NoE, notice of escape hours, shortages, part shortages, employee proficiency, rework by line, traveled work at rollout and the ticketing performance. And so, I will say it's a little bit early because we have a lot of inventory yet of planes that were in process that we're going through, but early indications is that all the KPIs are looking and trending in the right direction.

So, I feel so far so good, but it will be important to see and continue to measure these KPIs as we continue to ramp up. And remember, we need to get to 38 airplanes and show stability at 38 airplanes with these KPIs. And we won't go to the FAA for a rate increase. We won't request one, if we don't see these KPIs performing the way that we want to.

And so, I think we've got a disciplined approach. As I said in my remarks, I'm pleased that it's pretty well grounded in facts and data. So, there's no subjectivity here as far as what it's going to take. But we've got to perform. And Stephanie and the team are clearly focused on performing to these KPIs.

Operator: Thank you. And the next question is from Peter Arment from Baird. Please go ahead.

Peter J. Arment
Analyst, Robert W. Baird & Co., Inc.
Q

Yes. Good morning, Kelly and Brian. Hey, Brian, maybe if you could walk us through a little bit on the free cash flow dynamics for 2025? I know you called out a few things, some of the moving parts. But just thinking about working capital headwinds or 777X spend or BDS losses, we've been estimating about a $5 billion outflow this year. I think it's little above the Consensus at $4 billion. Anything to highlight that you could help us maybe that potentially could be reduce that outflow or how are you thinking? I know you gave us the first half versus second half dynamics, but anything else that you could provide more color on? Thanks.

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.
A

Yeah, sure, Peter. So, 2025 free cash flow is largely going to be consistent with what we've said at our October earnings call with the two adjustments that I noted, which is CapEx a little bit higher based on some growth programs that we're anxious to invest in and the impact of a few hundred million based on the updated BDS charges. So, it's consistent with those two adjustments.

Copyright © 2001-2025 FactSet CallStreet, LLC

Now, in terms of profile, as we've discussed and you mentioned, the first half will be negative, the second half will be positive. It'll be a net usage in the calendar year. But importantly, positive momentum as we accelerate cash flows exiting the year that sets us up very nicely for 2026.

Now, in terms of levers. The first half of the year, BCA is going to be negative, driven by the working capital usage and continued investment in the 777X program. BDS is going to be negative due to the prior period charges running through, as well as normal seasonality as it pertains to customer receipts. And BGS is going to be nice and steady contributor in the first half.

As we go to the second half, BCA is expected to flip positive because then [ph] it (00:31:33) will get the benefit of the working capital as deliveries accelerate while we still invest in the 777X program. Again, it's all going to be a function of our ability to work that – those higher deliveries in the back half.

Now, BDS is going to move positive, despite a continued drag from the charges, primarily from the benefit of favorable receipt timing that's natural and seasonal in that part of the business. And then BGS, we tend to [indiscernible] (00:32:01) our second half and first half. So, it's going to be a nice, steady, but growing profile for the second half. And as I mentioned, the CapEx is going to be a bit higher, but for good reasons because that's all about growth.

So, in terms of the numbers that you described, that's a reasonable ballpark [ph] of (00:32:17) what we're aiming at, and we're managing all the levers and keep you updated as we move through the course of the year.

Peter J. Arment
Analyst, Robert W. Baird & Co., Inc.

Q

Appreciate it. Thanks.

Operator: The next question is from Sheila Kahyaoglu from Jefferies. Please go ahead.

Sheila Kahyaoglu
Analyst, Jefferies LLC

Q

Good morning. So, Kelly, maybe on the fixed price development programs within BDS. It seems like the timing to stabilize those keeps getting pushed to the right. How are you actively managing those programs? And what are you looking to change? And then, Brian, related to that, how do you correlate those charges? I think you mentioned one-third is now. Can you maybe size that cash outflow for 2025? Is it $3 billion related to BDS and then $1 billion in 2026? Does the business become breakeven in 2027? And when does it become positive?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Okay. Sheila, I'll go first and then ask Brian to follow up. Yeah, so obviously, the quarter was disappointing here on the fixed price development programs. But as I said in my remarks, we're very actively now working all these programs with our customers. And we've got – the US Air Force is clearly working with us to find a better path forward on these programs, both for us and for them. So, de-risking through this active management process is different, and it's – we still have to convert these MOAs, which are memorandum of agreements. We have to convert them to contract changes.

Copyright © 2001-2025 FactSet CallStreet, LLC

So, we're in early stages, but the customers are working with us in that regard. And then I think, just as I said, taken a real clear look at the EACs and the estimates to complete and making sure that we're reflecting the realities of the risks that we have. And so, I'm very hopeful that we're going to see a much more stable performance here this next year. But again, we're not done with these till we're done with these, and they are fixed price. So, we've got to continue work at this.

Our team is very, very focused on program management discipline, making sure we're managing the tasks at hand, but a lot of work yet to do, Sheila, on these. I think we're making progress, but I can't – certainly can't claim victory yet.

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.
A

And, Sheila, in terms of the cash flow, you're correct, the new charge of $1.7 billion, we characterize about one-third of that is going to be over the next three years. So – and it's a little bit front-end loaded. So, a few million dollars – a few hundred million dollars of pressure that we see in 2025 versus what we said back October.

Now, in terms of your broader question on the full way the charges are going to tend to flow through, I think BDS for 2025 from a cash flow performance is going to look a little bit like 2023. And then once we get through 2025, it'll be in a much different spot because a lot of that headwind from the charge will be behind us. And when we get exactly to breakeven positive, won't be this year, but I can't wait to have that discussion as we move out beyond exiting this year.

Sheila Kahyaoglu
Analyst, Jefferies LLC
Q

Got it. So, breakeven could be possible in 2026 or maybe 2027?

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.
A

Yes, for sure.

Sheila Kahyaoglu
Analyst, Jefferies LLC
Q

Got it. Thank you.

Operator: Thank you. And our next question is from Ron Epstein from Bank of America. Please go ahead.

Ronald J. Epstein
Analyst, BofA Securities, Inc.
Q

Hey, yeah. Good morning, guys.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.
A

Hey, Ron.

Ronald J. Epstein
Analyst, BofA Securities, Inc.
Q

Copyright © 2001-2025 FactSet CallStreet, LLC

Kelly, could you talk about how you're thinking about Boeing's portfolio? I mean, there's been a fair amount of press about maybe some things could be up for sale, maybe not. What's core, what isn't? So, like the way I've been thinking about it, one of the things that's been talked about is maybe selling Jeppesen. But on one hand, maybe that's a good idea. But on the other hand, that puts Boeing's name in pretty much every cockpit of every airplane on the planet. And is that a bad thing? So, I mean, how are you thinking about it?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Well, so first of all, Ron, we've been through the detailed portfolio review, which was one of my early paths, and that's complete. Highlighted areas that are questionable to our core. And we go through an analysis to look at each of those areas, and we're in process in that. As I've look at this, here's how I would think about it, Ron. This is not going to be a major restructuring of the Boeing Company.

The core business that you see us in, and we're going to continue to be in those core areas. But there are some areas, yeah, you named one. There are some areas where we can streamline the organization or we [ph] maybe (00:37:11) better off of focusing our energy elsewhere. And we'll be actioning those over the coming months and year.

The only thing I would say is that as you look at those, part of that decision process is what do you do with something. In some cases, you have potential that you could sell it and there are buyers. In some cases, that may not be a viable approach. We may want to just not continue with the next phase of the project or something like that.

So, we're going through that. But I think if I give you any guidance, think of it as more pruning the portfolio, not cutting down the tree.

Ronald J. Epstein
Analyst, BofA Securities, Inc.

Q

Got it, got it. And you'd expect maybe we'll know more about this in the next 12 months to 18 months, something like that?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Yeah. Look, I can't really speak about individual portfolio decision areas. But as they come along, obviously, you'll see what we're doing there.

Ronald J. Epstein
Analyst, BofA Securities, Inc.

Q

Got it, got it. All right. Thank you.

Operator: Thank you. The next question is from Myles Walton from Wolfe Research. Please go ahead.

Myles Walton
Analyst, Wolfe Research LLC

Q

Thanks. Good morning. So, on the supply chain and maybe the Spirit integration, how key is that to your ability to get to 38 airplanes and then get above 38 airplanes? And then if you could just quickly touch on the 787 and the

Copyright © 2001-2025 FactSet CallStreet, LLC

supply chain constraints you're observing there, specifically on interiors and if heat exchangers are still the issue and how quickly you expect those to release within the context of 2025? Thanks.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Yeah, Myles. So, look, on Spirit, I don't view Spirit fuselages as a constraint right now for us to get to rate 38 airplanes. As I mentioned in the remarks, they've done a really, really nice job of improving the quality of the fuselage and the flow of the fuselages. So, we're in really, really good shape on fuselages with Spirit, which sets up a very successful integration.

We've got a team of Boeing folks at Spirit working hand in glove with them as they've improved their production processes. And I think that sets us up well for the upcoming integration, which will happen sometime, still we're projecting middle of the year.

Relating to 787 inventory – or I mean, supply chain, as Brian said in his remarks, I think we're working through the heat exchangers. We're still – need some additional improvement there. But all the improvements look good.

Seats remain a challenge for us. And it's not the seat, we call it seats, but it's the monuments really that go around the seats and the integration of the IFE and the certification associated with that. And we're still challenged in getting through cert on some new type seats on 787. We got a plan on that. It's really a customer-by-customer basis.

One of the things we're looking at for the future is we've got to spread these new seat configurations, we call them code 1s, we've got to spread these code 1s out to allow ourselves and the regulators more time to get through the certification. These things are complex. They're not a seat, they're a complex monument.

And particularly as we move to doors, doors are a real challenge in the certification process. And so, we've got to work through some of that. We've got a team really focused on that, but I think it's going to continue to be a challenge for those 787 deliveries where we have a new seat configuration that needs to be certified.

So, for example, Lufthansa, we've got a lot of completed airplanes that are held up still on seats, and we're working through that. Hopefully, we'll get through that this year, and we'll have a more successful seat integration program as we ramp 787 up.

Myles Walton
Analyst, Wolfe Research LLC

Q

Okay. And, Brian, the delivery number for 787 for this year, 75 airplanes, 80 airplanes. Is that a doable number?

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.

A

Yes. Yes. So, as we've said, we're at five airplanes per month. We want to get to seven airplanes sometime this year, and we've got, call it, high-teens coming out of inventory. So, when you add all that together, for sure, maybe a little bit better.

Myles Walton
Analyst, Wolfe Research LLC

Q

Great. Thanks.

Copyright © 2001-2025 FactSet CallStreet, LLC

Operator: Thank you. And our next question is from Scott Deuschle from Deutsche Bank. Please go ahead.

Scott Deuschle
Analyst, Deutsche Bank Securities, Inc.

Q

Hey, thanks for taking my question. Kelly, could you characterize the pace at which you think the business can liquidate 777X aircrafts from inventory once EIS hits?

And then, are you expecting the first-class cabin seats to be certified for the 777X launch customers by the time 777X itself is type certified or is there any risk of delay there on seating as well? Thank you.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Yes. Let me take the seating first, and then I'll ask Brian to do the liquidation. So, actually, the first delivery – 777X delivery is also to Lufthansa, which is where I just mentioned, we have had seat and continue to have seat challenges. So, I guess the good news, bad news is we've had seat challenges, but we do know what those challenges are for Lufthansa deliveries.

Now, 777X interior, in general, is a more complex interior, but that's baked into our overall certification program for the aircraft. So, we got time to go work the seat certification issues and we've learned from our 787 what those issues are. So, I think we'll be able to manage that for the initial deliveries.

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.

A

And, Scott, in terms of cash flows, as is typical on a new program, heavy cash usage the year before EIS, which is going to be for 2025. In terms of 2026, when it goes into service, keep in mind, the initial airplanes are going to be change incorp airplanes, which are going to be not high [indiscernible] (00:43:25) cash flow airplanes.

But once you get [ph] through (00:43:27) those and you get out of 2026 and then in 2027, you're really going to start to generate free cash flows, and that's going to accelerate as deliveries accelerate. So, we're going to be set up very nicely once we get through EIS.

Scott Deuschle
Analyst, Deutsche Bank Securities, Inc.

Q

Great. Thank you.

Operator: Thank you. The next question is from Seth Seifman from JPMorgan. Please go ahead.

Seth M. Seifman
Analyst, JPMorgan Securities LLC

Q

Thanks very much and good morning.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Good morning, Seth.

Copyright © 2001-2025 FactSet CallStreet, LLC

Seth M. Seifman
Analyst, JPMorgan Securities LLC

Q

Good morning. I guess, I wanted to follow up on maybe two other items as we think about the cash flow this year. You talked about winding down the shadow factories, both of them, I guess. That was something that in the past we've talked about as a key enabler of enhanced profitability. How do we think about factoring that into the cash flow improvement that we're seeing this year? And then also any – the financial implications and cash flow implications of Spirit integration in the second half?

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.

A

Yeah, sure. Let me take a stab at that one. So, as you know, we've got two shadow factories. The 737 has largely been in Moses Lake, the 787 has been the joint verification work in Everett. And there is a lot of labor to go into reworking those airplanes. As it pertains to the 787, we expect the very early part of this year, that work will be done.

Now, we won't deliver all the airplanes this year, because we've got some customer fleet planning things we need to sit in with, so that'll bleed over into next year. But the factory itself and the labor associated with that is going to be over the early part of this year, and labor has already started to move towards other first-run production.

On the 737, equally, Moses Lake, we've begun to take labor and move it from Moses Lake into Renton. We expect to shut that shadow factory down by mid-year. And then the corresponding deliveries will tail off towards the end of this year. So it's been a long journey. We look forward to that. It's all contemplated into the numbers I discussed and described in terms of how cash flows are going move this year. I would say that, over time, the benefit you're going to start see is the margin improvement at BCA, because you don't have these two very expensive shadow factories up and running anymore. They'll be done. So that'll be something that'll be 2026 and beyond.

As it pertains to Spirit integration, as Kelly said, we're anxious. One, they're doing a great job. We're anxious to get it closed. We're not really describing what the financial impact on that is until we close. But the good news is, is that we're on pace, it remains strategically important, and the team's holding up really nicely at a pivotal point as we ramp production.

Seth M. Seifman
Analyst, JPMorgan Securities LLC

Q

Okay. Thank you very much.

Operator: Thank you. And the next question is from Noah Poponak from Goldman Sachs. Please go ahead.

Noah Poponak
Analyst, Goldman Sachs & Co. LLC

Q

Hey, good morning, everyone.

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.

A

Morning, Noah.

Copyright © 2001-2025 FactSet CallStreet, LLC

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Hi, Noah.

Noah Poponak
Analyst, Goldman Sachs & Co. LLC

Q

What is it about the T-7A specifically that it keeps having so much cost creep? And I guess, Kelly, as you look at this portfolio, everything in defense is complex and appreciate the amount of work that goes into these. But I think there's been some investor confusion around the dollar size relative to the perceived complexity of these programs. So, what is causing the cost creep and how do you fix it? And you mentioned the updated acquisition approach on that program specifically. Can you detail that a little bit further?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Yeah. So the fundamental on T-7 is a fixed price development with a large fixed price production, and we did not have our supply chains back to back in the fixed price production. So it's much larger than what you would normally see because, very rarely, do you see where you have – first of all, where you have a fixed price development, but certainly, don't have multiyears of fixed price production. We've been burned on that on the Tanker program, and clearly, that's been a challenge for us on T-7A. So, we've taken our medicine. We're not going to do that anymore.

Now, specific to the MOA, what we're doing is making changes. The Air Force wants some additional test aircraft that will allow us to eliminate concurrency. And by concurrency, what I mean is we're still – we've got a – we're building production airplanes, while we're testing and certifying the design, and that's a disaster, because every time you come up with a change that comes out of that, you've got to go ripple that change back through the production process, either in process or airplanes are complete.

So the major milestone with the MOA 1 that we've got with the Air Force really helps us get more aircraft into the test program, eliminates concurrency risk for us going forward. So it's not necessarily good news from an EAC write-up, but it's certainly going to eliminate risk that we are staring at on the program.

And then on MOA 2, which is – we're in active discussion with them, it's also on making some changes to equipment purchased by us versus purchased by the Air Force directly, which will also help them with their logistics support plans, but also de-risk our escalation risk associated with those commodity sets.

So that's the type of stuff we've got to get better at is working those things with the customer, but the fundamental to this is a fixed price development with a fixed price production option and not having your supply chain back to back is not a good recipe. And we've learned and we're not going to do that anymore.

Noah Poponak
Analyst, Goldman Sachs & Co. LLC

Q

So appreciate learning that lesson and not doing that again. But if you live with the decisions that were made on the existing programs for – until the end of those programs, how do you have confidence in the cash flow improvement in the segment in the near term that you've expressed here?

Copyright © 2001-2025 FactSet CallStreet, LLC

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Well, so, I mean, we do an estimate at complete and look at the estimate to complete. So much of the charges that we're taking are not actual charges for overruns to-date. There are anticipated charges for increased cost from our supply chain. So, we are getting the supply chain back to back in fixed price right now. Our goal is to get that 100% done. But as we're doing that, we're having to recognize the cost increases from the supply chain. So that's why I have confidence we're getting closer to having that all back to back, so we've eliminated that large risk going forward. But, obviously, it's resulting in pretty significant charges as we weave through that.

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.

A

And, Noah, what I would say long term, our objective has always been to get to 15% of the portfolio that's wrapped up in these fixed price development programs included in T-7 to not be a drag, to just be neutral, right, to be at the zero profit and not consume cash. The rest of the portfolio when we get the 25% fighter satellites performing as they should, given their legacy products and the 60% of the portfolio that's doing quite well, if we can get that all moving in the right direction, that gets you to the path to high-single digit margins in BDS, like they should be, even with a 15% of the portfolio that isn't going to do anything for us.

And that's fine because, long term, outside of the planning period in front of us, those development programs, including Tanker, including MQ, including T-7, there are longer-term opportunities with market demand, particularly internationally, that actually could have us do a little bit better that we're not counting on, but longer term, those are the reason why we stay in these programs and deliver capabilities to the customers they absolutely need.

Noah Poponak
Analyst, Goldman Sachs & Co. LLC

Q

Appreciate all that detail. Thank you.

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.

A

Yeah.

Operator: The next question is from Doug Harned from Bernstein. Please go ahead.

Douglas S. Harned
Analyst, Bernstein Institutional Services LLC

Q

Good morning. Thank you. It sounds like you're in very good position right now to get to the 38 a month level, given that you're already in the 20s on the MAX. But historically, upward rate breaks have been pretty challenging. And when you look beyond the 38 a month to 42 and subsequent rate breaks, how are you thinking about what you need to get done to make sure that you have the right team in place to make those rate breaks happen, given that a lot of people have left over the past five years or so?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Yeah. As I look at that, I'm less concerned about the people resources to do that. I think we're in good shape. Once we get to these higher rate breaks, the most important thing is that we have the supply chain ready and

Copyright © 2001-2025 FactSet CallStreet, LLC

mature, and one of the things we're doing right now because we've forecasted rates that the supply chain has built to and then we haven't met those rates.

So, I want to make sure that supply chain isn't making independent decisions on readiness for these out-year production rates and continuing to invest in the capacity that they need to supply us. So, we've started – as I said in the opening remarks, open communication and what that means is, at various levels, including CEO level, we're making sure that they are investing in their supply chain. And if they're not, they're talking to us about why, and we're working through what we do to make sure that we don't get to a point where we're ready to get to the next rate increase and the supply chain stability is not going to be there.

Now, remember, these KPIs that I talked about earlier, those are going to stay with us for each rate increase. So, we won't make a rate increase if we'd – well, we won't be approved for it, but we won't request it, if our production system isn't showing that these metrics are indicating stability. So, we got to continue to work that. But I'm not too sure or too concerned about the overall staffing level of the production resources. It's probably more focusing on the supply chain for that growth.

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.
A

And, Doug, the other good news is the facilitization. We're cycling three lines in Renton, as Kelly mentioned, and we've got that fourth line in Everett. And that is going to create a lot of flexibility for us, as we think about those rate breaks. So, not only is it labor, parts, supply chain, et cetera, but the facilitization is there as well. So, we feel pretty confident that tools are all there in place. And, of course, the demand's there, which is beneficial.

Douglas S. Harned
Analyst, Bernstein Institutional Services LLC
Q

And is there anything you would point to in the supply chain that you particularly want to focus on to make sure you don't run into an issue when you take your next break up?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.
A

No, not in particular. I think there's multiple areas that we'll work with all the – all of our Tier 1 OEMs probably have a commodity in their portfolio that we want to make sure, but it's generally more in the commodities where there's long lead components like forgings, castings, that kind of stuff. I'm less worried about electronics. That's a pretty easy area to scale.

But it's where you have to invest in that second and third tier supply chain that we want to make sure that they're making those investments and they haven't hedged their bets. And they'll believe we're going to build the airplanes, and then we find out that we don't have the capacity there.

And one of the things that we're working very closely with GE on is, is that the overall – making sure they understand our overall market demand, as well as the aftermarket demand for the engines as well, because they've got a big challenge with supporting our rate increases, our competitor rate increases and manage in the aftermarket. And I work very closely with Larry and his team to make sure we stay aligned.

Douglas S. Harned
Analyst, Bernstein Institutional Services LLC
Q

Very good. Thank you.

Copyright © 2001-2025 FactSet CallStreet, LLC

Operator: The next question is from the line of Jason Gursky from Citi. Please go ahead.

Jason Gursky
Analyst, Citigroup Global Markets, Inc.

Q

Hey, good morning. Brian, one for you and then just a quick one for Kelly as well. Brian, for you, BCA margins, you took some charges this quarter on the programs that were in forward loss positions. I suspect, though, that we'll have some impacts on the margins for some of your more profitable programs as well, given all those costs. I'm just kind of curious, what does the margin cadence look like for BCA over the next six to eight quarters, as you're ramping in production? When do we get the [indiscernible] (00:56:53) to flip to the positive range on margins?

And then just kind of the long-term implications of these cost increases coming out of the labor strike, that kind of thing on the financial model, and what BCA margins are going to [indiscernible] (00:57:06) over time once you're up at those targeted production rates?

And then Kelly, just really quickly for you, I received the company's corporate calendar. It's got the X-66 on the cover. Just wondering if you could comment a little bit on that aircraft and kind of what it means to the company and kind of your general views on that development program for NASA? Thanks.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Yeah. Let me take the latter part of that first. So it's an important technology development program. It's very challenging. It's taking some dedicated resources that I think are learning new things and exploring new technologies for us. And then we'll look at what comes out of that and how that factors into our next airplane. So it's an important project that we're working on.

We've got some funding – we're investing, but we've also got some funding there to support us. So, we'll continue to explore that exciting opportunity and see what that portends for the future airplane. I will tell you, I've sat through with the team and there's some exciting stuff that we're learning from that program. And so, I think we want to continue that.

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.

A

And, Jason, in terms of BCA margins, so as we think about 2025, margins will be negative. They'll be less negative, as we move through the next few quarters as we exit the year. And then beyond that, we're going to expect them to get better in 2026, but we're not going to try to characterize it quite yet. It's too early. But in terms of the longer-term profile, the IAM agreement did put pressure. But keep in mind, we're talking about a cost that's less than 5% of the airplane.

Now, it's a little bit of pressure, but I'd characterize that versus the massive productivity benefit that we're going to enjoy by having two shadow factories behind us and a rate ramp that's going to accelerate productivity naturally. So it doesn't disrupt our margin expectations over the long term. A lot of work in order to get this pressure behind us, but plenty of levers that we think work towards our favor that doesn't necessarily disrupt the long term.

Jason Gursky
Analyst, Citigroup Global Markets, Inc.

Q

Copyright © 2001-2025 FactSet CallStreet, LLC

Okay. Thanks.

Operator: Thank you. The next question is from Gavin Parsons from UBS. Please go ahead.

Gavin Parsons
Analyst, UBS Securities LLC

Q

Thanks, guys. Good morning.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Morning.

Gavin Parsons
Analyst, UBS Securities LLC

Q

Just wanted to follow up on that BCA margin question a little bit with the price side of that, the price/cost mix. How much of MAX 10 starting to contribute helps drive the margin up? How much of kind of escalators or realized price increases over the coming years? And then a quick clarification on inventory, just how much cash is tied up in both completed aircraft and WIP? Thank you.

Brian J. West
Chief Financial Officer & Executive Vice President-Finance, The Boeing Co.

A

So in terms of the profile for BCA, of course, we've got a backlog that is in place that has embedded escalation in it. That hasn't changed. That's good. And in terms of our supply contracts, they're vastly signed up until end of this decade. So that doesn't really disrupt the near term or even the medium term per se.

I will tell you, though, as we move forward, we will expect any kind of inflation pressure to be offset by an expectation that we continue to drive productivity. So, we think we'll be able to manage that mix. More to come as we move out of this year and get into more of that normal stable position. But nothing right now would suggest it's going to disrupt that long-term margin outlook that BCA has enjoyed historically.

And, of course, some of the mix benefits that you mentioned, both the 10 on the 737 and the 10 on the 787 are going to be natural tailwinds, including the consolidation of Charleston that we've always talked about, and we still feel very good about as we move towards normal production rates. So, more work to do, but no big disruptions we see as we sit here today.

In terms of the inventory, we've got $87.5 billion worth of inventory in the company right now. That is too much. Now, it's been an investment in stability, and we are committed to make that investment, so that we can get the factories in the right spot. But there will be a point wherein those inventories will begin to liquidate and not only see the productivity benefit, the working capital benefit will be something that we're very interested in seeing, and we will begin to lower buffer rates that we put in place deliberately as we get to more predictability.

So that is the big cash flow benefit that we're going to see over the next couple of years-ish and it's all because we've been sitting on this big investment that we look forward to having unwind with deliveries, and that's what we're focused the team on out in Seattle.

Copyright © 2001-2025 FactSet CallStreet, LLC

Gavin Parsons
Analyst, UBS Securities LLC

Q

Thank you.

Matthew Welch
Vice President-Investor Relations, The Boeing Co.

A

Thanks, Gavin. Lois, we have time for one final question.

Operator: Thank you. And that question is coming from the line of Gautam Khanna. Please go ahead.

Gautam Khanna
Analyst, TD Securities (USA) LLC

Q

Yeah. Thanks for the detail on the call. I just wanted to put a finer point on when you expect to be at 38 a month in terms of deliveries on the 37 and when realistically you could get to 42. I know you mentioned this year. But if you could put a finer point within the year? Thank you.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

You know what, I'm not putting a finer point on it, both externally nor internally. We're going to go to that rate when the KPIs say that we're going to go to that rate, and we'll just see how that plays out. I mean, like I said, things look encouraging so far. We've got a lot of work yet to do, and we'll make those rate increases, hopefully, sometime so that I do want to get through the rate 38 approval and move to that next rate of 42 – get through the approval this year and get to that 42 sometime towards the end of the year. But we'll put exact dates on it once we know and feel better about our KPIs and how the trends are indicating.

Gautam Khanna
Analyst, TD Securities (USA) LLC

Q

Yes. Thank you.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

As part of why we're not providing guidance yet. I think we've got a little bit more work to do to see the system get stable before I feel like we can provide guidance to you that we have a reasonable expectation that we'll be able to meet that guidance. So, more to come as we mature. Things are off to a good start, but we've got a lot of work yet to do.

Operator: That completes The Boeing Company's fourth quarter 2024 earnings conference call. Thank you for joining and you may now disconnect.

Copyright © 2001-2025 FactSet CallStreet, LLC

Disclaimer
The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2025 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.