Company: Boeing		Ticker: BA Curr	ent Price: \$172.69	Indu	stry: Aerospace
Target Price: \$237.65	TTM	P/E: N/A	Beta: 1.44		Market Cap: \$102.92
Stop Loss: 155.01 (-10.58%)	Forwa	ard P/E: 54.95x	Credit Rating: BBB-		Avg Vol: 7,643,829
52 Week High/Low: \$ 113.02 - 231.50	EPS: -	8.28	Rating Outlook:		Dividend Yield: 0%
			Negative		

Company Background:

Boeing is one of two global suppliers of large commercial aircraft alongside main competitor, Airbus; and is also one of the top five U.S. defense contractors

Industry Outlook:

Our fundamental outlook for the Aerospace & Defense (A&D) sub-industry for the next year is neutral. We expect the step-up in U.S. and allied defense spending post-Russian invasion to drive healthy sales growth for defense businesses, which make up roughly 65% of sub-industry revenue. However, much of this boost will likely be offset by the negative impact of high inflation on fixed-price contracts. We see strong year-over-year growth for commercial aerospace businesses, but earnings will likely still be below pre-pandemic levels for firms with high exposure to Boeing's 737 or 787 programs.

Investment Risks:

BA faces risk from complexity of modern aircraft, cyclical demand, and high debt. Technical errors can result in tragic loss of life and billions in liabilities. This was the case with BA's 737 MAX grounding (2019-2020) and delivery halt on the 787 (2021-2022). Airlines also carry high financial risk, sometimes failing to make scheduled plane purchases. BA's defense business is more stable, but it faces unique risks like cost overruns on long-term fixed price contracts. We see some risk mitigation from BA's durable duopoly position in large passenger jets and a strong long-term demand trajectory for commercial aviation.

3-5 Takeaways from last quarter investor call transcripts

- Operating cash flow of \$3.2 billion; continue to expect positive free cash flow for 2022
- Resumed 787 deliveries and delivered 9 airplanes
- Recorded losses on fixed-price defense development programs
- Revenue of \$16.0 billion; GAAP loss per share of (\$5.49) and core (non-GAAP) * loss per share of

(\$6.18)

• Total backlog of \$381 billion; including over 4,300 commercial airplanes

Datios For the Fiscal Period Ending Portability Return on Asests % Return on Capital % Return on Capital % Return on Commo Equity % Return on Commo Equity % SoRA Margin % SoRA Margin % EDITDA Margin % EDITDA Margin %	12 months Dec.31.2017 6.2% 653.1% 684.0% 18.5% 4.4% 12.2% 10.8%	12 months Dec.31.2018 6.4% 54.7% 985.4% 1.048.6% 19.4% 4.5% 13.8%	12 months Dec-31-2019 (1.0%) (7.6%) NM NM 6.2% 4.8%	12 months Dec-31-2020 (3.6%) (15.2%) NM NM (2.1%)	12 months Dec-31-2021 (0.3%) (0.9%) NM NM	LTM 12 months (2.1%) (6.7%) NM NM	Boeing(BA) Date 11/35/0002 Propertion	2012	ent price ed price 2003 2	\$ 173.25 \$ 237.45 314 2015	2016	2017 200 94.005 111.1	27.094 1 2019 75.552	2020	2623	2022	-021 202	
Profitability Return on Casels % Return on Capital % Return on Common Equity % Return on Common Equity % Margin Analysis Gross Margin % EBITDA Margin % EBITDA Margin %	Dec-31-2017 6.2% 653.4% 653.4% 664.0% 18.5% 4.4% 12.9% 10.8%	Dec-31-2018 6.4% 54.7% 985.4% 1.048.6% 19.4% 4.5%	Dec-31-2019 (1.0%) (7.6%) NM NM 6.2%	Dec-31-2020 (3.6%) (15.2%) NM NM	Dec-31-2021 (0.3%) (0.9%) NM	12 months (2.1%) (6.7%) NM	Date 11/35/2022	2012	ed price	\$ 237.65	2016	2017 20	1 2019	2020	2021	2022	2023 262	
Return on Assets % Return on Capital % Return on Comiton Equity % Margin Analysis Gross Margin % EBTDA Margin % EBTDA Margin %	6.2% 53.4% 653.1% 684.0% 18.5% 4.4% 12.9% 10.8%	6.4% 54.7% 985.4% 1,048.6% 19.4% 4.5%	(1.0%) (7.6%) NM NM 6.2%	(3.6%) (15.2%) NM NM	(0.3%) (0.9%) NM	(6.7%) NM	Date 11/35/2022	2012	ed price	\$ 237.65	2016	2017 20	1 2019	2020	2021	2022	1021 200	
Return on Assets % Return on Capital % Return on Comiton Equity % Margin Analysis Gross Margin % EBTDA Margin % EBTDA Margin %	53.4% 653.1% 684.0% 18.5% 4.4% 12.9% 10.8%	54.7% 985.4% 1,048.6% 19.4% 4.5%	(7.6%) NM NM 6.2%	(15.2%) NM NM	(0.9%) NM	(6.7%) NM	Projection	2012	ed price	\$ 237.65	2016	2017 20	1 2019	2020	2021	2022	v021 303	
Ratum on Camby % Ratum on Common Equity % Margin Analysis Gross Margin % ESITDA Margin % ESITDA Margin %	653.1% 684.0% 18.5% 4.4% 12.9% 10.8%	985.4% 1,048.6% 19.4% 4.5%	(7.6%) NM NM 6.2%	NM NM	(0.9%) NM	(6.7%) NM	Projection	2012	ed price	214 2015	2016	2017 20	1 2019	2020	2021	2022	1021 202	
Return on Common Equity % Margin Analysis Gross Margin % SG&A Margin % EBITDA Margin % EBITDA Margin %	684.0% 18.5% 4.4% 12.9% 10.8%	1,048.6% 19.4% 4.5%	NM 6.2%	NM			Projection	2012	2013 2	2015	2016	2017 20	1 2019	2020	2021	2022	1021 202	
Margin Anahysis Gross Margin % SG&A Margin % EBITDA Margin % EBITA Margin %	18.5% 4.4% 12.9% 10.8%	19.4% 4.5%	6.2%		NM	NM					2010	2011 20	78,553					
Margin Anahysis Gross Margin % SG&A Margin % EBITDA Margin % EBITA Margin %	4.4% 12.9% 10.8%	4.5%		(2.1%)			Revenue		00 \$23.85		-1.618	-0.605 7.5	-26229	59,161	62.296 4 7.095	4654.40 85	107.42 97861.8	
Gröss Margin % SG&A Margin % EBITDA Margin % EDITA Margin %	4.4% 12.9% 10.8%	4.5%		(2.1%)			K of growth			795 5.909								
EBITDA Margin % EBITA Margin %	12.9% 10.8%		4.8%		8.3%	1.5%	EBIT K of revenue	6.099 7.39%		106 7,170 224 7,464		20110 11.9 20.766 11.6					7.9943 99113 7.99% 10.09	
EBITDA Margin % EBITA Margin %	10.8%	13.8%		7.7%	5.8%	4.7%	The second se	1.007	1.646	601 1.079	473	1.640 1.1			-141		199.70 3457.7	1 1414 1
			0.2%	(10.2%)	2.3%	(4.4%)	58- 7859	33.23% 2		50% 27.60%	22.15%	26.306 0.6	82.824	40.42%	1170 37%		12 05% 16 90	15.00
		11.7%	(2.7%)	(13.5%)	(0.6%)	(7.2%)	ERAT	4 002	4.682 5	505 5.101	4.865	8.470 10.6	7 .313	-2.728	806	1810.12 5	08.02 8153.1	8 8070.3
		11.7%	(2.7%)	(14.0%)	(1.1%)	(7.6%)	DGA			906 1.833		2.047 2.1	4 2.271	2,246	2,244	2232.75 2	170.74 2394.5	
Earnings from Cont. Ops Margin %	9.0%	10.3%	(0.8%)	(20.5%)	(6.9%)	(13.9%)	N of revenue	2.22%	2.53% 2	10% 1.91%	2.02%	218% 2.0	a 2.97%	3.86%	3.445	3.224	2.90% 2.45	4 28
Net Income Margin %	9.0%	10.3%	(0.8%)	(20.4%)	(6.7%)	(13.7%)	CapEx Is of revenue			208 2,450 485 2,555	2.013	1.070 1.7	1 1.061	1,000	1.575		120.40 3858.7 3.90% 1.90	
Net Income Avail. for Common Margin %	9.0%	10.3%	(0.8%)	(20.4%)	(6.7%)	(13.7%)	Change in NWC					2.252 2.2						
Normalized Net Income Margin %	6.8%	7.2%	(1.8%)	(10.7%)	(3.0%)	(7.2%)	h of revenue			205 1.878	3.22%	2.406 2.2	-6.05%	-29.83%	-11.20%	1.50%	1505 150	1 19
Levered Free Cash Flow Margin %	8.6%	8.2%	(3.7%)	(22.2%)	(1.2%)	6.7%	WACC 10.37%											
Unlevered Free Cash Flow Margin %	8.9%	8.5%	(3.1%)	(19.9%)	1.5%	9.4%	TOR 7.00N											
Asset Turnover			()	(Unleverd for									-2.117 0.15	2971 7.22	0 7.03 5 7.1
Total Asset Turnover	0.9x	0.9x	0.6x	0.4x	0.4x	0.4x	pv of fdf								-	005.023 265	4431 5840.328	5 5041.290
Fixed Asset Turnover	7.4x	8.0x	5.8x	4.3x	4.9x	5.7x	TV evet TV											229760 1/
Accounts Receivable Turnover	9.7x	8.1x	5.8x	5.2x	5.9x	5.1x	gy of TV											
Inventory Turnover	1.5x	1.3x	1.0x	0.7x	0.7x	0.7x	=cech											179029.60
Short Term Liquidity							- debt Soulty value											5177 140635-60
Current Ratio	1.1x	1.1x	1.1x	1.4x	1.3x	1.2x	# shares											505.91 237.6
Quick Ratio	0.3x	0.3x	0.2x	0.4x	0.3x	0.3x	200											10.0
Cash from Ops. to Curr. Liab.	0.2x	0.2x	NM	NM	NM	0.0x												
Avg. Davs Sales Out.	37.6	45.1	62.5	70.0	62.1	72.0												
Avg. Days Inventory Out.	249.4	277.8	354.1	488.5	513.4	488.1												
Avg. Days Payable Out.	45.1	55.5	60.6	80.9	74.8	62.4												
Avg. Cash Conversion Cycle	241.9	267.4	356.0	477.6	500.8	497.8												
Long Term Solvency																		
Total Debt/Equity	649.0%	3.377.3%	NM	NM	NM	NM												
Total Debt/Capital	86.6%	97.1%	141.0%	138.6%	133.1%	144.6%												
LT Debt/Equity	571.0%	2.599.3%	NM	NM	NM	NM												
LT Debt/Capital	76.2%	74.7%	103.5%	134.4%	129.7%	130.8%												
Total Liabilities/Total Assets	98.5%	99.7%	106.2%	111.9%	110.7%	112.8%												
				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,												
Relative Valuation							Total Re	tur	n (2								

	Revenue		EBITDA	_	Profit Ma	-	_	EV / Reve		EV / EBI	_	P/	
Ticker	21-22E	2E-23E	22E	23E	22E	23E		22E	23E	22E	23E	22E	23E
	_					_				_			_
The Boeing Company	6%	22%	0%	9%	- 8%	1%		2.23x	1.82×	-1192.17×	20.40×	-19.85×	93.14×
Axon Enterprise, Inc.	34%	19%	19%	20%	12%	14%	1	11.23×	9.45×	59.49×	47.15×	92.44×	67.65×
General Dynamics Corporation	2%	7%	13%	14%	9%	9%		1.99×	1.86×	15.21×	13.73×	19.94×	17.63×
HEICO Corporation	18%	15%	26%	27%	16%	17%		8.82×	7.70×	33.31×	28.80×	53.66×	45.03×
Howmet Aerospace Inc.	13%	10%	23%	24%	10%	12%		3.38×	3.08×	14.93×	13.04×	26.31×	21.21×
L3Harris Technologies, Inc.	- 6%	4%	21%	21%	14%	13%		2.94x	2.83×	13.97×	13.64×	17.54×	17.97×
Lockheed Martin Corporation	- 3%	1%	15%	15%	9%	10%		2.01×	2.00×	13.60×	13.27×	21.33×	17.88×
Northrop Grumman Corporation	2%	4%	13%	14%	11%	9%		2.47x	2.37×	18.42×	17.29×	20.10×	22.46×
Raytheon Technologies Corporation	4%	8%	17%	17%	10%	10%		0.02×	0.01×	0.10×	0.09×	0.16×	0.15×
Textron Inc.	4%	7%	12%	12%	7%	7%		1.31×	1.22×	10.72×	9.93×	16.93×	15.66×
TransDigm Group Incorporated	12%	9%	49%	50%	20%	22%		8.27x	7.60x	16.82×	15.15×	27.50×	22.57×
													_
Mean	8%	8%	21%	21%	12%	12%		4.24×	3.81×	19.66×	17.21×	29.59×	24.82×
Median	4%	7%	18%	19%	10%	11%		2.71×	2.60×	15.07×	13.68×	20.72×	19.59×
			Equity Valu	e		Impl	ied Share	Price					
Calculating Implied Share Price			Revenue	BITDA	Net Income	Rev	enue EBI		et Income	•			
Minimum			-37084	51822	220	- 6	62.22	86.95	0.37				
Mean			270339	175625	35356	49	53.59 2	294.67	59.32				
Median			171999	150139	27904	28	88.59 2	251.91	46.82				
Maximum			727052	392148	96366.6	121	19.89 6	557.97	161.69				