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**Boeing Company (BA-US)****Aerospace & Defense**

- We reiterate our buy rating on BA we believe significant upside in the share price continues to exist.
- BA continues to book new order wins as demand for jets continues to increase.
- An increase in production of single body planes offsets decline in 777 deliveries.
- Asia and India continue to drive growing demand for new jets and will continue to represent BA's biggest order growth.
- Significant growth opportunities exist in defense as US and global demand for tactical aircraft and helicopters increases.
- BA is emerging as a dominant player in cyber security.
- The demand for high-speed connectivity will continue to drive satellite growth.

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**Company Note**
**Boeing Company (BA-US)**  
 Aerospace & Defense

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**Research Action:**

Reiterate Rating

Rating: Buy

Prior Rating: Buy

Price 01/12/2017: \$158.29

 52 Week High /  
 Low: \$160.07  
 \$102.10

**Key Data: (TTM as of Sep-16)**

Excess Cash per Share: \$9.97

Annual Dividend: \$5.68

Dividend Yield: 3.59%

Ave. Volume (30 Day): 3.0M

Shares Outstanding: 617.2M

Float: 615.8M

Equity MV: \$97,691.2M

Sales TTM: \$94,858.0M

Beta: 0.91

EBITDAR: \$12,624.7M

NOPAT: \$5,361.2M

Total Invested Capital: \$28,023.6M

Return on Capital: 20.70%

Cost of Capital: 6.20%

Economic Profit: \$3,754.7M

Market Value Added: \$80,945.2M

Current Operations Value: \$88,554.9M

Future Growth Value: \$20,413.9M

- **We reiterate our buy rating on BA.** Demand for commercial airplanes driven by increasing passenger and freight traffic on the back of global economic recovery together with increasing defense spending and new initiatives into cyber security will continue to lead to improving Business Performance, increasing Economic Profit and greater shareholder value creation. We believe significant upside in the share price continues to exist.
- **BA continues to book new order wins as demand for jets continues to increase.** An improving global economy is increasing demand for new passenger and freight jets. The number of planes in service is expected to double over the next 20 years to over 45,000 driven by a 5% annual growth rate in passenger traffic. Between an increasing fleet and replacement of existing planes, total demand should be over 40,000 new planes worth about \$6 trillion over the next 20 years. About 38% of total demand will come from the growing Asian market 21% from North America, 19% from Europe and the balance from the rest of the world.
- **An increase in production of single body planes offsets decline in 777 deliveries.** Single-aisle jets will be the major driver behind growth, comprising 71% of the total projection. This represents worldwide demand over for 28,000 single-aisle jets, worth \$3.0 trillion, in the next 20 years. The new Boeing 737 MAX 8 and the current 737-800 will be the major growth catalysts. BA is currently producing 737s at a rate of 42 per month and will increase it to 47 per month throughout 2017 and increase to 52 per month in 2018 and 57 per month in 2019. 787 Dreamliner production will continue at last year's rate of 12 per month for this year and grow to 14 per month over the next few years.
- **Asia and India continue to drive growing demand for new jets and will continue to represent BA's biggest order growth.** The Chinese market represents over \$1 trillion worth of sales over the next 20 years. Single-aisle jets will continue to be the biggest demand driver, comprising 75% of the total projection the rest being 787 Dreamliner last July, BA received a commitment for 30 737 airplanes including the 737 MAX and Next-Generation 737 from an unidentified Chinese customer, worth over \$3 billion at current list prices; a Memorandum of Understanding with China's Kunming Airlines for 10 737 MAX 7 airplanes; an order from Yunnan-based carrier Ruili Airlines for 6 787 Dreamliners, valued at \$1.6 billion.

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- **Significant growth opportunities exist in defense as US and global demand for tactical aircraft and helicopters increases.** BA continues to experience strong order bookings and a growing backlog for Apache and Chinook helicopters F-18's F-15s as well as commercial and military satellites. BA is on track with to deliver to the U.S. Air Force 18 KC-46 refueling planes by Aug 2017 with a total value of \$52 billion. BA is expected Boeing is scheduled to complete delivery of all 179 aircraft by 2027. BA is building of the presidential aircraft for the Air Force along with the CST-100 spacecraft for NASA. Despite the recent Tweets from President-elect Trump about the price of these planes, BA will fulfill this order as contracted. BA still dominates the production of surveillance system and unmanned aircraft
- **BA is emerging as a dominant player in cyber security.** BA has expanded its presence in infrastructure protection, network surveillance, data analytics, information security, mission assurance, and information operations capabilities. This represents the biggest growing part of the defense budget. BA sells a comprehensive suite of interactive solutions that help better manage data. BA's biggest customers for the services are currently the US Department of Defense and the CIA. This will expand to include other government and corporate customers as concerns over cyber safety continue to grow. BAs cyber security products include hardware and software solutions to manage network security, testing and attack simulation.
- **The demand for high-speed connectivity will continue to drive satellite growth.** BAs geosynchronous and low orbit satellites are in continual demand for both land-based and mobile connectivity. Today satellites are used in telecom and data connectivity as well as connectivity for planes boats and automobiles. Satellites are continual use to support wireless Internet connectivity in planes and ships and provide the service network for navigation systems and infotainment systems in automobiles.

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Company Report – Research Update

Financial Data

Report Basis	LTM	LTM	LTM	LTM	LTM	LTM	LTM	NTM	5 Yr	3 Yr	Current
Reported Period Ending	09/30/2011	09/30/2012	09/30/2013	09/30/2014	09/30/2015	09/30/2016	09/30/2017		Average	Average	Trend
<b>Net Sales Revenue</b>	\$65,730.0	\$78,951.0	\$85,140.0	\$90,079.0	\$97,009.0	\$94,858.0	\$92,270.6	\$89,207.4	\$93,982.0	\$93,564.3	
Sales Growth	0.06%	20.11%	7.84%	5.80%	7.69%	-2.22%	-2.73%	7.85%	3.76%	-2.47%	
Sales Growth Trend	1.74%	12.09%	12.75%	6.62%	6.94%	1.75%	-2.52%	8.03%	5.10%	-0.39%	
<b>Operating Cash Flow (EBITDAR)</b>	\$11,731.6	\$12,996.2	\$13,156.8	\$13,787.7	\$14,111.6	\$12,624.8	\$13,275.3	\$13,335.4	\$13,508.0	\$12,950.0	
EBITDAR Margin	17.85%	16.46%	15.45%	15.31%	14.55%	13.31%	14.39%	15.02%	14.39%	13.85%	
EBITDAR Growth	-1.60%	10.78%	1.24%	4.79%	2.35%	-10.54%	5.15%	1.72%	-1.13%	-2.69%	
<b>Net Operating Profit Before Tax (NOPBT)</b>	\$5,640.6	\$7,521.2	\$8,083.8	\$8,461.7	\$8,776.6	\$5,703.8	\$7,521.2	\$7,709.4	\$7,647.3	\$6,612.5	
NOPBT Margin	8.58%	9.53%	9.49%	9.39%	9.05%	6.01%	8.15%	8.69%	8.15%	7.08%	
NOPBT Growth	-4.77%	33.34%	7.48%	4.67%	3.72%	-35.01%	31.86%	2.84%	-8.87%	-1.57%	
<b>Cash Operating Income Tax</b>	\$1,324.5	\$1,947.8	\$2,555.5	\$1,819.5	\$2,604.6	\$342.4	\$1,433.6	\$1,854.0	\$1,588.8	\$888.0	
Economic Tax Effective Rate	23.48%	25.90%	31.61%	21.50%	29.68%	6.00%	19.06%	22.94%	19.06%	12.53%	
<b>Net Operating Profit After Tax (NOPAT)</b>	\$4,316.1	\$5,573.4	\$5,528.4	\$6,642.2	\$6,171.9	\$5,361.4	\$6,087.6	\$5,855.4	\$6,058.5	\$5,724.5	
NOPAT Margin	6.57%	7.06%	6.49%	7.37%	6.36%	5.65%	6.60%	6.59%	6.46%	6.12%	
NOPAT Growth	7.43%	29.13%	-0.81%	20.15%	-7.08%	-13.13%	13.55%	5.65%	-0.02%	0.21%	
<b>Cash &amp; Equivalents</b>	\$9,273.0	\$11,214.0	\$15,952.0	\$10,119.0	\$9,908.0	\$10,971.0	\$10,694.1	\$11,632.8	\$10,332.7	\$10,832.6	
Total Assets	\$74,163.0	\$83,654.0	\$94,633.0	\$92,653.0	\$98,998.0	\$88,950.0	\$86,705.3	\$91,777.6	\$93,533.7	\$87,827.6	
Non - Interest Bearing Liabilities (NIBLs)	\$55,722.0	\$64,786.0	\$75,970.0	\$69,136.0	\$83,196.0	\$76,344.0	\$74,417.4	\$73,886.4	\$76,225.3	\$75,380.7	
Net Assets	\$18,347.0	\$18,774.0	\$18,547.0	\$23,391.0	\$15,756.0	\$12,545.0	\$12,228.4	\$17,802.6	\$17,230.7	\$12,386.7	
Economic Asset Adjustments	\$10,133.1	\$10,425.5	\$11,113.4	\$6,988.1	\$8,004.3	\$15,478.2	\$15,087.6	\$10,401.9	\$10,156.8	\$15,282.9	
Net Operating Assets	\$28,480.1	\$29,199.5	\$29,660.4	\$30,379.1	\$23,760.3	\$28,023.2	\$27,316.0	\$28,204.5	\$27,387.5	\$27,669.6	
<b>Debt &amp; Debt Equivalents</b>	\$13,065.1	\$11,851.5	\$10,280.4	\$9,574.1	\$9,819.3	\$11,277.2	\$10,992.6	\$10,560.5	\$10,223.5	\$11,134.9	
Equity & Equivalents	\$5,967.0	\$7,588.0	\$8,951.0	\$14,511.0	\$6,740.0	\$2,089.0	\$2,036.3	\$7,975.8	\$7,780.0	\$2,062.6	
Total Capital - Financing Sources	\$19,032.1	\$19,439.5	\$19,231.4	\$24,085.1	\$16,559.3	\$13,366.2	\$13,028.9	\$18,536.3	\$18,003.5	\$13,197.5	
Capital Adjustments	\$9,448.0	\$9,760.0	\$10,429.0	\$6,294.0	\$7,201.0	\$14,657.0	\$14,287.1	\$9,668.2	\$9,384.0	\$14,472.1	
Net Capital Financing Sources	\$28,480.1	\$29,199.5	\$29,660.4	\$30,379.1	\$23,760.3	\$28,023.2	\$27,316.0	\$28,204.5	\$27,387.5	\$27,669.6	
<b>Net Working Capital</b>	\$4,452.5	\$5,926.6	\$3,829.0	\$8,124.0	\$5,502.5	\$9,548.9	\$9,307.9	\$6,586.2	\$7,725.1	\$9,428.4	
Cost of Net Working Capital	\$105.4	\$278.2	\$319.7	\$343.6	\$402.4	\$465.1	\$453.4	\$361.8	\$403.7	\$459.3	
% of Revenue	0.16%	0.35%	0.38%	0.38%	0.41%	0.49%	0.49%	0.40%	0.43%	0.49%	
<b>Operational Capital</b>	\$14,327.6	\$16,088.0	\$14,500.4	\$19,525.0	\$17,919.7	\$23,083.1	\$22,500.6	\$18,223.3	\$20,175.9	\$22,791.8	
Cost of Operational Capital	\$613.2	\$815.3	\$1,002.4	\$978.1	\$1,105.8	\$1,267.1	\$1,235.1	\$1,033.7	\$1,117.0	\$1,251.1	
% of Revenue	0.93%	1.03%	1.18%	1.09%	1.14%	1.34%	1.34%	1.15%	1.19%	1.34%	
<b>Productive Capital</b>	\$22,361.6	\$23,979.0	\$22,509.4	\$27,610.0	\$25,747.7	\$30,699.1	\$29,924.4	\$26,109.1	\$28,018.9	\$30,311.7	
Cost of Productive Capital	\$1,034.8	\$1,242.2	\$1,523.5	\$1,440.8	\$1,575.7	\$1,744.4	\$1,700.4	\$1,505.3	\$1,586.9	\$1,722.4	
% of Revenue	1.57%	1.57%	1.79%	1.60%	1.62%	1.84%	1.84%	1.69%	1.69%	1.84%	
<b>Total Operating Capital</b>	\$22,493.6	\$21,933.0	\$17,965.4	\$24,764.0	\$18,702.7	\$21,795.1	\$21,245.1	\$21,032.1	\$21,753.9	\$21,520.1	
Cost of Total Operating Capital	\$1,095.5	\$1,190.8	\$1,307.5	\$1,228.3	\$1,283.6	\$1,251.5	\$1,219.9	\$1,252.4	\$1,254.5	\$1,235.7	
% of Revenue	1.67%	1.51%	1.54%	1.36%	1.32%	1.32%	1.32%	1.41%	1.34%	1.32%	
<b>Non - Operating Capital</b>	\$5,986.5	\$7,266.5	\$11,695.0	\$5,615.1	\$5,057.6	\$6,228.1	\$6,070.9	\$7,172.4	\$5,633.6	\$6,149.5	
Cost of Non - Operating Capital	\$336.9	\$355.2	\$621.4	\$497.6	\$315.2	\$348.8	\$340.0	\$427.6	\$387.2	\$344.4	
% of Revenue	0.51%	0.45%	0.73%	0.55%	0.32%	0.37%	0.37%	0.48%	0.41%	0.37%	
<b>Total Capital</b>	\$28,480.1	\$29,199.5	\$29,660.4	\$30,379.1	\$23,760.3	\$28,023.2	\$27,316.0	\$28,204.5	\$27,387.5	\$27,669.6	
Cost of Total Capital	\$1,432.4	\$1,546.1	\$1,928.9	\$1,725.9	\$1,598.8	\$1,600.3	\$1,559.9	\$1,680.0	\$1,641.7	\$1,580.1	
% of Revenue	2.18%	1.96%	2.27%	1.92%	1.65%	1.69%	1.69%	1.89%	1.75%	1.69%	
<b>Cost of Capital (WACC)</b>	5.29%	5.36%	6.55%	5.75%	5.91%	6.18%	6.18%	5.95%	5.95%	6.18%	
<b>Capital Structure</b>											
<b>Debt &amp; Debt Equivalents</b>	\$13,065.1	\$11,851.5	\$10,280.4	\$9,574.1	\$9,819.3	\$11,277.2	\$10,992.6	\$10,560.5	\$10,223.5	\$11,134.9	
Debt & Debt Equivalents % of Market Value	22.56%	18.47%	10.39%	9.45%	9.94%	12.15%	12.15%	11.58%	10.47%	12.15%	
<b>Preferred Equity</b>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
Preferred Equity % of Market Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>Market Value of Common Equity</b>	\$44,843.5	\$52,321.4	\$88,647.2	\$91,791.7	\$88,979.9	\$81,541.8	\$79,484.0	\$80,656.4	\$87,437.8	\$80,512.9	
Common Equity % of Market Value	77.44%	81.53%	89.61%	90.55%	90.06%	87.85%	87.85%	88.42%	89.53%	87.85%	
<b>Total Economic Market Value (MV)</b>	\$57,908.6	\$64,172.9	\$98,927.6	\$101,365.8	\$98,799.1	\$92,819.0	\$90,476.6	\$91,216.9	\$97,661.3	\$91,647.8	
Total %	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
<b>Excess Cash</b>	\$5,986.5	\$7,266.5	\$11,695.0	\$5,615.1	\$5,057.6	\$6,228.1	\$6,070.9	\$7,172.4	\$5,633.6	\$6,149.5	
Economic Enterprise Value	\$51,922.1	\$56,906.4	\$87,232.6	\$95,750.7	\$93,741.6	\$86,590.9	\$84,405.7	\$84,044.4	\$92,027.7	\$85,498.3	
<b>Average Capital</b>	\$27,060.5	\$28,839.8	\$29,430.0	\$30,019.7	\$27,069.7	\$25,891.7	\$27,669.6	\$28,250.2	\$27,660.4	\$26,780.7	
Capital Δ	\$2,839.2	\$719.4	\$460.9	\$718.7	(\$6,618.8)	\$4,262.9	(\$707.2)	(\$91.4)	(\$545.7)	\$1,777.9	

Source: Company Data, Financial statements and Tigress Research

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Company Report – Research Update

Report Basis	LTM	LTM	LTM	LTM	LTM	LTM	LTM	NTM	5 Yr	3 Yr	Current
Reported Period Ending	09/30/2011	09/30/2012	09/30/2013	09/30/2014	09/30/2015	09/30/2016	09/30/2017	Average	Average	Average	Trend
Return on Market Value (NOPAT / MV)	7.45%	8.68%	5.59%	6.55%	6.25%	5.78%	5.63%	6.57%	6.19%	5.70%	
Return on Enterprise Value (NOPAT / EV)	8.31%	9.79%	6.34%	6.94%	6.58%	6.19%	6.04%	7.17%	6.57%	6.11%	
Return on Capital (NOPAT / Average Capital)	15.95%	19.33%	18.78%	22.13%	22.80%	20.71%	20.18%	20.75%	21.88%	20.45%	
Cost of Capital (WACC)	5.29%	5.36%	6.55%	5.75%	5.91%	6.18%	6.18%	5.95%	5.95%	6.18%	
Economic Return Spread	10.66%	13.96%	12.23%	16.38%	16.89%	14.53%	14.16%	14.80%	15.93%	14.34%	
Capital Charge	\$1,432.4	\$1,546.1	\$1,928.9	\$1,725.9	\$1,598.8	\$1,600.3	\$1,559.9	\$1,680.0	\$1,641.7	\$1,580.1	
Economic Profit (EP)	\$2,883.8	\$4,027.3	\$3,599.4	\$4,916.3	\$4,573.2	\$3,761.1	\$3,666.2	\$4,175.5	\$4,416.8	\$3,713.7	
Economic Profit Improvement (EPI)	\$404.3	\$1,143.5	(\$427.8)	\$1,316.8	(\$343.1)	(\$812.0)	(\$94.9)	\$175.5	\$53.9	(\$453.5)	
EP Growth	16.30%	39.65%	-10.62%	36.58%	-6.98%	-17.76%	-2.52%	8.18%	3.95%	-10.14%	
Economic Profit Margin on Sales	4.39%	5.10%	4.23%	5.46%	4.71%	3.96%	3.97%	4.69%	4.71%	3.97%	
Economic Profit Per Share	\$3.91	\$5.39	\$4.76	\$6.48	\$6.29	\$5.48	\$5.34	\$5.68	\$6.08	\$5.41	
GAAP Earnings Per Share	\$5.10	\$5.73	\$5.70	\$7.09	\$8.07	\$6.66	\$9.08	\$6.65	\$7.27	\$7.87	
Excess Cash Per Share	\$8.00	\$9.57	\$15.44	\$7.78	\$7.44	\$9.97	\$9.72	\$10.04	\$8.40	\$9.85	
<b>Performance Drivers</b>											
Sales Growth	0.06%	20.11%	7.84%	5.80%	7.69%	-2.22%	-2.73%	7.85%	3.76%	-2.47%	
Sales Growth Trend (ROC Sales Growth)	1.74%	12.09%	12.75%	6.62%	6.94%	1.75%	-2.52%	8.03%	5.10%	-0.39%	
EBITDAR Margin	17.85%	16.46%	15.45%	15.31%	14.55%	13.31%	14.39%	15.02%	14.39%	13.85%	
EBITDAR Growth	-1.60%	10.78%	1.24%	4.79%	2.35%	-10.54%	5.15%	1.72%	-1.13%	-2.69%	
NOPBT Margin	8.58%	9.53%	9.49%	9.39%	9.05%	6.01%	8.15%	8.69%	8.15%	7.08%	
NOPBT Growth	-4.77%	33.34%	7.48%	4.67%	3.72%	-35.01%	31.86%	2.84%	-8.87%	-1.57%	
NOPAT Margin	6.57%	7.06%	6.49%	7.37%	6.36%	5.65%	6.60%	6.59%	6.46%	6.12%	
NOPAT Growth	7.43%	29.13%	-0.81%	20.15%	-7.08%	-13.13%	13.55%	5.65%	-0.02%	0.21%	
Economic Profit Margin on Sales (EP / Sales)	4.39%	5.10%	4.23%	5.46%	4.71%	3.96%	3.97%	4.69%	4.71%	3.97%	
Economic Profit Growth	16.30%	39.65%	-10.62%	36.58%	-6.98%	-17.76%	-2.52%	8.18%	3.95%	-10.14%	
Economic Return Spread (ROC-WACC)	10.66%	13.96%	12.23%	16.38%	16.89%	14.53%	14.00%	14.80%	15.93%	14.27%	
Economic Return Ratio (ROC / WACC)	301.33%	360.48%	286.61%	384.85%	386.04%	335.03%	326.58%	350.60%	368.64%	330.80%	
Economic Profit Momentum (ΔEP/Capital)	1.42%	3.92%	-1.44%	4.33%	-1.44%	-2.90%	-0.35%	0.49%	0.00%	-1.62%	
Economic Profit Momentum Margin (ΔEP/Sales)	0.62%	1.45%	-0.50%	1.46%	-0.35%	-0.86%	-0.10%	0.24%	0.08%	-0.48%	
Capital Growth	11.07%	2.53%	1.58%	2.42%	-21.79%	17.94%	-2.52%	0.54%	-0.47%	7.71%	
Capital Turns	2.31X	2.70X	2.87X	2.97X	4.08X	3.38X	3.38X	3.20X	3.48X	3.38X	
EVC Acceleration Margin	0.62%	1.74%	-0.54%	1.55%	-0.38%	-0.84%	-0.10%	0.19%	0.06%	-0.48%	
EVC Acceleration Spread	1.75%	4.23%	-1.48%	4.47%	-1.14%	-3.00%	-0.37%	0.63%	0.19%	-1.64%	
<b>Risk Factors</b>											
Free Cash Flow (NOPAT - Δ Capital)	\$1,476.9	\$4,853.9	\$5,067.5	\$5,923.5	\$12,790.7	\$1,098.5	\$6,794.8	\$5,946.8	\$6,604.2	\$3,946.6	
Free Cash Flow Rate (FCF / Capital)	5.19%	16.62%	17.08%	19.50%	53.83%	3.92%	24.87%	22.19%	25.75%	14.40%	
Free Cash Flow Yield (FCF / MV)	2.55%	7.56%	5.12%	5.84%	12.95%	1.18%	7.51%	6.53%	6.66%	4.35%	
Total Debt / Total Capital	45.87%	40.59%	34.66%	31.52%	41.33%	40.24%	40.24%	37.67%	37.69%	40.24%	
Total Debt / EBITDAR	111.37%	91.19%	78.14%	69.44%	69.58%	89.33%	82.80%	79.54%	76.12%	86.07%	
Excess Cash	\$5,986.5	\$7,266.5	\$11,695.0	\$5,615.1	\$5,057.6	\$6,228.1	\$0.0	\$7,172.4	\$5,633.6	\$3,114.1	
Financial Leverage ((Total Debt - Excess Cash) / Pension Leverage (Net Pension Liability / MV))	12.22%	7.14%	-1.43%	3.91%	4.82%	5.44%	12.15%	3.98%	4.72%	8.79%	
Equity Risk Index (S&P 500 = 1.00)	0.90	0.90	0.90	0.90	0.90	0.91	0.91	0.90	0.90	0.91	
Stock Price Volatility	4.31	3.49	2.53	2.71	3.12	3.22	3.22	3.01	3.02	3.22	
Sales Index (NL Sales)	11.09	11.28	11.35	11.41	11.48	11.46	11.43	11.40	11.45	11.45	
Market Value Index (NL Market Value)	10.97	11.07	11.50	11.53	11.50	11.44	11.41	11.41	11.49	11.43	
Size Index (NL Sales: MV)	11.03	11.17	11.43	11.47	11.49	11.45	11.42	11.40	11.47	11.44	
Beta	0.84	0.84	0.85	0.85	0.86	0.86	0.86	0.85	0.86	0.86	
TFP Adjusted Beta	0.90	0.90	0.90	0.90	0.90	0.91	0.91	0.90	0.90	0.91	
Stock Price Volatility	4.31	3.49	2.53	2.71	3.12	3.22	3.22	3.01	3.02	3.22	
<b>Valuation Measures</b>											
Total Economic Market Value (MV)	\$57,908.6	\$64,172.9	\$98,927.6	\$101,365.8	\$98,799.1	\$92,819.0	\$90,476.6	\$91,216.9	\$97,661.3	\$91,647.8	
Economic Enterprise Value	\$51,922.1	\$56,906.4	\$87,232.6	\$95,750.7	\$93,741.6	\$86,590.9	\$84,405.7	\$84,044.4	\$92,027.7	\$85,498.3	
Equity Market Value	\$44,843.5	\$52,321.4	\$88,647.2	\$91,791.7	\$88,979.9	\$81,541.8	\$79,484.0	\$80,656.4	\$87,437.8	\$80,512.9	
Total Capital	\$28,480.1	\$29,199.5	\$29,660.4	\$30,379.1	\$23,760.3	\$28,023.2	\$27,316.0	\$28,204.5	\$27,387.5	\$27,669.6	
Market Value Created MVC (MV - Capital)	\$29,428.5	\$34,973.4	\$69,267.2	\$70,986.7	\$75,038.9	\$64,795.8	\$63,160.6	\$63,012.4	\$70,273.8	\$63,978.2	
MVC Margin (MVC / Sales)	44.77%	44.30%	81.36%	78.80%	77.35%	68.31%	68.45%	70.64%	74.77%	68.38%	
MVC Spread (MVC / Capital)	103.33%	119.77%	233.53%	233.67%	315.82%	231.22%	231.22%	223.41%	256.59%	231.22%	
Current EVC Value (EP / WACC)	\$54,480.8	\$75,122.0	\$54,917.8	\$85,510.9	\$77,430.0	\$60,853.7	\$59,318.1	\$70,172.6	\$74,290.8	\$60,085.9	
Current Operations Value COV	\$81,541.3	\$103,961.8	\$84,347.7	\$115,530.7	\$104,499.7	\$86,745.5	\$86,987.6	\$98,422.8	\$101,951.1	\$86,866.5	
Current Operations Value Per Share	\$110.47	\$139.25	\$111.62	\$152.23	\$143.62	\$126.29	\$118.33	\$133.88	\$140.73	\$122.17	
Future Growth Value (MVC - EVA Value)	(\$23,632.7)	(\$39,788.9)	\$14,579.9	(\$14,164.9)	(\$5,700.5)	\$6,073.5	\$3,489.0	(\$7,206.0)	(\$4,289.8)	\$4,781.2	
Future Growth Value Reliance (FGV / MV)	-40.81%	-62.00%	14.74%	-13.97%	-5.77%	6.54%	3.86%	-7.90%	-4.39%	5.22%	
Share Price	\$60.51	\$69.60	\$117.50	\$127.38	\$130.95	\$131.74	\$131.74	\$115.43	\$130.02	\$131.74	
Dividend Yield	2.78%	2.50%	1.61%	2.10%	2.64%	3.17%					
Total Shareholder Return (TTM)	-6.29%	17.51%	70.45%	10.51%	5.44%	3.78%	0.00%	-12.38%	12.64%	1.32%	
MV to IC Ratio	2.03X	2.20X	3.34X	3.34X	4.16X	3.31X	3.31X	3.23X	3.57X	3.31X	
EV / EBITDAR Multiple	4.43X	4.38X	6.63X	6.94X	6.64X	6.86X	6.36X	6.30X	6.81X	6.60X	
EV / NOPBIT Multiple	9.21X	7.57X	10.79X	11.32X	10.68X	15.18X	11.22X	10.90X	12.03X	12.93X	
EV / NOPAT Multiple	12.03X	10.21X	15.78X	14.42X	15.19X	16.15X	13.87X	14.35X	15.19X	14.94X	
EV / EP Multiple	18.00X	14.13X	24.23X	19.48X	20.50X	23.02X	23.02X	20.13X	20.84X	23.02X	
Future Growth Value (% of MV)	-40.81%	-62.00%	14.74%	-13.97%	-5.77%	6.54%	3.86%	-7.90%	-4.39%	5.22%	
Current Operations Value (% of MV)	140.81%	162.00%	85.26%	113.97%	105.77%	93.46%	96.14%	107.90%	104.39%	94.78%	
Market Value (COV + FGV %)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
Basic Shares Outstanding	738.1	746.6	755.7	758.9	727.6	686.9	735.1	735.1	724.5	711.0	

Source: Company Data, Financial statements and Tigress Research

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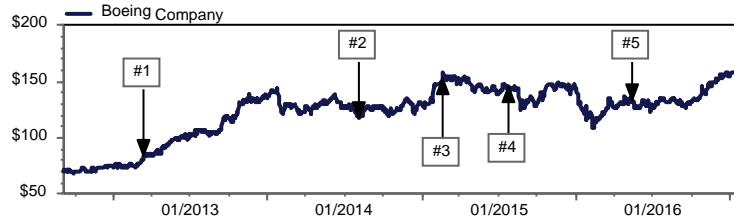
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**Ratings History**

Boeing Company (BA-US)				
Item #	Date	Research Action	Rating	Price
#5	05/16/2016	Reiterate Rating	Buy	\$134.14
#4	07/23/2015	Upgrade	Buy	\$146.11
#3	02/19/2015	Reiterate Rating	Neutral	\$153.75
#2	08/06/2014	Reiterate Rating	Neutral	\$118.34
#1	03/13/2013	Initiation of Coverage	Neutral	\$84.75





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We employ proprietary quantitative valuation models combined with dynamic fundamental analysis based on the principles of Economic Profit to formulate timely and insightful investment ratings, analysis, strategies and recommendations.

We make key adjustments to reported financial data eliminating GAAP-based accounting distortions and measuring all companies on a cash operating basis.

Our proprietary research framework is a multi-factor model that scores and ranks companies based on their risk-adjusted ability to create Economic Profit relative to their current market value focusing on three key components:

**Business Performance:** Measuring economic profitability, growth and operating efficiency.

**Risk:** Measuring business sustainability, volatility, strength and consistency.

**Valuation:** Linking business performance to market value. Measuring value created relative to capital employed and enterprise multiples of economic profit and cash flow.

We score and rank 24 key measurements of performance, risk and value into relative market and industry investment recommendations.

*For more information on our research methodology, please review the Tigress Investment Research Guide to Company Valuation and Analysis.*

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<b>Excess Cash per Share:</b>	Excess Cash per Share is the amount of excess cash divided by basic shares outstanding. Excess Cash consists of all cash and short-term securities less operating cash needed to run the business. Operating Cash is 5% of TTM net sales revenue.
<b>EBITDAR:</b>	Earnings Before Interest, Taxes, Depreciation, Amortization, and Restructuring and Rent Costs. This is especially important when comparing companies that use a significant amount of leased assets like restaurants and retailers.
<b>NOPAT:</b>	Net Operating Profit after Tax. Represents a company's after-tax cash operating profit excluding financing costs.
<b>Total Invested Capital:</b>	Total Invested Capital the total cash investment that shareholders and debt holders have made during the life of company.
<b>Return on Capital:</b>	Return on Capital equals NOPAT divided by Total Invested Capital. It is a key measure of operating efficiency. ROC quantifies how well a company generates cash flow relative to the capital invested in its business.
<b>Cost of Capital:</b>	Is the proportionately weighted cost of each category of capital – common equity, preferred equity and debt.
<b>Economic Profit:</b>	Economic Profit is the net operating income after tax less the opportunity cost of the total capital invested. It is the most important driver of shareholder value.
<b>Current Operations Value:</b>	Current Operations Value is the portion of market value based on the discounted present value of the current earnings stream assuming it remains constant forever.
<b>Future Growth Value:</b>	Future Growth Value is the portion of market value based on un-earned Economic Profit

*For more information on the key terms and measures, please review the Tigress Investment Research Guide to Company Valuation and Analysis.*

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<b>Strong Buy:</b>	Expect significant price gains in the price of the stock relative to its industry peer group and general market over the next 12 months.
<b>Buy:</b>	Expect out-performance for the price of the stock relative to its industry peer group and general market over the next 12 months.
<b>Neutral:</b>	Expect little or no outperformance opportunity over the next 12 months.
<b>Underperform:</b>	Expect underperformance for the price of the stock relative to its industry peer group and general market over the next 12 months.
<b>Sell:</b>	Expect price decline or significant relative market and industry underperformance over the next 12 months.

**Rating Distribution (01/12/2017)**

<b>Companies Under Coverage</b>		<b>Relationship Companies Under Coverage*</b>	
<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
16	15%	0	0%
49	44%	4	80%
38	36%	1	20%
6	5%	0	0%
0	0%	0	0%
<b>Total</b>	<b>109</b>	<b>5</b>	<b>100%</b>

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