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PRESENTATION

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

Okay. Good morning. I think we're live. It's Rob Spingarn from Crédit Suisse. And it's my pleasure to welcome Boeing this morning. We have Greg Smith, EVP of Enterprise Operations and Chief Financial Officer.

Greg, thank you so much for sharing your time with us this morning. Clearly, the market will appreciate an update on the latest with Boeing, given the fast-paced environment we're in. But we're going to chat for about 35 to 40 minutes, but I'd like to start by asking if you have some opening thoughts.

Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

Yes. Great. Thanks, Rob. And again, appreciate the opportunity to be with you and the rest of the team today. And hope you and all those listening are staying safe and healthy.

Yes, I thought it might be helpful just to give a brief update on the market and then some updates on some of the key programs, and particularly on commercial and then -- and just some of the other actions that we're taking to navigate the current environment and kind of how we're seeing it beyond the pandemic.

Maybe just start with the market. We're continuing to monitor the pandemic closely and -- as we have been, and having consistent and regular conversations with customers and suppliers. And certainly, that's informing our decisions of what actions we need to take as a company and how do we need -- how can we stay ahead of this as we've been continuously trying to do. Of course, as we've seen some very encouraging news around the potential for a vaccine to be introduced broadly fairly near term, which is -- which, again, is very encouraging and positive, and it's the key enabler, certainly to our industry and to our customers, and to the recovery and the growth, along with a lot of other industries. So something, again, we're watching very closely and talking to our customers about to get better informed, again, of how we need to support them.

But at the same time, as we've all seen, the winter months have been tough so far, and we're seeing significant case spikes around the globe. And as the cases rise and you've seen the protocols around travel change, and the recovery has slowed and continues to be uneven.

On the domestic front, we're seeing regional differences as Asia recovery continues and is progressing very well, whereas the U.S. trajectory was moving in the right direction and then started to level off recently with the case rates and the restrictions and so on. And then Europe recovery is really temporarily reversed as the -- again, as the restrictions have continued or have been strengthened.

On the international side, clearly, international passenger traffic is still the hardest hit, remaining about 90% below 2019 levels at this time last year which, again, has impacted the overall near-term demand for widebody markets, as we've discussed before. And as we had more thorough discussion on the third quarter call around the widebody market and rates, we're seeing that pressure continue over the last month since we last talked.

So as a result of that, we've made a modest adjustment to the 787 production rate from what we had previously announced rate of 6 aircraft a month beginning in mid-'21 to a rate of 5 per month by mid-'21. And as we're transitioning to that lower rate between now and mid-'21, we're going to see the effective production rate be below -- be below 10 for that period of time.

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And while we balance the supply and demand through the near-term impacts in the global pandemic, we do remain very confident in the long-term outlook. And certainly, the health of the 787, as you've seen between the versatility and just the demonstrated market-leading economics that airplane brings to the marketplace, the long-term potentials post pandemic are very robust.

I think on the narrowbody front, we're continuing to expect domestic air travel to lead the recovery and, as a result, expect narrowbody demand to be a really key driver in the overall market.

But as we've said, the path ahead will be heavily dependent upon not only the virus but also the wide-scale progress on rapid testing, the coordinated travel entry protocols and, ultimately, the timing and the availability of the vaccine that, again, is we're seeing that progress with pace and some encouraging news there.

So although the near-term market, again, continues to be dynamic and challenging, we remain very confident in the long-term fundamentals. And as we're navigating this unprecedented time in the commercial market, we're not taking our eye off defense space and security business and ensuring that we're executing and meeting our expectations there. That's clearly driving some stability back into the company, and the market outlook remains solid domestically and international for our major programs.

Now shifting a little bit to just some updates on some of the key programs. As you've seen, the news on the FAA lifting the 737 grounding order. And you'll see -- you've seen international regulators progressing well. The move allows the airlines that are under the FAA jurisdiction, including those in the U.S., to take steps necessary to resume service and for us to begin making deliveries. So this is clearly an important step representing progress. And as we rebuild trust 1 airplane at a time, we will be laser-focused on, again, safety, quality and transparency.

And I'd like to pause there and just, again, thank our customers and all our partners for their patience and their confidence that they've had in us and our products. And I want to thank again, Michael O'Leary and Neil from Ryanair for the recent order of 75 airplanes that we announced yesterday. We're certainly looking forward to working with them and all of our 737 customers as we bring this aircraft back into the marketplace.

And as we bring it back in the marketplace, and again, as we've stated before, we'll assist our customers with the return to service of their existing parked fleet first. And then we'll begin deliveries from our delivery center through a mix of aircraft from storage and those coming off the production line of Renton.

And just this week, the airplane ticketing process began in preparation for the first deliveries, which are now expected to be in the next coming weeks.

So every step of the way, we'll continue to follow the lead of the FAA and our global regulators, and we'll work closely with our customers to meet their needs.

And as we've communicated previously, we continue to monitor the pace of passenger traffic recovery. And again, a key underpinning of that is the vaccine and certainly in the travel protocols, as I said. And we'll adjust the 737 production rate as appropriate. And we're currently producing at a very low rate, and we plan to gradually increase that, as we stated, to 31 a month in the early '22 time frame.

On the 787, as we discussed on the third quarter call, we've got a large number of undelivered 787 aircraft in inventory. And clearly, the burn down of that inventory will be largely influenced by the pace of our delivery activities. The additional time that were taken to inspect and ensure that each of our 787s are delivered to the highest quality standards has taken longer than we previously anticipated. So as a result, we delivered no 787s in November and expect the process will continue to slow deliveries in December and anticipate unwinding the inventory now, those undelivered aircraft, through 2021.

So while the additional time for inspection is impacting deliveries, conducting the comprehensive reviews is absolutely the right thing to do for our customers and for the long-term health of the program. And I think it demonstrates our commitment to focus on quality and safety across all of our programs. So we'll continue to keep you posted on our 787 deliveries.

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On 777X, continue to work with the regulators and the certification work scope, including reflecting the learnings from the 737 regulatory review process. And again, as any development program, there is inherent risk that can affect schedule. And the timing of EIS will ultimately be influenced by the certification requirements defined by regulators. So we expect to gain better visibility as our work with regulators progresses and we continue to keep you up to date. At the same time, we continue to stay very close to our 777X customers regarding their fleet plans and timing of deliveries. And again, we'll continue to keep you up-to-date on 777X.

And then maybe, Rob, just lastly, as we manage the impact of COVID-19, we believe we are taking the right steps to manage our business in proactive steps. And since March, we've initiated a set of prudent steps and actions to preserve liquidity through the pandemic, adapt to the new market near term and transform our business to capture long-term opportunities ahead of us. You've heard us talk before about the actions we're taking across those 5 pillars: to reshape our infrastructure; streamline our overhead and organizational structure; rebalance our portfolio and investment mix; and strengthen the health and stability of our supply chain; and drive operational excellence across the enterprise.

Our mission here and objective is very clear: stay laser-focused on the market dynamics, take proactive action and get ahead of this as much as we can, as we have done. And all eyes are on cash and liquidity right now and have been, and we will emerge stronger, more resilient and positioned for growth on the other side. The long-term fundamentals of the market, they remain strong, and we continue to keep an eye on the future as we're navigating this environment and believe our portfolio is well positioned. And we're taking the right actions to navigate the environment, supporting our customers, our suppliers and our people. And we'll continue to be confident, again, in a long-term market and our future and continue to make the right steps, and make them with pace and with solid action plans to, again, to come out of this stronger and more lean and more agile and in a better position to even compete before the pandemic.

So with that, Rob, I'll hand it back to you and happy to take any of your questions.

QUESTIONS AND ANSWERS

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

So well, thank you, Greg, and thank you for the update. I guess, hearing that, and given the changes, we're in this fast-moving, dynamic environment where things are improving in some areas and regressing in others. Based on the changes you just talked about to the production rate, for example, for the 87 and the latest timing, are you comfortable with your liquidity position at this point that you can manage through this slightly changed, I'd call it, near-term plan?

Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

Yes. Yes, we are, Rob. I'm -- yes, we're comfortable about where we are today. And taking all that, what we just talked about, into consideration, and as you know, we've been, from day 1, trying to stay ahead of this and taken action early, whether it was the delayed draw term loan that we executed on very early or the debt raise that we had in the market. But throughout that entire period, daily focus on cash. So yes, we're comfortable about where we are today and getting to the other side of this.

Having said that, we're continuing to keep all of our options open. And you should expect us to continue to be proactive where we need to be proactive. And we're constantly reviewing our capital structure strategy and focused on the long-term balance sheet strength that we look to obtain over time.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

Okay. I'm going to have a question going back to that in a little bit. But I think what I'd like to do is stick on the demand side, customer behavior kind of topic. And notwithstanding what you just said about the near term, one of the things that the vaccine progress brings to light is this possibility that maybe the recovery, while it's obviously going to be slow at first and gradual, but maybe at some point, it hockey sticks a bit.

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And there's this talk of a light switch full case, if you will, where traffic suddenly improves. I'm not clear on the timing, but let's say second half of '21. And once the vaccine gets out there, especially into a lot -- into parts of the world that fly, we maybe get a somewhat more aggressive recovery in demand than expected. Do you at all contemplate the possibility of something like that? And could you accommodate it if it happened?

Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

Yes. I mean, to answer your first question, yes. So we're running scenarios constantly around various outcomes of this and pace and acceleration around it. And we've been doing that, again, since day 1. And it's -- these are very active, as you can imagine, models in different scenarios, with the real attempt to stay ahead of it. Now staying ahead of it, whether it's staying ahead of it that, it becomes more challenging. Or staying ahead of it, that it actually is better than what the base case might be today, we'll be ready, Rob.

And I think we have an advantage that certainly it wasn't set up intentionally this way, but we've got 450 aircraft parked on the 737. The constraint there won't be our ability to deliver them. It's the pace and ability for the customers to take them. So we can turn that up pretty significantly, and we're resourced, and the teams are trained and ready to do that.

Now obviously, we will work with the regulators, if that's the case, and they will take the lead on that, and we will follow them. But as far as our ability to resource and react to what might be a more accelerated case, we're very prepared for that. And like I said, in particular, as we see that it will likely be narrowbody recovery that will be -- we will begin with, we're in a position to provide those aircraft to the customers at a very strong pace. And like I said, we're resourced to do that.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

Without getting too far ahead of myself, because I got a MAX section here, but if you provide those aircraft to customers, are they generally going to the originally intended customers? Or can you reconfigure those for others, for example, Ryanair?

Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

Yes. We certainly can. And as you know, on a narrowbody, it's certainly easier than a widebody, and we will. And in some cases where we've had cancellations, we've provisioned for the ability to reconfigure those aircraft and remarket them. So we absolutely have that flexibility, and we'll bring that flexibility to the table when talking with customers. So if we see some earlier stronger demand, we'll go through that process with them, whether we would reconfigure or they would reconfigure it. We've got all those options on the table.

And like I said, we've got the teams and we've got the capital in place to be able to resource that and meet their needs. So I don't see us as being a constraint if there is a, as you put it, a hockey stick, it will really be more around the customer's ability to take the aircraft.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

And then just on that, Greg, if we do have that hockey stick between inventory planes and produced planes, if you were to get back into, let's say, the rate of 40 -- in the 40s or 50s on the MAX and we get some lift in widebody, how close -- I'm looking out to the right here and so I don't want to get too far into the skis, but how close could you get to the cash flow levels that we all contemplated prior to the grounding and prior to COVID?

Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

Yes. Well, you hit on the single biggest, I'll say, driver of cash flow recovery, and it's the MAX. It's getting 737 rate back up will be the single biggest driver, even as you look from '20 to '21. The improvements in cash flow, although '21 will still be use of cash, but not as much as '20, 737 deliveries are the single biggest driver. The driver after that is the 787 unwind of the inventory that I just talked about and then combined with some of the other activities that we got going on in the company.

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And then as you go from '21 to '22, again, if you were to kind of rank these of drivers, significant drivers, 737 again, which is tied to, again, burning off that inventory but bringing up that production rate, as you discussed.

So that's kind of the, I'll say, the key drivers from '20 to '21, a lot of moving pieces, obviously, within that. But if you just step back and said, what are the real key differentiators on the cash flow profile of the Boeing company? Those are the big drivers. So that's why clearly, we're laser-focused on this and putting all the right resources in place to ensure that we can meet the demands of our customer and, as you know, really try to get that inventory burn down as we've talked about.

And then beyond that, it will be all market-driven clearly, that -- and we'll modify production rates accordingly. And the cash flow will follow the increase in the production rates and the progress payments that will come with those enhanced production rates.

So this is very much market-driven and kind of goes back to the fundamentals I talked about, which is testing protocols and travel restrictions and ultimately the vaccine that's tied directly to traffic recovery. And if that's the case, then the production rates will follow, and we'll be prepared.

Now under all the work that we're doing under this transformation effort, as I mentioned, we're not leaving any rock unturned under those 5 categories, and we're looking for opportunities to streamline and lean ourselves out with the idea that we can emerge from this stronger and more efficient.

So still lots of work to be done, but that is a -- that's a regular cadence. That is a weekly cadence that we go through, actions we're taking, whether it's real estate or consolidation or management structures, organizational structures, driving stability into -- making investments to drive stability back into the production system. So when the rates come up, we're, candidly, in some cases, in better shape than we were before the pandemic because we're using this time to get the things in place to drive stability that ultimately is going to drive predictability, first-time quality, and our ability to come up and rate, do it efficiently, and the cash flow will follow. So there's a ton of effort going on around that, and there will continue to be throughout this and post this.

But that's kind of the way we see it, Rob. And like I said, the key drivers, as I outlined, are going to be the big focus items. And of course, the market is going to really dictate that. And that's -- it's really important that we stay in tune with the market dynamics and making the adjustments, whatever we need to do, and not lose sight of the future, which is absolutely we are not doing.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

Right. Just bringing it back a little closer to now. One topic that comes up consistently with the investor community is that of advances. And there's -- so since we just talked a little bit about PDPs and Boeing's managing of the customer book, how do we think about advances trending on the balance sheet the next couple of years? The expectation is it's a headwind because you were collecting PDPs for a larger group of deliveries than you'll actually have. So what's the way to think about that, Greg?

Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

Yes. Well, as you know, the fundamentals of PDPs are tied to production rates and delivery profiles, right? I mean -- and the timing associated with those. And clearly, with COVID, all of that has changed, and combined with the MAX grounding, there is no, I'll say, kind of normal profile of PDPs any longer. And there probably won't be until we get back up in these rates and stabilize because aircraft are moving from left to right, there's mix taking place. We've got PDPs, obviously, that are currently some of them ahead of schedule, that some of those will burn off through delivery. So there is even more moving pieces around PDPs than you would typically be. And not a surprise, considering the day-to-day discussions we're having with customers is they try to adjust to new market realities and preserve liquidity, we're doing all we can to try to help with that. But each one of these is a unique case. And again, there's no norm in there currently.

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So it's going to take some time, Rob. And I think the key thing to watch is getting back to stable production rates. PDPs then will start to fit into the framework that they would typically fit into pre pandemic. So I think we've got a couple of years here where PDPs are going to be a little bumpy until we get back up to those rates.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

And looking out a little bit to the right, it maybe premature to ask this question based on what we just discussed, but is -- can we have a conversation about a normalization in the order behavior by airplane type with the MAX versus 87 versus 777X? Do you all have any visibility on when the market comes back for those on the order side?

Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

Yes. Well, I think, again, it kind of just comes back to the fundamentals and with regards to when they get back in the air and when do they start generating cash and their own liquidity positions are currently, that's what's going to drive, I believe, the order book, ultimately.

Look, you've seen the backlog going through all this is -- continue to be very robust. I mean, customers, they want their aircraft now, may not want them right -- in all cases, right now with everything they're going through, especially widebody. But as you've seen, net-net, for the most part, everybody wants to hold their position because they see the other side of it and they want to be positioned to win and to modernize their fleet in that time frame.

I think the other factor is clearly retirement of older aircraft. You've seen customers around the globe taking more proactive action to ground fleets that maybe not necessarily were planned to be grounded in the near term. And so they're taking the less inefficient portions of their portfolio during this pandemic and just grounding them and grounding them permanently. And that certainly opens up opportunities for things like the 787 or the 737 or, frankly, the entire product line. And as you know, the efficiency that these aircraft bring into the marketplace is extremely compelling.

So I think there's a series of things that will take place that will really drive the order book. Having said that, it's unique customer by customer. As you saw, like I said yesterday, Ryanair announcing an order. And you could see more of that in the near term. So we're working with each one of the customers, understanding kind of their fleet needs, obviously, currently, but also post pandemic and how do we help get them positioned to win in that environment. And like I said, we'll be ready to do that. But it's -- there's a couple of key factors there that are driving it. But it is unique by customer, and obviously, their route structures and their portfolio.

But grounding -- permanently grounding the aged fleet does open up opportunities for -- certainly for a much more efficient product line. And back to my opening comments, look, I think we've got a great portfolio. And we've invested $60 billion in this business over the last 10 years and a lot of that has gone to this portfolio. So we're ready for that day, Rob, to see the order book coming back. And like I said, we're going to come to the table and compete to win in what we see as a pretty robust marketplace post pandemic. And we're going to be at the table with our customers and help and support them whatever fleet needs they have.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

We get asked often about the case for continuing the 777X. Obviously, right now, there's not much demand for very large airplanes and you're not even [ready] with it. But maybe the point you just made, so much heavy metal has been retired. All these squads going away, does that actually boost the case down the road?

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Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

Well, I think -- yes, I think it creates opportunity, certainly, because, as you know, a lot of those aircraft weren't planned to be permanently retired necessarily this year. And so they've been accelerated. And I think it does.

And like I said, if you look at the efficiency that something like a 787 is bringing into the marketplace, at 25-plus percent more better operating efficiency, it's very compelling, obviously. And the track record of that aircraft or the 777 or even the 767 as a freighter and then, certainly, the 737, all of these have very compelling economics that they bring to the market. So when you're looking at a trade of retiring something a lot less efficient, these are well-positioned products, intentionally positioned by us and the investments we've made in them. So I think it does -- it could create some opportunities for us over the long term.

It's about getting through the short term, as we talked about. As you see, the more strain on international travel. But I think, as far as recovery, at least the way we see it, recovery probably be in 3 phases. One being kind of domestic recovery and then a more limited international recovery and then followed by a wide scale kind of international recovery at, again, full scale. And so that's where the widebody production and demand clearly will fall in, and that's something, again, like the 87 I talked about. Everyday, we're just laser-focused on the marketplace near term and long term and engaging with our customers to figure out what do we do on production rates and how do we think about production rate increases. So that's what's going to inform it.

And like I said, we're capitalized, as you know, for very high production rates. So I don't see us being constrained in being able to deliver if that pace of traffic picks up, I'll say, faster than the base case that's currently out there.

777X, like I said, you said it. Look, the EIS is going to be influenced by the requirements by the regulator. And we got still lots of work to do there and we're gaining visibility, but there's more visibility to be gained that we'll have to take all of that into account, and we will. And at the same time, again, working with each of those customers on their fleet plans if how they see recovery and ultimately how that will impact the program.

So like I said, we'll continue to keep you up-to-date on all of our production rates, but in particular, again, more focus on some of these widebody rates and, of course, 777X certification. And then -- and then ultimately, the customer feedback on their ability to take deliveries.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

Okay. I've got a few more topics that we're going to try and squeeze in, in these last 8 minutes. A little bit of a quick round on this. But next airplane, what are your thoughts on future product strategy and what does timing look like? And would it be incremental or more bolt?

Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

I'm sorry, Rob, I missed the last part.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

If -- on the next airplane, do you expect to do something more incremental or more bolt -- for the departure?

Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

Okay. Well, look, I think if you just kind of step back from that for a second, and I mentioned it earlier, we're not -- we haven't lost sight of the importance of making investments that are critical to the future of the business. So when we think about future product strategy, we're continuing to reprioritize and streamline our R&D investments and CapEx. But again, when we were in pursuit around the NMA, we asked the team to step back and reassess the commercial development strategy and determine what family of aircraft that we needed for the future. And that team continues to work, and they're building off the work that we did on NMA.

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Now obviously, the environment has changed with COVID and the dynamic marketplace and the competitive landscape. So we'll continue to do that work, and we'll make the right call when we need to make it. But this is a portfolio, like I said, that we feel good about and we've invested a lot in. I think the -- what it brings to the marketplace has been evident, and it's evident in the backlog. But we're not losing sight of any other market opportunities we may have. And we want to position ourselves to win in those marketplaces. So while all this is going on, the team is continuing to reassess the -- the product development strategy and where opportunities may exist and what time frame those opportunities may or may not exist. And we'll make the appropriate decisions based on that will ultimately be informed by our customers. And so once we get to that stage, then we'll decide what other -- what we do further on our current product lineup and if we do anything further than that.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

Just briefly on BGS, what are your expectations for the commercial services recovery? And do you see the business model for BGS adapting in light of COVID?

Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

Yes. Well, there's been a lot of adapting going on from day 1 of the pandemic because, as you know, that's the first indicator, of pullback, is on services. So we saw it early, whether it's -- certainly, as we saw fleets getting grounded and spares activity dropping off dramatically, we took the right -- we took a lot of action early on to rationalize the footprint and inventory levels and prioritize our investments in G&A, you name it. We got on that right away. And at the same time, we've got a robust government business, fortunately, that's helping lift the overall service business through this period.

So it's been challenging certainly. But recently, we've seen signs of starting to see some improvement. It's slow, and we expect it to be slow and moderated. But we're going to continue to look at that portfolio, again, post pandemic and through the 5 pillars I talked about on transformation and ask ourselves the difficult questions around what do we continue to do, what we don't continue to do and how do we position ourselves for the other side to compete and win. So a lot of active engagement going on in BGS around the day-to-day but also, as you said, kind of the forward-looking in that recovery that -- again, we've seen some early signs, but it's slow, but it has flattened out, which is encouraging.

And the government business is doing very well and continuing to execute well and has good demand. So there is the advantage of having, I'll say, a balanced services portfolio that we're seeing the benefit of that today.

So more to come, Rob. But again, big watch item because it's day-to-day decisions that customers are making, and we've got to adapt quickly. So it comes right back to what I said earlier, you got to stay engaged with the customers. You got to understand where they are. You got to understand how they're thinking about next week, next month, next year. And you got to take all that into consideration and try to do the right thing for your company to address that marketplace. And then, like I said, how do we come out of this even stronger on the other side to serve them even better? And that's been a big part of the discussions around services.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

Right. Just given the time we have left, I've got -- I'm going to go forward to my balance sheet question. We talked about it earlier, I mentioned it in another question. What are your thoughts about equity issuance and capital deployment going forward? And I really am focused on this equity issuance part. Just given the rounding the shares, et cetera.

Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

Yes. Yes. Well, as you said, with the stock price, a lot of people are asking the question, which is good. Look, I think as I said earlier, we're constantly reviewing our capital structure strategy, with near-term opportunities, but then this long term, how do we get the balance sheet back to -- with healthy, I'll say, and with strength.

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And so we're constantly, Rob, looking at different opportunities. And you just saw one recently that we did with regards to the balanced funding approach we took with funding the pension and the 401(k) with Boeing stock, along with the $25 billion of debt issuance this year, and then another $4.9 billion of issuance on -- for debt maturities this quarter. So you should expect to see that same type of, I'll say, mindset of staying ahead, looking for the best outcome for the company and not losing sight on that we want to improve the balance sheet over time. So when it comes to capital deployment, we got -- we want to -- it will be all about paying down that debt. We'll continue, obviously, to invest in the business, but we got to get this debt balance down. And we'll look for every opportunity to do that in the most efficient way, including equity.

So nothing's off the table. But I just want to, again, reinforce the fact that we're constantly reviewing it. And we're constantly running different scenarios and trades. And it's all about long-term balance sheet strength and protecting our credit rating and, again, just getting this balance sheet back to what it was.

And I'll tell you, I'm -- we came into this strong -- with a strong balance sheet. And fortunately, we did. And we want to get back to that. And that's the objective, and that's the focus that we're on.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

Of course, it makes complete sense. Greg, I want to thank you for spending the time with us today. We've run up against the clock. I've got more questions, but we're out of time. And -- but we certainly do appreciate your participation in the conference. Thanks so much.

Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

Well, thank you, Rob. I appreciate the opportunity. Stay safe. Thank you.

Robert Michael Spingarn - *Crédit Suisse AG, Research Division - Aerospace and Defense Analyst*

You as well. Take care.

Gregory D. Smith - *The Boeing Company - CFO & Executive VP of Enterprise Operations*

Bye-bye.

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