

The Boeing Company and Subsidiaries
Consolidated Statements of Operations

(Dollars in millions, except per share data)

Years ended December 31,	2018	2017	2016
Sales of products	\$90,229	\$83,740	\$83,198
Sales of services	10,898	10,265	10,298
Total revenues	101,127	94,005	93,496
Cost of products	(72,922)	(68,879)	(71,013)
Cost of services	(8,499)	(7,663)	(7,954)
Boeing Capital interest expense	(69)	(70)	(59)
Total costs and expenses	(81,490)	(76,612)	(79,026)
	19,637	17,393	14,470
Income from operating investments, net	111	204	303
General and administrative expense	(4,567)	(4,095)	(3,613)
Research and development expense, net	(3,269)	(3,179)	(4,626)
Gain/(loss) on dispositions, net	75	21	(7)
Earnings from operations	11,987	10,344	6,527
Other income/(loss), net	92	123	(438)
Interest and debt expense	(475)	(360)	(306)
Earnings before income taxes	11,604	10,107	5,783
Income tax expense	(1,144)	(1,649)	(749)
Net earnings	\$10,460	\$8,458	\$5,034
Basic earnings per share	\$18.05	\$14.03	\$7.92
Diluted earnings per share	\$17.85	\$13.85	\$7.83

See Notes to the Consolidated Financial Statements on pages 54 – 113.

The Boeing Company and Subsidiaries
Consolidated Statements of Financial Position

(Dollars in millions, except per share data)

December 31,	2018	2017
Assets		
Cash and cash equivalents	\$7,637	\$8,813
Short-term and other investments	927	1,179
Accounts receivable, net	3,879	2,894
Unbilled receivables, net	10,025	8,194
Current portion of customer financing, net	460	309
Inventories	62,567	61,388
Other current assets	2,335	2,417
Total current assets	87,830	85,194
Customer financing, net	2,418	2,756
Property, plant and equipment, net	12,645	12,672
Goodwill	7,840	5,559
Acquired intangible assets, net	3,429	2,573
Deferred income taxes	284	321
Investments	1,087	1,260
Other assets, net of accumulated amortization of \$503 and \$482	1,826	2,027
Total assets	\$117,359	\$112,362
Liabilities and equity		
Accounts payable	\$12,916	\$12,202
Accrued liabilities	14,808	13,069
Advances and progress billings	50,676	48,042
Short-term debt and current portion of long-term debt	3,190	1,335
Total current liabilities	81,590	74,648
Deferred income taxes	1,736	2,188
Accrued retiree health care	4,584	5,545
Accrued pension plan liability, net	15,323	16,471
Other long-term liabilities	3,059	2,015
Long-term debt	10,657	9,782
Shareholders' equity:		
Common stock, par value \$5.00 – 1,200,000,000 shares authorized; 1,012,261,159 shares issued	5,061	5,061
Additional paid-in capital	6,768	6,804
Treasury stock, at cost	(52,348)	(43,454)
Retained earnings	55,941	49,618
Accumulated other comprehensive loss	(15,083)	(16,373)
Total shareholders' equity	339	1,656
Noncontrolling interests	71	57
Total equity	410	1,713
Total liabilities and equity	\$117,359	\$112,362

See Notes to the Consolidated Financial Statements on pages 54 – 113.

The Boeing Company and Subsidiaries
Consolidated Statements of Cash Flows

(Dollars in millions)

Years ended December 31,	2018	2017	2016
Cash flows – operating activities:			
Net earnings	\$10,460	\$8,458	\$5,034
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Non-cash items –			
Share-based plans expense	202	202	190
Depreciation and amortization	2,114	2,047	1,889
Investment/asset impairment charges, net	93	113	90
Customer financing valuation (benefit)/expense	(3)	2	(7)
(Gain)/loss on dispositions, net	(75)	(21)	7
Other charges and credits, net	247	293	371
Changes in assets and liabilities –			
Accounts receivable	(795)	(840)	326
Unbilled receivables	(1,826)	(1,600)	792
Advances and progress billings	2,636	4,700	(1,362)
Inventories	568	(1,403)	4,004
Other current assets	98	(19)	(200)
Accounts payable	2	130	622
Accrued liabilities	1,117	335	312
Income taxes receivable, payable and deferred	(180)	656	(734)
Other long-term liabilities	87	94	(68)
Pension and other postretirement plans	(153)	(582)	153
Customer financing, net	120	1,041	(662)
Other	610	(260)	(261)
Net cash provided by operating activities	15,322	13,346	10,496
Cash flows – investing activities:			
Property, plant and equipment additions	(1,722)	(1,739)	(2,613)
Property, plant and equipment reductions	120	92	38
Acquisitions, net of cash acquired	(3,230)	(324)	(297)
Contributions to investments	(2,607)	(3,569)	(1,719)
Proceeds from investments	2,898	3,607	1,206
Purchase of distribution rights	(69)	(131)	
Other	(11)	6	7
Net cash used by investing activities	(4,621)	(2,058)	(3,378)
Cash flows – financing activities:			
New borrowings	8,548	2,077	1,325
Debt repayments	(7,183)	(953)	(1,359)
Repayments of distribution rights and other asset financing			(24)
Contributions from noncontrolling interests	35		
Stock options exercised	81	311	321
Employee taxes on certain share-based payment arrangements	(257)	(132)	(93)
Common shares repurchased	(9,000)	(9,236)	(7,001)
Dividends paid	(3,946)	(3,417)	(2,756)
Net cash used by financing activities	(11,722)	(11,350)	(9,587)
Effect of exchange rate changes on cash and cash equivalents	(53)	80	(33)
Net (decrease) / increase in cash & cash equivalents, including restricted	(1,074)	18	(2,502)
Cash & cash equivalents, including restricted, at beginning of year	8,887	8,869	11,371
Cash & cash equivalents, including restricted, at end of year	7,813	8,887	8,869
Less restricted cash & cash equivalents, included in Investments	176	74	68
Cash and cash equivalents at end of year	\$7,637	\$8,813	\$8,801

See Notes to the Consolidated Financial Statements on pages 54 – 113.