

The Boeing Company and Subsidiaries
Consolidated Statements of Operations

(Dollars in millions, except per share data)

Years ended December 31,	2019	2018	2017
Sales of products	\$66,094	\$90,229	\$83,740
Sales of services	10,465	10,898	10,265
Total revenues	76,559	101,127	94,005
Cost of products	(62,877)	(72,922)	(68,879)
Cost of services	(9,154)	(8,499)	(7,663)
Boeing Capital interest expense	(62)	(69)	(70)
Total costs and expenses	(72,093)	(81,490)	(76,612)
	4,466	19,637	17,393
(Loss)/income from operating investments, net	(4)	111	204
General and administrative expense	(3,909)	(4,567)	(4,095)
Research and development expense, net	(3,219)	(3,269)	(3,179)
Gain on dispositions, net	691	75	21
(Loss)/earnings from operations	(1,975)	11,987	10,344
Other income, net	438	92	123
Interest and debt expense	(722)	(475)	(360)
(Loss)/earnings before income taxes	(2,259)	11,604	10,107
Income tax benefit/(expense)	1,623	(1,144)	(1,649)
Net (loss)/earnings	(\$636)	\$10,460	\$8,458
Basic (loss)/earnings per share	(\$1.12)	\$18.05	\$14.03
Diluted (loss)/earnings per share	(\$1.12)	\$17.85	\$13.85

See Notes to the Consolidated Financial Statements on pages 56 – 117.

The Boeing Company and Subsidiaries
Consolidated Statements of Comprehensive Income

(Dollars in millions)

Years ended December 31,	2019	2018	2017
Net (loss)/earnings	(\$636)	\$10,460	\$8,458
Other comprehensive income/(loss), net of tax:			
Currency translation adjustments	(27)	(86)	128
Unrealized gain on certain investments, net of tax of \$0, (\$1) and (\$1)	1	2	1
Derivative instruments:			
Unrealized (loss)/gain arising during period, net of tax of \$13, \$40, and (\$66)	(48)	(146)	119
Reclassification adjustment for loss included in net earnings, net of tax of (\$7), (\$8), and (\$28)	26	30	52
Total derivative instruments, net of tax	(22)	(116)	171
Defined benefit pension plans & other postretirement benefits:			
Net actuarial (loss)/gain arising during the period, net of tax of \$405, (\$105), and \$248	(1,413)	384	(495)
Amortization of actuarial losses included in net periodic pension cost, net of tax of (\$133), (\$242), and (\$272)	464	878	542
Settlements and curtailments included in net income, net of tax of \$0, (\$2), and \$0		8	
Pension and postretirement benefit/(cost) related to our equity method investments, net of tax (\$5), (\$6), and \$5	17	22	(11)
Amortization of prior service credits included in net periodic pension cost, net of tax of \$25, \$39, and \$59	(89)	(143)	(117)
Prior service (credit)/cost arising during the period, net of tax of \$0, (\$94), and (\$14)	(1)	341	28
Total defined benefit pension plans & other postretirement benefits, net of tax	(1,022)	1,490	(53)
Other comprehensive (loss)/income, net of tax	(1,070)	1,290	247
Comprehensive loss related to noncontrolling interests	(41)	(21)	(2)
Comprehensive (loss)/income, net of tax	(\$1,747)	\$11,729	\$8,703

See Notes to the Consolidated Financial Statements on pages 56 – 117.

The Boeing Company and Subsidiaries
Consolidated Statements of Financial Position

(Dollars in millions, except per share data)

December 31,	2019	2018
Assets		
Cash and cash equivalents	\$9,485	\$7,637
Short-term and other investments	545	927
Accounts receivable, net	3,266	3,879
Unbilled receivables, net	9,043	10,025
Current portion of customer financing, net	162	460
Inventories	76,622	62,567
Other current assets	3,106	2,335
Total current assets	102,229	87,830
Customer financing, net	2,136	2,418
Property, plant and equipment, net	12,502	12,645
Goodwill	8,060	7,840
Acquired intangible assets, net	3,338	3,429
Deferred income taxes	683	284
Investments	1,092	1,087
Other assets, net of accumulated amortization of \$580 and \$503	3,585	1,826
Total assets	\$133,625	\$117,359
Liabilities and equity		
Accounts payable	\$15,553	\$12,916
Accrued liabilities	22,868	14,808
Advances and progress billings	51,551	50,676
Short-term debt and current portion of long-term debt	7,340	3,190
Total current liabilities	97,312	81,590
Deferred income taxes	413	1,736
Accrued retiree health care	4,540	4,584
Accrued pension plan liability, net	16,276	15,323
Other long-term liabilities	3,422	3,059
Long-term debt	19,962	10,657
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	6,745	6,768
Treasury stock, at cost	(54,914)	(52,348)
Retained earnings	50,644	55,941
Accumulated other comprehensive loss	(16,153)	(15,083)
Total shareholders' equity	(8,617)	339
Noncontrolling interests	317	71
Total equity	(8,300)	410
Total liabilities and equity	\$133,625	\$117,359

See Notes to the Consolidated Financial Statements on pages 56 – 117.

The Boeing Company and Subsidiaries
Consolidated Statements of Cash Flows

(Dollars in millions)

Years ended December 31,	2019	2018	2017
Cash flows – operating activities:			
Net (loss)/earnings	(\$636)	\$10,460	\$8,458
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Non-cash items –			
Share-based plans expense	212	202	202
Depreciation and amortization	2,271	2,114	2,047
Investment/asset impairment charges, net	443	93	113
Customer financing valuation adjustments	250	(3)	2
Gain on dispositions, net	(691)	(75)	(21)
Other charges and credits, net	334	247	293
Changes in assets and liabilities –			
Accounts receivable	603	(795)	(840)
Unbilled receivables	982	(1,826)	(1,600)
Advances and progress billings	737	2,636	4,700
Inventories	(12,391)	568	(1,403)
Other current assets	(682)	98	(19)
Accounts payable	1,600	2	130
Accrued liabilities	7,781	1,117	335
Income taxes receivable, payable and deferred	(2,476)	(180)	656
Other long-term liabilities	(621)	87	94
Pension and other postretirement plans	(777)	(153)	(582)
Customer financing, net	419	120	1,041
Other	196	610	(260)
Net cash (used)/provided by operating activities	(2,446)	15,322	13,346
Cash flows – investing activities:			
Property, plant and equipment additions	(1,834)	(1,722)	(1,739)
Property, plant and equipment reductions	334	120	92
Acquisitions, net of cash acquired	(455)	(3,230)	(324)
Proceeds from dispositions	464		
Contributions to investments	(1,658)	(2,607)	(3,569)
Proceeds from investments	1,759	2,898	3,607
Purchase of distribution rights	(127)	(69)	(131)
Other	(13)	(11)	6
Net cash used by investing activities	(1,530)	(4,621)	(2,058)
Cash flows – financing activities:			
New borrowings	25,389	8,548	2,077
Debt repayments	(12,171)	(7,183)	(953)
Contributions from noncontrolling interests	7	35	
Stock options exercised	58	81	311
Employee taxes on certain share-based payment arrangements	(248)	(257)	(132)
Common shares repurchased	(2,651)	(9,000)	(9,236)
Dividends paid	(4,630)	(3,946)	(3,417)
Other	(15)		
Net cash provided/(used) by financing activities	5,739	(11,722)	(11,350)
Effect of exchange rate changes on cash and cash equivalents	(5)	(53)	80
Net increase/(decrease) in cash & cash equivalents, including restricted	1,758	(1,074)	18
Cash & cash equivalents, including restricted, at beginning of year	7,813	8,887	8,869
Cash & cash equivalents, including restricted, at end of year	9,571	7,813	8,887
Less restricted cash & cash equivalents, included in Investments	86	176	74