# **Boeing Reports Second-Quarter Results**

CHICAGO, July 24, 2019 /PRNewswire/ --

- Continue to engage global regulators and customers on safe return to service of the 737 MAX
- Recorded charge and increased costs related to the 737 MAX, as previously announced
- Revenue of \$15.8 billion reflecting 737 MAX impacts and higher defense and services volume
- Loss of (\$5.21) per share (GAAP) and core (non-GAAP)\* loss of (\$5.82) per share
- Operating cash flow of \$0.6) billion; paid \$1.2 billion of dividends
- Total backlog of \$474 billion, including more than 5,500 commercial airplanes
- Cash and marketable securities of \$9.6 billion provide strong liquidity
- Previously issued 2019 guidance does not reflect 737 MAX impacts; new guidance to be issued at a future date

Table 1. Summary Financial Results	Second	Quarter		First	Half	
(Dollars in Millions, except per share						
data)	2019	2018	Change	2019	2018	Change
Revenues	\$15,751	\$24,258	(35)%	\$38,668	\$47,640	(19)%
GAAP						
(Loss)/Earnings From Operations	(\$3,380)	\$2,710	NM	(\$1,030)	\$5,585	NM
Operating Margin	(21.5)%	11.2%	NM	(2.7)%	11.7%	NM
Net (Loss)/Earnings	(\$2,942)	\$2,196	NM	(\$793)	\$4,673	NM
(Loss)/Earnings Per Share	(\$5.21)	\$3.73	NM	(\$1.40)	\$7.88	NM
Operating Cash Flow	(\$590)	\$4,680	NM	\$2,198	\$7,816	NM
Non-GAAP*						
Core Operating (Loss)/Earnings	(\$3,745)	\$2,393	NM	(\$1,759)	\$4,903	NM
Core Operating Margin	(23.8)%	9.9%	NM	(4.5)%	10.3%	NM
Core (Loss)/Earnings Per Share	(\$5.82)	\$3.33	NM	(\$2.60)	\$6.97	NM

<sup>\*</sup>Non-GAAP measure; complete definitions of Boeing's non-GAAP measures are on page 6, "Non-GAAP Measures Disclosures."

The Boeing Company [NYSE: BA] reported second-quarter revenue of \$15.8 billion, GAAP loss per share of (\$5.21) and core loss per share (non-GAAP)\* of (\$5.82), reflecting the previously announced 737 MAX charge (which reduced revenue by \$5.6 billion and earnings by \$8.74 per share) as well as lower 737 deliveries partially offset by higher defense and services volume (Table 1). Boeing recorded operating cash flow of (\$0.6) billion and paid \$1.2 billion of dividends.

The previously issued 2019 financial guidance does not reflect 737 MAX impacts. Due to the uncertainty of the timing and conditions surrounding return to service of the 737 MAX fleet, new guidance will be issued at a future date. Boeing is working very closely with the FAA on the process they have laid out to certify the 737 MAX software update and safely return the MAX to service. Disciplined development and testing is underway and we will submit the final software package to the FAA once we have satisfied all of their certification requirements. Regulatory authorities will determine the process for certifying the MAX software and training updates as well as the timing for lifting the grounding order.

"This is a defining moment for Boeing and we remain focused on our enduring values of safety, quality, and integrity in all that we do, as we work to safely return the 737 MAX to service," said Boeing Chairman, President and Chief Executive Officer Dennis Muilenburg. "During these challenging times, teams across our enterprise continue to perform at a high level while delivering on commitments and capturing new opportunities driven by strong, long-term fundamentals."

Table 2. Cash Flow	Second	Quarter	First I	Half
(Millions)	2019	2018	2019	2018
Operating Cash Flow	(\$590)	\$4,680	\$2,198	\$7,816
Less Additions to Property, Plant & Equipment	(\$421)	(\$376)	(\$922)	(\$770)
Free Cash Flow*	(\$1,011)	\$4,304	\$1,276	\$7,046

<sup>\*</sup>Non-GAAP measure; complete definitions of Boeing's non-GAAP measures are on page 6, "Non-GAAP Measures Disclosures."

Operating cash flow was (\$0.6) billion in the quarter, primarily reflecting lower 737 deliveries and production rate as well as

timing of receipts and expenditures (Table 2). During the quarter, the company paid \$1.2 billion of dividends, reflecting a 20 percent increase in dividends per share compared to the same period of the prior year.

Table 3. Cash, Marketable Securities and Debt Balances	Quarte	er-End
(Billions)	Q2 19	Q1 19
Cash	\$9.2	\$6.8
Marketable Securities <sup>1</sup>	\$0.4	\$0.9
Total	\$9.6	\$7.7
Debt Balances:		
The Boeing Company, net of intercompany loans to BCC	\$17.3	\$12.6
Boeing Capital, including intercompany loans	\$1.9	\$2.1
Total Consolidated Debt	\$19.2	\$14.7

<sup>&</sup>lt;sup>1</sup> Marketable securities consists primarily of time deposits due within one year classified as "short-term investments."

Cash and investments in marketable securities totaled \$9.6 billion, compared to \$7.7 billion at the beginning of the quarter (Table 3). Debt was \$19.2 billion, up from \$14.7 billion at the beginning of the quarter primarily due to the issuance of new debt.

Total company backlog at guarter-end remained healthy at \$474 billion and included net orders of \$9 billion.

#### **Segment Results**

#### **Commercial Airplanes**

Table 4. Commercial Airplanes	Second	Quarter	First Half				
(Dollars in Millions)	2019	2018	Change	2019	2018	Change	
Commercial Airplanes Deliveries	90	194	(54)%	239	378	(37)%	
Revenues	\$4,722	13,952	(66)%	\$16,544	\$26,897	(38)%	
(Loss)/Earnings from							
Operations	(\$4,946)	\$1,785	NM	(\$3,773)	\$3,197	NM	
Operating Margin	(104.7)%	12.8%	NM	(22.8)%	11.9%	NM	

Commercial Airplanes second-quarter revenue was \$4.7 billion reflecting the previously announced 737 MAX charge and lower 737 deliveries partially offset by favorable mix (Table 4). Second-quarter operating margin was (104.7) percent reflecting the previously announced 737 MAX charge and lower 737 deliveries partially offset by a higher margin on the 787 program.

During the quarter, Commercial Airplanes delivered 90 airplanes, including 42 787s, and captured orders for two 777 freighters for DHL and six 767 freighters for FedEx. Highlights from the Paris Air Show included a letter of intent from IAG for 200 737 MAX airplanes as well as several wide body commitments. The 777X program is progressing well through pre-flight testing. While the company is still targeting late 2020 for first delivery of the 777X, there is significant risk to this schedule given engine challenges, which are delaying first flight until early 2020.

Commercial Airplanes backlog remains healthy with more than 5,500 airplanes valued at\$390 billion.

#### Defense, Space & Security

Table 5. Defense, Space &						
Security	Second	Quarter		First	Half	
(Dollars in Millions)	2019	2018	Change	2019	2018	Change
Revenues	\$6,612	\$6,100	8%	\$13,223	\$12,581	5%
Earnings from Operations	\$975	\$376	159%	\$1,822	\$1,133	61%
Operating Margin	14.7%	6.2%	8.5 Pts	13.8%	9.0%	4.8 Pts

Defense, Space & Security second-quarter revenue increased to \$6.6 billion primarily driven by higher volume across derivative aircraft, satellites, and weapons (Table 5). Second-quarter operating margin increased to 14.7 percent primarily due to a gain on sale of property and lower cost growth on the KC-46 Tanker program compared to the second quarter of 2018.

During the quarter, Defense, Space & Security received contracts for MH-47G Block II Chinook for the U.S. Army Special Operations, F/A-18 service life modification for the U.S. Navy, Joint Direct Attack Munition for the U.S. Air Force, and Wideband Global Satellite Communication for the U.S. Air Force. Significant milestones achieved during the quarter included completion of the first T-X Trainer flight test on contract with the U.S. Air Force and the final parachute test for the Commercial Crew spacecraft.

Backlog at Defense, Space & Security was\$64 billion, of which 31 percent represents orders from customers outside the U.S.

#### **Global Services**

Table 6. Global Services	Second	Quarter		First	t Half	
(Dollars in Millions)	2019	2018	Change	2019	2018	Change
Revenues	\$4,543	\$4,097	11%	\$9,162	\$8,047	14%
Earnings from						
Operations	\$687	\$604	14%	\$1,340	\$1,251	7%
Operating Margin	15.1%	14.7%	0.4 Pts	14.6%	15.5%	(0.9) Pts

Global Services second-quarter revenue increased to \$4.5 billion, primarily driven by the acquisition of Boeing Distribution Services, Inc. (formerly KLX) and higher international government services volume (Table 6). Second-quarter operating margin was relatively stable at 15.1 percent.

During the quarter, Global Services was awarded Performance Based Logistics contracts for AH-64 Apache for the U.S. Army and KC-767A Tanker for the Italian Air Force. At the Paris Air Show, Global Services signed commitments with ASL Aviation Holdings and GECAS for up to 45 737-800 converted freighters and announced digital solution agreements with Delta Air Lines and JetBlue Airways.

#### **Additional Financial Information**

Table 7. Additional Financial Information	Second	Quarter	First Half	
(Dollars in Millions)	2019	2018	2019	2018
Revenues				
Boeing Capital	\$75	\$72	\$141	\$137
Unallocated items, eliminations and other	(\$201)	\$37	(\$402)	(\$22)
Earnings from Operations				
Boeing Capital	\$37	\$24	\$57	\$44
FAS/CAS service cost adjustment	\$365	\$317	\$729	\$682
Other unallocated items and eliminations	(\$498)	(\$396)	(\$1,205)	(\$722)
Other income, net	\$107	(\$15)	\$213	\$51
Interest and debt expense	(\$154)	(\$109)	(\$277)	(\$211)
Effective tax rate	14.2%	15.1%	27.5%	13.9%

At quarter-end, Boeing Capital's net portfolio balance was\$2.3 billion. Revenue in other unallocated items and eliminations decreased primarily due to reserves related to cost accounting litigation. The change in earnings from other unallocated items and eliminations is primarily due to increased enterprise research and development investment. The effective tax rate for the second quarter decreased from the same period in the prior year primarily due to lower pre-tax earnings in the current year.

#### **Outlook**

The previously issued 2019 financial guidance does not reflect 737 MAX impacts. Due to the uncertainty of the timing and conditions surrounding return to service of the 737 MAX fleet, new guidance will be issued at a future date.

#### **Non-GAAP Measures Disclosures**

We supplement the reporting of our financial information determined under Generally Accepted Accounting Principles in United States of America (GAAP) with certain non-GAAP financial information. The non-GAAP financial information presented excludes certain significant items that may not be indicative of, or are unrelated to, results from our ongoing business operations. We believe that these non-GAAP measures provide investors with additional insight into the company's ongoing business performance. These non-GAAP measures should not be considered in isolation or as a substitute for the related GAAP measures, and other companies may define such measures differently. We encourage investors to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure. The following definitions are provided:

Core Operating (Loss)/Earnings, Core Operating Margin and Core (Loss)/Earnings Per Share

Core operating (loss)/earnings is defined as GAAP (loss)/earnings from operations excluding the FAS/CAS service cost adjustment. The FAS/CAS service cost adjustment represents the difference between the FAS pension and postretirement service costs calculated under GAAP and costs allocated to the business segments. Core operating margin is defined as core operating (loss)/earnings expressed as a percentage of revenue. Core (loss)/earnings per share is defined as GAAP diluted (loss)/earnings per share excluding the net (loss)/earnings per share impact of the FAS/CAS service cost adjustment and Nonoperating pension and postretirement expenses. Non-operating pension and postretirement expenses represent the components of net periodic benefit costs other than service cost. Pension costs, comprising service and prior service costs computed in accordance with GAAP are allocated to Commercial Airplanes and BGS businesses supporting commercial

customers. Pension costs allocated to BDS and BGS businesses supporting government customers are computed in accordance with U.S. Government Cost Accounting Standards (CAS), which employ different actuarial assumptions and accounting conventions than GAAP. CAS costs are allocable to government contracts. Other postretirement benefit costs are allocated to all business segments based on CAS, which is generally based on benefits paid. Management uses core operating (loss)/earnings, core operating margin and core (loss)/earnings per share for purposes of evaluating and forecasting underlying business performance. Management believes these core (loss)/earnings measures provide investors additional insights into operational performance as they exclude non-service pension and post-retirement costs, which primarily represent costs driven by market factors and costs not allocable to government contracts. A reconciliation between the GAAP and non-GAAP measures is provided on page 13-14.

#### Free Cash Flow

Free cash flow is defined as GAAP operating cash flow without capital expenditures for property, plant and equipment additions. Management believes free cash flow provides investors with an important perspective on the cash available for shareholders, debt repayment, and acquisitions after making the capital investments required to support ongoing business operations and long term value creation. Free cash flow does not represent the residual cash flow available for discretionary expenditures as it excludes certain mandatory expenditures such as repayment of maturing debt. Management uses free cash flow as a measure to assess both business performance and overall liquidity. Table 2 provides a reconciliation of free cash flow to GAAP operating cash flow.

#### **Caution Concerning Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "should," "expects," "intends," "projects," "plans," "believes," "estimates," "targets," "anticipates," and similar expressions generally identify these forward-looking statements. Examples of forward-looking statements include statements relating to our future financial condition and operating results, as well as any other statement that does not directly relate to any historical or current fact. Forward-looking statements are based on expectations and assumptions that we believe to be reasonable when made, but that may not prove to be accurate. These statements are not guarantees and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Many factors could cause actual results to differ materially and adversely from these forward-looking statements. Among these factors are risks related to: (1) the timing and conditions surrounding the return to service of the 737 MAX fleet; (2) general conditions in the economy and our industry, including those due to regulatory changes; (3) our reliance on our commercial airline customers; (4) the overall health of our aircraft production system, planned commercial aircraft production rate changes, our commercial development and derivative aircraft programs, and our aircraft being subject to stringent performance and reliability standards; (5) changing budget and appropriation levels and acquisition priorities of the U.S. government; (6) our dependence on U.S. government contracts; (7) our reliance on fixed-price contracts; (8) our reliance on cost-type contracts; (9) uncertainties concerning contracts that include inorbit incentive payments; (10) our dependence on our subcontractors and suppliers, as well as the availability of raw materials; (11) changes in accounting estimates; (12) changes in the competitive landscape in our markets; (13) our non-U.S. operations, including sales to non-U.S. customers; (14) threats to the security of our or our customers' information; (15) potential adverse developments in new or pending litigation and/or government investigations; (16) customer and aircraft concentration in our customer financing portfolio; (17) changes in our ability to obtain debt on commercially reasonable terms and at competitive rates; (18) realizing the anticipated benefits of mergers, acquisitions, joint ventures/strategic alliances or divestitures; (19) the adequacy of our insurance coverage to cover significant risk exposures; (20) potential business disruptions, including those related to physical security threats, information technology or cyber-attacks, epidemics, sanctions or natural disasters; (21) work stoppages or other labor disruptions; (22) substantial pension and other postretirement benefit obligations; and (23) potential environmental liabilities.

Additional information concerning these and other factors can be found in our filings with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made, and we assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

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The Boeing Company and Subsidiaries Consolidated Statements of Operations (Unaudited)

 Six months ended
 Three months ended

 June 30
 June 30

 (Dollars in millions, except per share data)
 2019
 2018
 2019
 2018

 Sales of products
 \$33,319
 \$42,385
 \$13,094
 \$21,565

Sales of services	5,349	5,255	2,657	2,693
Total revenues	38,668	47,640	15,751	24,258
Cost of products	(31,910)	(34,252)	(15,672)	(17,436)
Cost of services	(4,511)	(4,075)	(2,122)	(2,083)
Boeing Capital interest expense	(34)	(33)	(16)	(17)
Total costs and expenses	(36,455)	(38,360)	(17,810)	(19,536)
	2,213	9,280	(2,059)	4,722
Income/(loss) from operating investments, net	5	80	(15)	6
General and administrative expense	(1,856)	(2,191)	(672)	(1,194)
Research and development expense, net	(1,692)	(1,591)	(826)	(827)
Gain on dispositions, net	300	7	192	3
(Loss)/earnings from operations	(1,030)	5,585	(3,380)	2,710
Other income/(loss), net	213	51	107	(15)
Interest and debt expense	(277)	(211)	(154)	(109)
(Loss)/earnings before income taxes	(1,094)	5,425	(3,427)	2,586
Income tax benefit/(expense)	301	(752)	485	(390)
Net (loss)/earnings	(\$793)	\$4,673	(\$2,942)	\$2,196
Basic (loss)/earnings per share	(\$1.40)	\$7.97	(\$5.21)	\$3.77
Diluted (loss)/earnings per share	(\$1.40)	\$7.88	(\$5.21)	\$3.73
Weighted average diluted shares (millions)	566.6	592.9	565.3	588.7

## The Boeing Company and Subsidiaries **Consolidated Statements of Financial Position** (Unaudited)

Oblars in millions, except per share data)         2018           Assets           Cash and cash equivalents         \$9,167         \$7,637           Short-term and other investments         439         927           Accounts receivable, net         3,291         3,879           Unbilled receivables, net         10,247         10,025           Current portion of customer financing, net         171         460           Inventories         68,492         62,567           Other current assets         95,111         87,830           Customer financing, net         2,139         2,418           Property, plant and equipment, net of accumulated depreciation of \$18,855 and \$18,568         12,601         12,645           Goodwill         3,761         3,429           Acquired intangible assets, net         3,761         3,429           Deferred income taxes         3,761         3,429           Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,126           Total assets         \$126,261         \$11,735           Accured liabilities         20,042         14,806           Accured liabilities         20,042         14,806           Accured liabilities         20,042         14,806 <th></th> <th>June 30</th> <th>December 31</th>		June 30	December 31
Cash and cash equivalents         \$9,167         \$7,637           Short-term and other investments         439         927           Accounts receivable, net         3,291         3,879           Unbilled receivables, net         10,247         10,025           Current portion of customer financing, net         171         460           Inventiories         68,492         62,567           Other current assets         95,111         87,630           Customer financing, net         2,139         2,418           Property, plant and equipment, net of accumulated depreciation of \$18,855 and \$18,568         12,601         12,645           Goodwill         3,761         3,429           Acquired intangible assets, net         3,761         3,429           Deferred income taxes         3,761         3,429           Other assets, net of accumulated amortization of \$523 and \$503         3,09         1,826           Total assets         \$12,626         \$117,359           Lebritities and equity         \$1,526         \$117,359           Lebritities and equity         \$1,526         \$12,916           Accrued ilabilities         \$1,291         \$1,606           Accrued liabilities         \$2,523         50,676           Short-te	(Dollars in millions, except per share data)	2019	2018
Short-term and other investments         439         927           Accounts receivable, net         3,291         3,878           Unbilled receivables, net         10,025         10,025           Current portion of customer financing, net         171         460           Inventories         68,492         62,567           Other current assets         95,111         87,830           Customer financing, net         2,139         2,418           Property, plant and equipment, net of accumulated depreciation of \$18,855 and \$18,568         12,601         12,645           Goodwill         8,051         7,840           Acquired intangible assets, net         3,761         3426           Deferred income taxes         357         284           Investments         1,142         1,082           Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,856           Total assets         \$126,261         \$117,356           Accounts payable         \$15,267         \$1,916           Accounts payable         \$15,267         \$1,916           Accounts payable         \$2,523         50,676           Short-term debt and current portion of long-term debt         4,357         3,190           Total curren	Assets		
Accounts receivable, net         3,291         3,879           Unbilled receivables, net         10,247         10,025           Current portion of customer financing, net         171         460           Inventories         68,492         62,567           Other current assets         3,304         2,335           Total current assets         95,111         87,830           Customer financing, net         2,139         2,418           Property, plant and equipment, net of accumulated depreciation of \$18,855 and \$18,568         12,601         12,645           Goodwill         8,051         7,840           Acquired intangible assets, net         3,761         3,429           Deferred income taxes         357         228           Investments         1,142         1,087           Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,826           Total assets         \$126,261         \$117,359           Accounts payable         \$15,267         \$12,916           Accounts payable         \$2,024         14,808           Advances and progress billings         52,523         50,676           Short-term debt and current portion of long-term debt         4,357         3,190           Defer	Cash and cash equivalents	\$9,167	\$7,637
Unbilled receivables, net         10,247         10,0265           Current portion of customer financing, net         171         460           Inventories         68,492         62,565           Other current assets         3,304         2,335           Total current assets         59,111         87,800           Customer financing, net         2,139         2,418           Property, plant and equipment, net of accumulated depreciation of \$18,855 and \$18,568         12,601         12,645           Goodwill         3,651         3,429           Acquired intangible assets, net         3,571         2,84           Investments         1,142         1,087           Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,826           Total assets         \$15,267         \$12,916           Accounts payable         \$15,267         \$12,916           Accured liabilities and equity         \$2,523         50,676           Nort-term debt and current portion of long-term debt         \$15,267         \$12,916           Accured liabilities         \$2,523         50,676           Nort-term debt and current portion of long-term debt         \$4,836         4,836           Accured pension plan liability, net         \$4,836	Short-term and other investments	439	927
Current portion of customer financing, net         1711         460           Inventories         68,492         62,567           Other current assets         3,304         2,335           Total current financing, net         2,139         2,418           Property, plant and equipment, net of accumulated depreciation of \$18,855 and \$18,568         12,601         12,645           Goodwill         3,051         7,840           Acquired intangible assets, net         3,671         3,429           Deferred income taxes         357         284           Investments         1,142         1,087           Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,826           Total assets         \$12,616         \$1,767         \$12,916           Accounts payable         \$15,267         \$12,916           Accrued liabilities         20,042         14,808           Advances and progress billings         52,523         50,676           Short-term debt and current portion of long-term debt         4,357         31,999           Deferred income taxes         92,198         81,590           Accrued retiree health care         4,486         4,584           Accrued retiree health care         4,486         4,584	Accounts receivable, net	3,291	3,879
Inventories         68,492         62,567           Other current assets         3,304         2,335           Total current assets         95,111         87,830           Customer financing, net         2,139         2,418           Property, plant and equipment, net of accumulated depreciation of \$18,855 and \$18,568         12,601         12,645           Goodwill         8,051         7,840           Acquired intangible assets, net         3,761         3,429           Deferred income taxes         357         284           Investments         1,142         1,087           Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,826           Total assets         \$15,667         \$11,735           Accounts payable         \$15,267         \$12,916           Accounts payable         \$1,825         \$1,922         <	Unbilled receivables, net	10,247	10,025
Other current assets         3,904         2,335           Total current assets         95,111         87,803           Customer financing, net         2,139         2,418           Property, plant and equipment, net of accumulated depreciation of \$18,855 and \$18,568         12,601         12,645           Goodwill         8,051         7,840           Acquired intangible assets, net         3,761         3,422           Deferred income taxes         357         284           Investments         1,142         1,087           Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,262           Total assets         \$15,267         \$12,916           Accounts payable         \$15,267         \$12,916           Accured liabilities         \$2,042         14,808           Advances and progress billings         52,523         50,676           Short-term debt and current portion of long-term debt         4,357         3,190           Deferred income taxes         \$2,193         81,590           Deferred income taxes         \$2,193         81,590           Accrued pension plan liability, net         4,86         4,584           Accrued pension plan liability, net         4,86         4,584	Current portion of customer financing, net	171	460
Total current assets         95,111         87,830           Customer financing, net         2,139         2,418           Property, plant and equipment, net of accumulated depreciation of \$18,855 and \$18,568         12,601         12,645           Goodwill         3,761         3,429           Acquired intangible assets, net         3,761         3,429           Deferred income taxes         357         284           Investments         1,142         1,087           Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,826           Total assets         \$126,261         \$117,359           Liabilities and equity         4         \$15,267         \$12,916           Accounts payable         \$15,267         \$12,916           Accurued liabilities         20,042         14,808           Advances and progress billings         52,523         50,676           Short-term debt and current portion of long-term debt         4,357         3,190           Total current liabilities         92,189         81,590           Deferred income taxes         1,736         4,884           Accrued pension plan liability, net         14,831         15,323           Other long-term liabilities         4,839         3,059 <td>Inventories</td> <td>68,492</td> <td>62,567</td>	Inventories	68,492	62,567
Customer financing, net         2,139         2,418           Property, plant and equipment, net of accumulated depreciation of \$18,855 and \$18,568         12,601         12,645           Goodwill         8,051         7,840           Acquired intangible assets, net         3,761         3,429           Deferred income taxes         357         284           Investments         1,142         1,087           Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,826           Total assets         \$126,261         \$117,359           Accounts payable         \$15,267         \$12,916           Accounts payable         \$15,267         \$12,916           Accrued liabilities         20,042         14,808           Advances and progress billings         52,523         50,676           Short-term debt and current portion of long-term debt         4,357         3,190           Total current liabilities         92,189         81,590           Deferred income taxes         1,736           Accrued retiree health care         4,486         4,584           Accrued pension plan liability, net         14,851         15,323           Other long-term labilities         4,839         3,059           Long-term d	Other current assets	3,304	2,335
Property, plant and equipment, net of accumulated depreciation of \$18,855 and \$18,568         12,601         12,645           Goodwill         8,051         7,840           Acquired intangible assets, net         3,761         3,429           Deferred income taxes         357         284           Investments         1,142         1,087           Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,826           Total assets         \$15,267         \$12,916           Liabilities and equity         \$15,267         \$12,916           Accured liabilities         20,042         14,808           Advances and progress billings         52,523         50,676           Short-term debt and current portion of long-term debt         4,337         3,199           Total current liabilities         92,189         81,590           Deferred income taxes         1,736         4,584           Accrued retiree health care         4,486         4,584           Accrued pension plan liability, net         14,831         15,323           Other long-term liabilities         4,839         3,059           Long-term debt         4,839         3,059           Common stock, par value \$5.00 - 1,200,000,000 shares authorized; 1,012,261,159 shares issued <td>Total current assets</td> <td>95,111</td> <td>87,830</td>	Total current assets	95,111	87,830
Goodwill         8,051         7,840           Acquired intangible assets, net         3,761         3,429           Deferred income taxes         357         284           Investments         1,142         1,087           Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,826           Total assets         \$126,261         \$117,359           Liabilities and equity         \$15,267         \$12,916           Accounts payable         \$15,267         \$12,916           Accrued liabilities         20,042         14,808           Advances and progress billings         52,523         50,676           Short-term debt and current portion of long-term debt         4,357         3,199           Total current liabilities         92,189         81,590           Deferred income taxes         1,736           Accrued retiree health care         4,486         4,584           Accrued pension plan liability, net         14,831         15,323           Other long-term labilities         4,839         3,059           Long-term debt         4,839         3,059           Common stock, par value \$5.00 - 1,200,000,000 shares authorized; 1,012,261,159 shares         5,061         5,061           Additional paid-	Customer financing, net	2,139	2,418
Acquired intangible assets, net       3,761       3,429         Deferred income taxes       357       284         Investments       1,142       1,087         Other assets, net of accumulated amortization of \$523 and \$503       3,099       1,826         Total assets       \$126,261       \$117,359         Liabilities and equity       \$15,267       \$12,916         Accounts payable       \$15,267       \$12,916         Accrued liabilities       20,042       14,808         Advances and progress billings       52,523       50,676         Short-term debt and current portion of long-term debt       4,357       3,190         Total current liabilities       92,189       81,590         Deferred income taxes       1,736       4,584         Accrued retiree health care       4,486       4,584         Accrued pension plan liability, net       14,831       15,323         Other long-term liabilities       4,839       3,059         Long-term debt       4,839       3,059         Common stock, par value \$5.00 - 1,200,000,000 shares authorized; 1,012,261,159 shares       5,061       5,061         Additional paid-in capital       6,638       6,768         Treasury stock, at cost - 449,558,553 and 444,619,970 shares <t< td=""><td>Property, plant and equipment, net of accumulated depreciation of \$18,855 and \$18,568</td><td>12,601</td><td>12,645</td></t<>	Property, plant and equipment, net of accumulated depreciation of \$18,855 and \$18,568	12,601	12,645
Deferred income taxes         357         284           Investments         1,142         1,087           Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,826           Total assets         \$126,261         \$117,359           Liabilities and equity         \$15,267         \$12,916           Accounts payable         \$15,267         \$12,916           Accrued liabilities         20,042         14,808           Advances and progress billings         52,523         50,676           Short-term debt and current portion of long-term debt         4,357         3,190           Total current liabilities         92,189         81,590           Deferred income taxes         1,736         4,584           Accrued retiree health care         4,486         4,584           Accrued pension plan liability, net         14,831         15,323           Other long-term liabilities         4,839         3,059           Long-term debt         14,859         10,657           Shareholders' equity:         5,061         5,061           Common stock, par value \$5.00 - 1,200,000,000 shares authorized; 1,012,261,159 shares         5,061         5,061           Additional paid-in capital         6,638         6,768	Goodwill	8,051	7,840
Investments         1,142         1,087           Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,826           Total assets         \$126,261         \$117,359           Liabilities and equity         \$15,267         \$12,916           Accounts payable         \$15,267         \$12,916           Accrued liabilities         20,042         14,808           Advances and progress billings         52,523         50,676           Short-term debt and current portion of long-term debt         4,357         3,190           Total current liabilities         92,189         81,590           Deferred income taxes         1,736           Accrued retiree health care         4,486         4,584           Accrued pension plan liability, net         14,831         15,323           Other long-term liabilities         4,839         3,059           Long-term debt         14,831         15,323           Other long-term liabilities         4,839         3,059           Common stock, par value \$5.00 - 1,200,000,000 shares authorized; 1,012,261,159 shares         5,061         5,061           Additional paid-in capital         6,638         6,768           Treasury stock, at cost - 449,558,553 and 444,619,970 shares         (54,932)	Acquired intangible assets, net	3,761	3,429
Other assets, net of accumulated amortization of \$523 and \$503         3,099         1,826           Total assets         \$126,261         \$117,359           Liabilities and equity         \$15,267         \$12,916           Accounts payable         \$15,267         \$12,916           Accrued liabilities         20,042         14,808           Advances and progress billings         52,523         50,676           Short-term debt and current portion of long-term debt         4,357         3,190           Total current liabilities         92,189         81,590           Deferred income taxes         1,736           Accrued retiree health care         4,486         4,584           Accrued pension plan liability, net         14,831         15,323           Other long-term liabilities         4,839         3,059           Long-term debt         14,859         10,657           Shareholders' equity:         Common stock, par value \$5.00 - 1,200,000,000 shares authorized; 1,012,261,159 shares         5,061         5,061           Additional paid-in capital         6,638         6,768           Treasury stock, at cost - 449,558,553 and 444,619,970 shares         (52,348)	Deferred income taxes	357	284
Total assets         \$126,261         \$117,359           Liabilities and equity         \$15,267         \$12,916           Accounts payable         \$15,267         \$12,916           Accrued liabilities         20,042         14,808           Advances and progress billings         52,523         50,676           Short-term debt and current portion of long-term debt         4,357         3,190           Total current liabilities         92,189         81,590           Deferred income taxes         1,736           Accrued retiree health care         4,486         4,584           Accrued pension plan liability, net         14,831         15,323           Other long-term liabilities         4,839         3,059           Long-term debt         14,859         10,657           Shareholders' equity:         Common stock, par value \$5.00 - 1,200,000,000 shares authorized; 1,012,261,159 shares         5,061         5,061           Additional paid-in capital         6,638         6,768           Treasury stock, at cost - 449,558,553 and 444,619,970 shares         (54,932)         (52,348)	Investments	1,142	1,087
Liabilities and equity           Accounts payable         \$15,267         \$12,916           Accrued liabilities         20,042         14,808           Advances and progress billings         52,523         50,676           Short-term debt and current portion of long-term debt         4,357         3,190           Total current liabilities         92,189         81,590           Deferred income taxes         1,736           Accrued retiree health care         4,486         4,584           Accrued pension plan liability, net         14,831         15,323           Other long-term liabilities         4,839         3,059           Long-term debt         14,859         10,657           Shareholders' equity:         Common stock, par value \$5.00 – 1,200,000,000 shares authorized; 1,012,261,159 shares         5,061         5,061           Additional paid-in capital         6,638         6,768           Treasury stock, at cost - 449,558,553 and 444,619,970 shares         (54,932)         (52,348)	Other assets, net of accumulated amortization of \$523 and \$503	3,099	1,826
Accounts payable       \$15,267       \$12,916         Accrued liabilities       20,042       14,808         Advances and progress billings       52,523       50,676         Short-term debt and current portion of long-term debt       4,357       3,190         Total current liabilities       92,189       81,590         Deferred income taxes       4,486       4,584         Accrued retiree health care       4,486       4,584         Accrued pension plan liability, net       14,831       15,323         Other long-term liabilities       4,839       3,059         Long-term debt       14,859       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       6,638       6,768         Treasury stock, at cost - 449,558,553 and 444,619,970 shares       (54,932)       (52,348)	Total assets	\$126,261	\$117,359
Accrued liabilities       20,042       14,808         Advances and progress billings       52,523       50,676         Short-term debt and current portion of long-term debt       4,357       3,190         Total current liabilities       92,189       81,590         Deferred income taxes       4,486       4,584         Accrued retiree health care       4,486       4,584         Accrued pension plan liability, net       14,831       15,323         Other long-term liabilities       4,839       3,059         Long-term debt       14,859       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       6,638       6,768         Treasury stock, at cost - 449,558,553 and 444,619,970 shares       (54,932)       (52,348)	Liabilities and equity		
Advances and progress billings       52,523       50,676         Short-term debt and current portion of long-term debt       4,357       3,190         Total current liabilities       92,189       81,590         Deferred income taxes       4,486       4,584         Accrued retiree health care       4,486       4,584         Accrued pension plan liability, net       14,831       15,323         Other long-term liabilities       4,839       3,059         Long-term debt       14,859       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       6,638       6,768         Treasury stock, at cost - 449,558,553 and 444,619,970 shares       (54,932)       (52,348)	Accounts payable	\$15,267	\$12,916
Short-term debt and current portion of long-term debt         4,357         3,190           Total current liabilities         92,189         81,590           Deferred income taxes         1,736           Accrued retiree health care         4,486         4,584           Accrued pension plan liability, net         14,831         15,323           Other long-term liabilities         4,839         3,059           Long-term debt         14,859         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         6,638         6,768           Treasury stock, at cost - 449,558,553 and 444,619,970 shares         (54,932)         (52,348)	Accrued liabilities	20,042	14,808
Total current liabilities         92,189         81,590           Deferred income taxes         1,736           Accrued retiree health care         4,486         4,584           Accrued pension plan liability, net         14,831         15,323           Other long-term liabilities         4,839         3,059           Long-term debt         14,859         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         6,638         6,768           Treasury stock, at cost - 449,558,553 and 444,619,970 shares         (54,932)         (52,348)	Advances and progress billings	52,523	50,676
Deferred income taxes       1,736         Accrued retiree health care       4,486       4,584         Accrued pension plan liability, net       14,831       15,323         Other long-term liabilities       4,839       3,059         Long-term debt       14,859       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       6,638       6,768         Treasury stock, at cost - 449,558,553 and 444,619,970 shares       (54,932)       (52,348)	Short-term debt and current portion of long-term debt	4,357	3,190
Accrued retiree health care       4,486       4,584         Accrued pension plan liability, net       14,831       15,323         Other long-term liabilities       4,839       3,059         Long-term debt       14,859       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       6,638       6,768         Treasury stock, at cost - 449,558,553 and 444,619,970 shares       (54,932)       (52,348)	Total current liabilities	92,189	81,590
Accrued pension plan liability, net       14,831       15,323         Other long-term liabilities       4,839       3,059         Long-term debt       14,859       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       6,638       6,768         Treasury stock, at cost - 449,558,553 and 444,619,970 shares       (54,932)       (52,348)	Deferred income taxes		1,736
Other long-term liabilities       4,839       3,059         Long-term debt       14,859       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       6,638       6,768         Treasury stock, at cost - 449,558,553 and 444,619,970 shares       (54,932)       (52,348)	Accrued retiree health care	4,486	4,584
Long-term debt       14,859       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       6,638       6,768         Treasury stock, at cost - 449,558,553 and 444,619,970 shares       (54,932)       (52,348)	Accrued pension plan liability, net	14,831	15,323
Shareholders' equity:       Common stock, par value \$5.00 – 1,200,000,000 shares authorized; 1,012,261,159 shares         issued       5,061       5,061       5,061       6,638       6,768         Treasury stock, at cost - 449,558,553 and 444,619,970 shares       (54,932)       (52,348)	Other long-term liabilities	4,839	3,059
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       6,638       6,768         Treasury stock, at cost - 449,558,553 and 444,619,970 shares       (54,932)       (52,348)	Long-term debt	14,859	10,657
issued         5,061         5,061           Additional paid-in capital         6,638         6,768           Treasury stock, at cost - 449,558,553 and 444,619,970 shares         (54,932)         (52,348)	Shareholders' equity:		
Additional paid-in capital 6,638 6,768 Treasury stock, at cost - 449,558,553 and 444,619,970 shares (54,932) (52,348)	Common stock, par value \$5.00 – 1,200,000,000 shares authorized; 1,012,261,159 shares		
Treasury stock, at cost - 449,558,553 and 444,619,970 shares (54,932) (52,348)	issued	5,061	5,061
	Additional paid-in capital	6,638	6,768
	Treasury stock, at cost - 449,558,553 and 444,619,970 shares	(54,932)	(52,348)
	Retained earnings		55,941

Accumulated other comprehensive loss	(14,908)	(15,083)
Total shareholders' equity	(5,322)	339
Noncontrolling interests	379	71
Total equity	(4,943)	410
Total liabilities and equity	\$126,261	\$117,359

## The Boeing Company and Subsidiaries Consolidated Statements of Cash Flows (Unaudited)

	Six months June	
(Dollars in millions)	2019	2018
Cash flows – operating activities:	20.0	
Net (loss)/earnings	(\$793)	\$4,673
Adjustments to reconcile net earnings to net cash provided by operating activities:	(4.55)	
Non-cash items –		
Share-based plans expense	104	98
Depreciation and amortization	1,067	1,008
Investment/asset impairment charges, net	70	44
Customer financing valuation adjustments	249	(2
Gain on dispositions, net	(300)	(7
Other charges and credits, net	145	112
Changes in assets and liabilities –		
Accounts receivable	588	62
Unbilled receivables	(222)	(1,675
Advances and progress billings	1,842	2,931
Inventories	(5,233)	408
Other current assets	(887)	2
Accounts payable	2,002	682
Accrued liabilities	4,959	(922
Income taxes receivable, payable and deferred	(921)	269
Other long-term liabilities	(509)	(65
Pension and other postretirement plans	(390)	(57
Customer financing, net	347	(97
Other	80	352
Net cash provided by operating activities	2,198	7,816
Cash flows – investing activities:	<del>-</del>	
Property, plant and equipment additions	(922)	(770
Property, plant and equipment reductions	331	41
Acquisitions, net of cash acquired	(492)	
Contributions to investments	(496)	(1,537
Proceeds from investments	758	1,028
Purchase of distribution rights	(20)	(56
Other	(12)	(1
Net cash used by investing activities	(853)	(1,295
Cash flows – financing activities:		
New borrowings	11,670	3,648
Debt repayments	(6,422)	(2,708
Contributions from noncontrolling interests	7	20
Stock options exercised	47	6
Employee taxes on certain share-based payment arrangements	(238)	(236
Common shares repurchased	(2,651)	(5,965
Dividends paid	(2,317)	(1,997
Net cash provided/(used) by financing activities	96	(7,177
Effect of exchange rate changes on cash and cash equivalents, including restricted	(2)	(36
Net increase/(decrease) in cash & cash equivalents, including restricted	1,439	(692
Cash & cash equivalents, including restricted, at beginning of year	7,813	8,887
Cash & cash equivalents, including restricted, at end of period	9,252	8,195
Less restricted cash & cash equivalents, included in Investments	85	74
Cash and cash equivalents at end of period	\$9,167	\$8,121

Effective at the beginning of 2019, all revenues and costs associated with military derivative aircraft production are reported in the Defense, Space & Security segment. Revenues and costs associated with military derivative aircraft production were previously reported in the Commercial Airplanes and Defense, Space & Security segments. Business segment data for 2018 reflects the realignment for military derivative aircraft as well as the realignment of certain programs from Defense, Space & Security to Global Services.

	Six month June		Three months ended June 30		
(Dollars in millions)	2019	2018	2019	2018	
Revenues:					
Commercial Airplanes	\$16,544	\$26,897	\$4,722	\$13,952	
Defense, Space & Security	13,223	12,581	6,612	6,100	
Global Services	9.162	8,047	4.543	4,097	
Boeing Capital	141	137	75	72	
Unallocated items, eliminations and other	(402)	(22)	(201)	37	
Total revenues	\$38,668	\$47,640	\$15,751	\$24,258	
(Loss)/earnings from operations:					
Commercial Airplanes	(\$3,773)	\$3,197	(\$4,946)	\$1,785	
Defense, Space & Security	1,822	1,133	975	376	
Global Services	1,340	1,251	687	604	
Boeing Capital	57	44	37	24	
Segment operating (loss)/profit	(554)	5,625	(3,247)	2,789	
Unallocated items, eliminations and other	(1,205)	(722)	(498)	(396)	
FAS/CAS service cost adjustment	729	682	365	317	
(Loss)/earnings from operations	(1,030)	5,585	(3,380)	2,710	
Other income/(loss), net	213	51	107	(15)	
Interest and debt expense	(277)	(211)	(154)	(109)	
(Loss)/earnings before income taxes	(1,094)	5,425	(3,427)	2,586	
Income tax benefit/(expense)	301	(752)	485	(390)	
Net (loss)/earnings	(\$793)	\$4,673	(\$2,942)	\$2,196	
Research and development expense, net:	4	<b>#1 000</b>	*	<b>ሲ</b> ርር 0	
Commercial Airplanes	\$1,062	\$1,099	\$498	\$550	
Defense, Space & Security	384	402	196	219	
Global Services Other	73	71 19	33	37 21	
	173		99		
Total research and development expense, net	\$1,692	\$1,591	\$826	\$827	
Unallocated items, eliminations and other:					
Share-based plans	(\$36)	(\$36)	(\$22)	(\$18)	
Deferred compensation	(129)	(56)	(27)	(27)	
Amortization of previously capitalized interest	(45)	(48)	(21)	(23)	
Customer financing impairment	(250)	( - /	(=.)	( - )	
Research and development expense, net	(173)	(19)	(99)	(21)	
Eliminations and other unallocated items	(572)	(563)	(329)	(307)	
Sub-total (included in core operating earnings)	(1,205)	(722)	(498)	(396)	
Pension FAS/CAS service cost adjustment	549	520	275	237	
Postretirement FAS/CAS service cost adjustment	180	162	90	80	
FAS/CAS service cost adjustment	729	682	\$365	\$317	
Total	(\$476)	(\$40)	(\$133)	(\$79)	

# The Boeing Company and Subsidiaries Operating and Financial Data (Unaudited)

Six months ended Three months ended **Deliveries** June 30 June 30 Commercial Airplanes (1) Total

Note: Aircraft accounted for as revenues by BCA and as operating leases in consolidation identified by parentheses

AH-64 Apache (New)	10	_	4	_
AH-64 Apache (Remanufactured)	35	6	13	_
CH-47 Chinook (New)	7	9	_	5
CH-47 Chinook (Renewed)	9	8	5	2
F-15 Models	5	5	1	3
F/A-18 Models	10	5	3	_
KC-46 Tanker	12	_	5	_
P-8 Models	8	8	5	2
Commercial and Civil Satellites	1	_	1	_
Military Satellites	-	_	-	_
			June 30	December 3
Total backlog (Dollars in millions)	2019	201		
Commercial Airplanes			\$390,405	\$408,140
			63.872	61,277
Defense, Space & Security				
			19,974	21,064
Global Services				
Total backlog			19,974	\$490,48
Global Services			19,974 \$474,251	21,064 \$490,481 \$462,070 28,411

#### The Boeing Company and Subsidiaries Reconciliation of Non-GAAP Measures (Unaudited)

The tables provided below reconcile the non-GAAP financial measures core operating (loss)/earnings, core operating margin, and core (loss)/earnings per share with the most directly comparable GAAP financial measures, (loss)/earnings from operations, operating margin, and diluted (loss)/earnings per share. See page 6 of this release for additional information on the use of these non-GAAP financial measures.

(Dollars in millions, except per share data)	Second Quarter 2019		Second Quarter 2018	
	\$ millions	Per Share	\$ millions	Per Share
Revenues	15,751		24,258	
(Loss)/earnings from operations (GAAP)	(3,380)		2,710	
Operating margin (GAAP)	(21.5)%		11.2%	
FAS/CAS service cost adjustment:				
Pension FAS/CAS service cost adjustment	(275)		(237)	
Postretirement FAS/CAS service cost adjustment	(90)		(80)	
FAS/CAS service cost adjustment	(365)		(317)	
Core operating (loss)/earnings (non-GAAP)	(\$3,745)		\$2,393	
Core operating margin (non-GAAP)	(23.8)%		9.9%	
Diluted (loss)/earnings per share (GAAP)		(\$5.21)		\$3.73
Pension FAS/CAS service cost adjustment	(\$275)	(0.49)	(\$237)	(0.40
Postretirement FAS/CAS service cost adjustment	(90)	(0.16)	(80)	(0.14
Non-operating pension expense	(94)	(0.17)	(6)	(0.01
Non-operating postretirement expense	26	0.05	24	0.04
Provision for deferred income taxes on				
adjustments <sup>1</sup>	91	0.16	63	0.11
Subtotal of adjustments	(\$342)	(\$0.61)	(\$236)	(\$0.40
Core (loss)/earnings per share (non-GAAP)		(\$5.82)		\$3.33
Weighted average diluted shares (in millions)		565.3		588.7

<sup>&</sup>lt;sup>1</sup> The income tax impact is calculated using the U.S. corporate statutory tax rate

The tables provided below reconcile the non-GAAP financial measures core operating earnings, core operating margin, and core earnings per share with the most directly comparable GAAP financial measures, earnings from operations, operating margin, and diluted earnings per share. See page 6 of this release for additional information on the use of these non-GAAP financial measures.

(Dollars in millions, except per share data)	First Half 2019		First Half 2018	
, , ,	\$ millions	Per Share	\$ millions	Per Share
Revenues	38,668		47,640	
(Loss)/earnings from operations (GAAP)	(1,030)		5,585	
Operating margin (GAAP)	(2.7)%		11.7%	
FAS/CAS service cost adjustment:				
Pension FAS/CAS service cost adjustment	(549)		(520)	
Postretirement FAS/CAS service cost adjustment	(180)		(162)	
FAS/CAS service cost adjustment	(729)		(682)	
Core operating (loss)/earnings (non-GAAP)	(\$1,759)		\$4,903	
Core operating margin (non-GAAP)	(4.5)%		10.3%	
Diluted earnings per share (GAAP)		(\$1.40)		\$7.88
Pension FAS/CAS service cost adjustment	(\$549)	(0.97)	(\$520)	(0.88)
Postretirement FAS/CAS service cost adjustment	(180)	(0.32)	(162)	(0.27)
Non-operating pension expense	(187)	(0.32)	(48)	(80.0)
Non-operating postretirement expense	53	0.09	48	0.08
Provision for deferred income taxes on				
adjustments <sup>1</sup>	181	0.32	143	0.24
Subtotal of adjustments	(\$682)	(\$1.20)	(\$539)	(\$0.91)
Core (loss)/earnings per share (non-GAAP)		(\$2.60)		\$6.97
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Weighted average diluted shares (in millions)		566.6		592.9

<sup>&</sup>lt;sup>1</sup> The income tax impact is calculated using the U.S. corporate statutory tax rate

# **SOURCE** Boeing