Boeing CEO Updates Employees on Fourth-Quarter Results

CHICAGO, Jan. 27, 2021—Boeing President and CEO Dave Calhoun shared the following message with employees today addressing the company's fourth-quarter results:

2020 was a year of profound societal and global disruption, which significantly impacted our industry. In the face of these challenges, we made important strides to strengthen our safety processes, rebuild trust, and transform our business to prepare for a robust recovery.

This morning, we shared our fourth-quarter and 2020 year-end financial results. The deep impacts of COVID-19 on commercial air travel, as well as the 737 MAX grounding, are reflected in our performance. Our balanced portfolio of diverse defense, space and services programs continues to provide important stability for us as we lay the foundation for commercial market recovery.

I'm extremely proud of the hard work and dedication of our team around the world, and I remain confident in our future. As we transform our business, we continue taking proactive action to reshape our infrastructure, streamline our overhead and organizational structure, rebalance our portfolio and investment mix, strengthen the health of our supply chain, and drive operational excellence into every corner of our enterprise. Working together, we'll drive fundamental, enduring change at our company to strengthen our culture, improve our performance, and ensure we're more resilient, productive and competitive for the long term.

As part of our fourth-quarter results, we also shared that we now anticipate that the first 777X delivery will occur in late 2023. This schedule, and the associated financial impact, reflects a number of factors, including an updated assessment of global certification requirements, our latest assessment of COVID-19 impacts on market demand, and discussions with customers with respect to aircraft delivery timing. We remain confident in the 777X and the unmatched capabilities and value it will offer our customers.

This past quarter, we also launched comprehensive production inspections of our 787 airplanes to ensure that each meets our rigorous engineering specifications prior to delivery, as we also drive stability in our production system to be better positioned for market recovery. While this limited our deliveries and revenue for the quarter, it is the right thing to do for our customers and another demonstration of our uncompromising commitment to quality.

We also began to receive regulatory approvals to resume 737 MAX operations in the fourth quarter and restarted deliveries in December of last year. As we focus on supporting our customers in safely returning their fleets to service, we are pleased with the confidence our customers have placed in us and the airplane, highlighted recently by the Ryanair and Alaska Air announcements.

We also continued to deliver for our defense and space customers. We delivered 34 aircraft to our defense customers this quarter and booked $5 billion in orders across key franchise programs. We also celebrated the first flight of the MQ-25 unmanned aircraft with an aerial refueling store and demonstrated ski-jump launch capability of the F/A-18 Super Hornet for the Indian Navy.

Our Global Services team provided essential support across the portfolio and earned record orders in the quarter driven by key government awards, including a performance-based logistics contract for the Singapore F-15SG fleet, and an F-15 spares and logistics support contract with the Qatar Emiri Air Force. Our digital solutions continue to provide important capabilities to our customers, as highlighted by Frontier Airlines' recent decision to sign a 10-year digital services agreement with us for their fleet.

These accomplishments are encouraging signs that we are progressing on our journey of excellence, guided by our values and commitment to safety, quality, integrity and transparency in everything we do. Thank you for your dedication, resilience and hard work in 2020, and for your continued efforts on behalf of our customers, our communities and our company. Transforming our company to be stronger, more efficient and more innovative is critical to our future, and I am confident that we are up to the task.

Dave