

Boeing CEO Updates Employees on First-Quarter Results

CHICAGO, April 28, 2021—Boeing President and CEO Dave Calhoun shared the following message with employees today addressing the company's first-quarter results:

Team,

As we share our first-quarter financial results today, I want thank you for your continued resilience and resolve as we navigate through the global pandemic and deliver for our customers.

While the impacts of COVID-19 continue to challenge the overall market environment, we view 2021 as a key inflection point for our industry as vaccine distribution accelerates and we work together across government and industry to help enable a robust recovery. And as we monitor travel trends and global trade in the commercial market, our diverse portfolio of defense, space and services programs continues to provide important foundational stability.

Through this dynamic time, we've also made important progress across our business transformation. The work we're doing in every business, function and team is creating fundamental, enduring change at our company that will strengthen our culture, improve our performance, and ensure we're more resilient, productive and competitive for the long term.

I'm proud of how our team has stayed focused on our values and met key customer commitments through this historically challenging time.

For example, our Defense, Space & Security team delivered the first F-15EX Eagle II to the U.S. Air Force ahead of schedule. We also began production of the T-7A Red Hawk Advanced Trainer and successfully conducted the Green Run hot fire test for NASA's Space Launch System. In total, the BDS team delivered 42 aircraft in the first quarter, including 24 AH-64 Apaches and six CH-47 Chinooks.

In Global Services, our team delivered the 50th 737-800 Boeing Converted Freighter and inducted the first EA-18G Growler for the U.S. Navy modification program. We also secured important new orders, including a ground support equipment and logistics contract for the Royal Moroccan Air Force and an F/A-18 and AV-8B avionics equipment repair award for the U.S. Navy.

In our Commercial Airplanes business, we were encouraged to see operators begin to invest in the long term again, as we recorded positive net orders in the quarter, including key contracts with Southwest Airlines, United Airlines and Alaska Airlines for 737 MAX aircraft. We are honored by the trust and confidence our customers place in Boeing with each of these important orders.

We also continued to work with global regulators and customers on the safe return to service of the 737 MAX worldwide. Since the U.S. Federal Aviation Administration's approval to resume operations in November of last year, we have delivered over 85 737 MAX aircraft to customers around the globe. Twenty-one airlines have returned their airplanes to service and have safely flown more than 26,000 revenue flights totaling more than 58,500 flight hours.

We are also working closely with the FAA and customers to address electrical issues identified in certain locations in the flight deck of select 737 MAX airplanes. We are finalizing the plans and documentation with the FAA to outline the process required for operators to return their airplanes to service. Upon approval by the FAA, we expect the work to take a few days per airplane — and we will continue to focus on safety, quality and transparency through this process.

We also resumed delivering 787s in the first quarter, following our comprehensive reviews to ensure each airplane meets the highest standards. While this work impacted our first-quarter results, it was the right thing to do and is another demonstration of our unrelenting focus on quality and the long-term health of our business. The time we are investing now in the 787, and across all of our programs, is driving stability and will position us to be stronger when the market recovers.

Overall, we made important strides this quarter, and we must stay diligent as we navigate through this global pandemic together. Challenges remain, and we will continue to monitor the global trade environment as well as COVID-19 trends across the globe. Through it all, we will stay relentlessly focused on safety, quality and integrity in every aspect of our operations as we sustain critical investments in our future and deliver for our customers and their important missions.

Thank you for all you continue to do. I am proud to be on your team, and together, we're building a better Boeing for our customers, stakeholders and one another.

Dave
