

Boeing CEO Updates Employees on Fourth-Quarter Results

CHICAGO, Jan. 26, 2022—Boeing President and CEO Dave Calhoun shared the following message with employees today addressing the company's fourth-quarter results:

As we share our fourth-quarter results, I want to thank you for your hard work and resilience. 2021 was a key rebuilding year for us, and together, we overcame significant hurdles. While we have more work to do, I am confident that we are well positioned to accelerate our progress in 2022 and beyond.

The industry's mounting recovery has spurred solid commercial airplane demand. Order activity picked up significantly, particularly for the 737 MAX. In total, we booked over 900 gross commercial airplane orders including approximately 750 orders for the 737 family.

The 737 MAX is now safely flying in nearly every jurisdiction around the globe and the fleet is performing very well. With about 1,600 flights daily and more than 300,000 revenue flights completed since late 2020, the fleet is delivering reliability equal to or better than any fleet flying. And with over 800,000 total flight hours since late 2020, the fleet has now flown more flight hours than it had prior to the initial grounding. We also delivered 245 737 MAX airplanes in 2021, and we've steadily increased production with a focus on safety and quality. We began 2021 at very low production rates, and today, are producing at 26 airplanes per month on our way to 31 per month early this year. Looking back at where we started, 2021 was a pivotal year for the 737 team.

We're now applying that same disciplined and detailed focus to the 787 program. As you know, we are progressing through a comprehensive effort to ensure every airplane in our production system conforms to our exacting specifications. This effort continues to impact our deliveries and our financial results – but we are fully confident it is the right thing to do. I view the financial impacts of this work as a long-term investment in a program that has significant runway ahead. We are taking the time now to ensure we're positioned well as widebody demand recovers. We'll continue to keep you updated as we progress toward returning to 787 deliveries.

As cargo demand expands, we also booked record orders for new and converted Boeing freighters, including 84 orders for our 767, 777 and 747 freighters. Our Global Services team also announced 10 new converted freighter lines to meet the growing demand. Overall, our Global Services business showed great resilience, in part due to our well-balanced portfolio of both government and commercial offerings. This quarter, the team delivered our 50th 767-300 converted freighter and captured new commercial and government business valued at \$6 billion. As the commercial market recovers, BGS is well positioned for growth in 2022.

In our defense and space business, we secured key orders and delivered on critical customer milestones. We completed the first carrier tests with the U.S. Navy for the MQ-25, started flight testing on the second uncrewed Loyal Wingman aircraft, and delivered 47 total aircraft including the first KC-46 for Japan and Norway's first P-8A Poseidon. We also generated \$7 billion in orders in the quarter, extending our BDS backlog to \$60 billion.

We took another key step in our overall recovery, notably in our financial performance, by generating positive cash flow in the fourth quarter, which represents our first positive cash quarter since early 2019. At the same time, the ongoing 787 activities resulted in financial charges that significantly impacted our earnings. While we never want to disappoint our customers or miss expectations, the work we're putting in now will build stability and predictability going forward.

And looking to our future, we're sustaining and expanding key investments, including in our people, in sustainability, advanced manufacturing, digital engineering, supply chain capability, technology development and partnerships.

We'll stay squarely focused on safety, quality and transparency as we strengthen our culture and rebuild trust each day. While challenges remain, I am confident in our future. Our market is resilient, our team is world-class and we are taking the right, tough actions today to position ourselves for success. Thank you for all you continue to do to support our customers, our communities and each other.

Dave
