

Boeing CEO Updates Employees on Second-Quarter Results

Boeing CEO Updates Employees on Second-Quarter Results

CHICAGO, July 27, 2022 —Boeing President and CEO Dave Calhoun shared the following message with employees today addressing the company's second-quarter results:

Team,

This month, Boeing marked its 106th anniversary. Throughout our history, we have seen moments of triumph and moments of challenge. Through it all, our people have made the difference, and that could not ring truer today. As we report our second-quarter results, you will see that we are building momentum in our turnaround. Even as we navigate a difficult environment, we are making progress across key programs and are beginning to hit significant milestones.

Thanks to these efforts, we generated positive operating cash flow in the second quarter, and we remain on track to achieve positive free cash flow for 2022. This is underpinned by strong demand and our efforts to improve performance.

In our Commercial Airplanes business, we increased 737 MAX production and improved deliveries, while working to drive stability in our factory and within the supply chain. We also continued to support the growing fleet, which has now safely flown more than 1.5 million flight hours with greater than 99% schedule reliability since the ungrounding.

Our 787 team is in the final stages of preparing to restart deliveries and continues to work through the comprehensive and transparent process with our regulator. There is no doubt that it has been a long road, but I am proud of our team for raising their hands, sharing information transparently and doing the hard work it takes to position us for success. I've spent a lot of time with our teams in North Charleston and Everett, and the work our mechanics, technicians and engineers are doing is exceptional. It's detailed, disciplined and rigorous – and your efforts will have a positive impact for decades to come.

As we improve performance, the commercial market recovery is also gaining traction and customers are demonstrating their confidence and trust in Boeing, our products and our people. We are honored to have announced more than 200 airplane orders and commitments at the Farnborough International Airshow last week, including key orders for the 737 MAX, 787, freighters and services.

In our Defense, Space and Security business, our successful uncrewed CST-100 Starliner mission with NASA was a key moment for Boeing and I was proud to be with our team at Cape Canaveral for the launch. This orbital flight test was an important reminder of what we're capable of achieving and a demonstration of our focus on engineering excellence. That said, we continue to work through hurdles on our fixed-price development programs amidst a challenging macro-economic environment, which had an impact on our results.

Meanwhile, our Global Services team had another strong quarter supporting commercial and government customers. As the commercial market recovers, and thanks to our team's performance, BGS has largely returned to pre-pandemic levels faster than our expectations, demonstrated by strong revenue and operating margins this quarter.

As demand grows across our markets, we are partnering with our supply chain to ensure our industry can meet that demand now and into our future. Supply chain constraints and inflation continue to challenge our world – and our industry is no exception. Even with demand high, we won't chase production rates or push our system too fast. With safety and quality at the forefront, we will prioritize stability and predictability because when we get those right, all other metrics will follow.

While we are making progress, we have more work to do. And as we focus on improving our performance today, we are making research and development investments to lay the foundation for our next generation of products and advance [our sustainability efforts](#). Most importantly, we're also investing in our people and hiring in key areas of engineering and manufacturing.

This is a pivotal moment in our 106-year legacy – and this team has the opportunity to define our future. Together, we are taking the right actions and heading in the right direction. Our programs are beginning to meet key milestones and our financials are starting to reflect our efforts. Our team is tested, prepared and ready to deliver – and I am confident in our future. Thank you for all that you do every day to support our customers, our company and each other.

Dave
