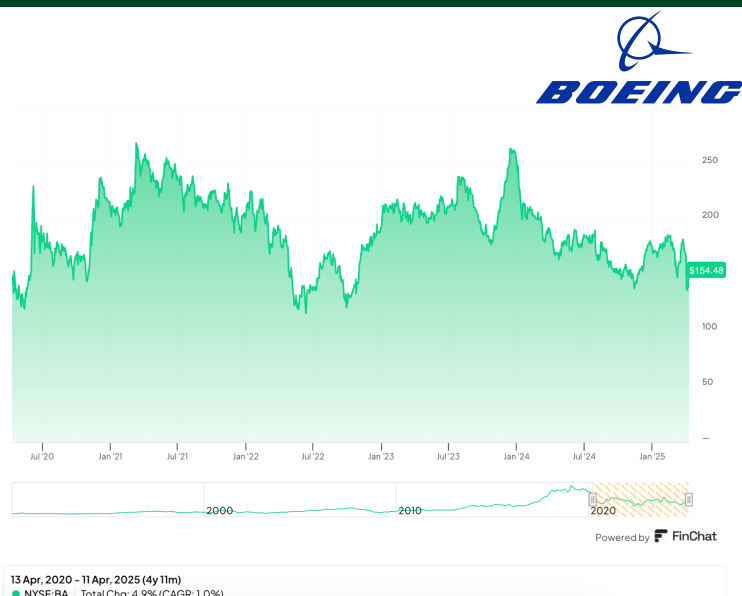


Name	The Boeing Company
CEO	Mr. Robert K. Ortberg
Website	www.boeing.com
Sector	Aerospace and Defense
Year Founded	1916

Profile		Valuation (TTM)		Growth (CAGR)	
Market Cap	\$121.00B	P/E	-7.6	Rev 3Yr	2.2%
EV	\$150.70B	P/B	-26.7	Rev 5Yr	-2.8%
Shares Out	752.4M	EV/Sales	2.3	Rev 10Yr	-3.1%
Revenue	\$66.52B	EV/EBITDA	-18.4	Dil EPS 3Yr	36.9%
Employees	172,000.0	P/CF	-8.5	Dil EPS 5Yr	74.8%
		EV/Gross Profit	-86.9	Dil EPS 10Yr	9.5%
Margins				Rev Fwd 2Yr	22.0%
Gross	-2.6%	Valuation (NTM)		EBITDA Fwd 2Yr	120.5%
EBITDA	-12.3%	Price Target	\$193.12	EPS Fwd 2Yr	-8.0%
Operating	-15.1%	P/E	-72.2	EPS LT Growth Est	13.0%
Pre-Tax	-18.4%	PEG	0.1		
Net	-17.8%	EV/Sales	1.8	Dividends	
FCF	-21.5%	EV/EBITDA	38.9	Yield	—
		P/CF	-25.7	Payout	—
Returns (5Yr Avg)				DPS	—
ROA	-4.2%	Financial Health		DPS Growth 3Yr	—
ROTA	35.1%	Cash	\$26.26B	DPS Growth 5Yr	—
ROE	41.3%	Net Debt	\$29.70B	DPS Growth 10Yr	—
ROCE	-4.3%	Debt/Equity	-14.3	DPS Growth Fwd 2Yr	-91.9%
ROIC	-2.2%	EBIT/Interest	-3.7		



Interim Quarter Update & Analysis

Boeing, a global leader in aerospace with a rich history dating back to 1916, is at a pivotal juncture in 2025, navigating recovery from recent challenges while positioning itself for future growth. This analysis delves into the company's financial health, market position, operational dynamics, and investment potential.

Investment Background

After a difficult 2024 with shares falling 32% in the year, Boeing presents a potentially high-reward opportunity for long-term investors willing to tolerate volatility. The company's large order backlog, increasing production rates, and leadership in aerospace position it for growth as the aviation sector recovers. However, near-term challenges—supply chain disruptions, regulatory scrutiny, and higher level of debt—could lead to continued uncertainty. Quarterly earnings should be monitored closely for signs of improving cash flow, production stabilization, and regulatory compliance.

Risks Considerations

Investing in Boeing in 2025 involves a variety of risks. Operational risks include continued production issues or safety concerns, which could lead to further regulatory actions or loss of customer confidence. Financial risks stem from higher level of debt at about \$53.9 billion and negative free cash flow. Competitive risks include duopoly with Airbus currently leading in market share, and Embraer potentially entering the middle market. Economic risks, such as inflation and geopolitical tensions, as well as uncertainty from tariffs and trade wars, could impact airline demand and Boeing's recovery.

Market Position and Competitive Landscape

Boeing operates a duopoly in the aerospace industry with its primary rival, Airbus. Boeing's backlog stands at an impressive \$521 billion as of 2024, including over 5,500 commercial aircraft orders valued at \$435 billion, as reported in its 2024 fourth quarter results. This backlog underscores its strong market position, particularly in widebody aircraft, where it holds a 52% share as of 2021.

The global aviation market is recovering post-pandemic, with airlines seeking to replace aging fleets and meet rising travel demand. Boeing's own market outlook forecast steady growth through 2043, driven by emerging markets and the need for fuel-efficient aircraft.

Recent Commercial Aircraft Orders

BOC Aviation Order: Boeing and BOC Aviation announced a firm order for 50 Boeing 737-8 jets, expanding BOC Aviation's 737 MAX portfolio to 215 aircraft (including 737-8s and 737-9s). This deal, announced on March 30, 2025, increases BOC Aviation's unfilled Boeing orders to 139, reflecting confidence in the 737-8's fuel efficiency and versatility for meeting air travel demand.

Korean Air Order: On March 26, 2025, Boeing and Korean Air finalized a landmark order for up to 50 widebody airplanes, including 20 Boeing 777-9s, 20 Boeing 787-10s, and options for 10 additional 787 Dreamliners. This order, initially committed at the 2024 Farnborough International Airshow, marks Korean Air's largest deal with Boeing and supports its fleet expansion ahead of integrating with Asiana Airlines.

Japan Airlines Order: Boeing and Japan Airlines (JAL) finalized an order for 17 Boeing 737-8s on March 25, 2025, nearly doubling JAL's 737 MAX backlog to 38 firm orders. This deal aims to leverage the fuel efficiency of the 737 MAX for JAL's domestic network, reducing fuel use and carbon emissions by 15% compared to older 737-800s.

Recent Defense Contracts

U.S. Army Special Operations MH-47G Contract: On March 27, 2025, the U.S. Army Special Operations Aviation Command (USASOAC) awarded Boeing a \$240 million contract to remanufacture five MH-47G Block II Chinook helicopters. This brings the total number of MH-47G Block II aircraft under contract to 51, with deliveries scheduled to begin in 2027 and fleet modernization expected by early 2030.

NGAD Fighter Jet Contract: Boeing won a cost-plus incentive fee contract for the Next Generation Air Dominance (NGAD) crewed fighter jet, dubbed the F-47, announced on March 21, 2025. The program, costing \$20 billion from 2025 to 2029, involves maturing, integrating, testing, and producing test aircraft, with options for low-rate initial production. This deal aims to develop the U.S. Air Force's sixth-generation fighter, addressing national security needs.

Operational Challenges and Production Dynamics

Boeing's operational landscape in 2025 is marked by efforts to stabilize production following years of disruptions. The company is targeting an average production rate of 30 737 MAX aircraft per month in 2025, starting from 18 per month. This is below the 2018 peak of 52 per month but represents progress after FAA caps at 38 per month and a month-long strike in 2024.

Supply chain issues remain a significant hurdle, particularly with engine suppliers like Safran and General Electric for CFM LEAP 1-B engines, impacting production timelines. Regulatory scrutiny, intensified by the 737 MAX grounding and the Alaska Airlines MAX 9 door plug blowout in January 2024, continues to pose risks, with the FAA imposing strict oversight. Additionally, the loss of senior engineering talent to sectors like space or electric air vehicles could hinder innovation.

Trump's tariffs are also likely to increase Boeing's production costs by raising prices for raw materials and components from Canada, Mexico, China, and beyond. While Boeing's inventory and U.S.-centric supply chain provide short-term resilience, smaller suppliers face significant pressure, risking delays and cost pass-throughs.

Growth Opportunities and Strategic Initiatives

Despite challenges, Boeing has several growth levers. Its \$521 billion backlog provides a strong foundation for future revenue, with recent orders like the Pegasus deal signaling market confidence. The production ramp-up to 30 per month could stabilize the supply chain and improve cash flow, providing demand signals for alignment.

The 777X program is a key growth driver, with certification flight testing resumed and first delivery anticipated in 2026, as reported in its 2024 fourth quarter results. Boeing also has the opportunity to launch a new aircraft, its first since the 787, which could enhance competitiveness against Airbus and Embraer. Attracting new talent and streamlining management, with a 10% top-down mandate, could improve efficiency too.

Market trends, such as the focus on sustainability and fuel efficiency, align with Boeing's offerings like the 787 Dreamliner, which uses 50% composites. The industry's shift toward emerging markets and fleet modernization also supports long-term growth.

2024 Financial Health

Boeing's financial performance in 2024 was challenging, with full-year revenue of \$66.517 billion but recording GAAP loss per share of -\$18.36. Free cash flow was also negative at -\$14.310 billion, reflecting operational cash burn. Cash and marketable securities stood at \$26.3 billion, while debt was \$53.9 billion, indicating relatively high leverage.

2025 Financial Forecast

Boeing's FY 2025 financial forecast projects revenue of ~\$87.46 billion, an EPS range of -\$1.93 to \$0.50, and negative free cash flow of about -\$4.704 billion, with positive cash flow expected in the second half. While production increases, a strong backlog, and new defense contracts drive optimism, tariffs, supply chain challenges, and relatively high debt pose risks.

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