

# ModernGraham Valuation

Company Name:

Boeing Co

Company Ticker BA

Date of Analysis

2/22/2018



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

|  |  |                   |      |
|--|--|-------------------|------|
| 1. Adequate Size of the Enterprise         | Market Cap > \$2Bil  | \$211,972,350,031 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2  | 1.16              | Fail |
| 3. Earnings Stability                      | Positive EPS for 10 years prior  |                   | Pass |
| 4. Dividend Record                         | Dividend Payments for 10 years prior   |                   | Pass |
|  | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | 176.27%           | Pass |
| 5. Earnings Growth                         |  |                   |      |
| 6. Moderate PEmg Ratio                     | PEmg < 20  | 34.61             | Fail |
| 7. Moderate Price to Assets                | PB Ratio < 2.5 OR PB*PEmg < 50   | 603.14            | Fail |

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

|  |                                |      |      |
|--|--------------------------------|------|------|
| 1. Sufficiently Strong Financial Condition | Current Ratio > 1.5            | 1.16 | Fail |
| 2. Sufficiently Strong Financial Condition | Debt to NCA < 1.1              | 1.10 | Fail |
| 3. Earnings Stability                      | Positive EPS for 5 years prior |      | Pass |
| 4. Dividend Record                         | Currently Pays Dividend        |      | Pass |
| 5. Earnings Growth                         | EPSmg greater than 5 years ago |      | Pass |
|  | Score                          |      |      |

### Suitability

|                     |           |
|---------------------|-----------|
| <b>Defensive</b>    | <b>No</b> |
| <b>Enterprising</b> | <b>No</b> |

## Stage 2: Determination of Intrinsic Value

|                             |                 |
|-----------------------------|-----------------|
| EPSmg                       | \$10.28         |
| MG Growth Estimate          | 10.37%          |
| <b>MG Value</b>             | <b>\$300.74</b> |
| MG Value based on 3% Growth | \$149.12        |
| MG Value based on 0% Growth | \$87.41         |
| Market Implied Growth Rate  | 13.05%          |

### MG Opinion

|                      |                   |
|----------------------|-------------------|
| Current Price        | \$355.91          |
| % of Intrinsic Value | 118.35%           |
| <b>Opinion</b>       | <b>Overvalued</b> |
| <b>MG Grade</b>      | <b>F</b>          |

## Stage 3: Information for Further Research

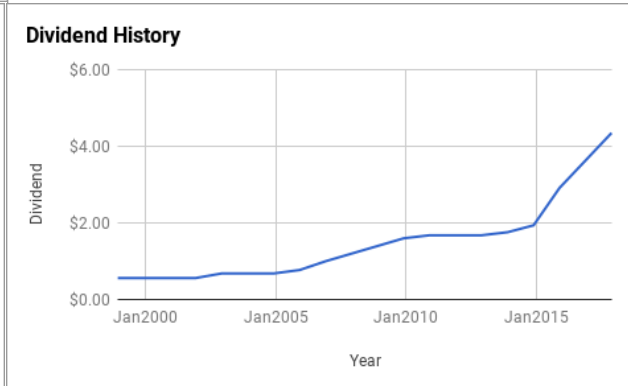
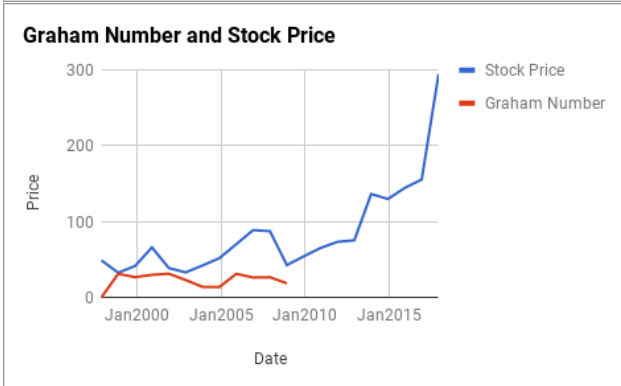
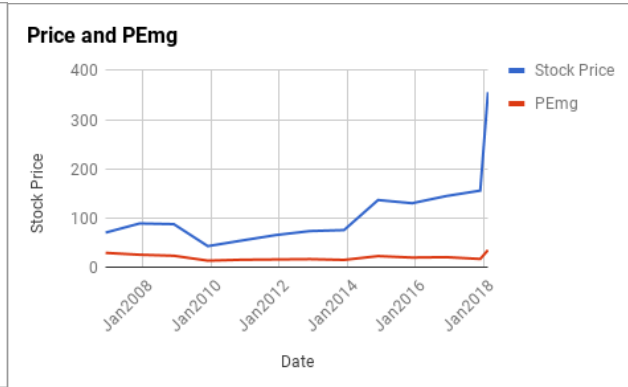
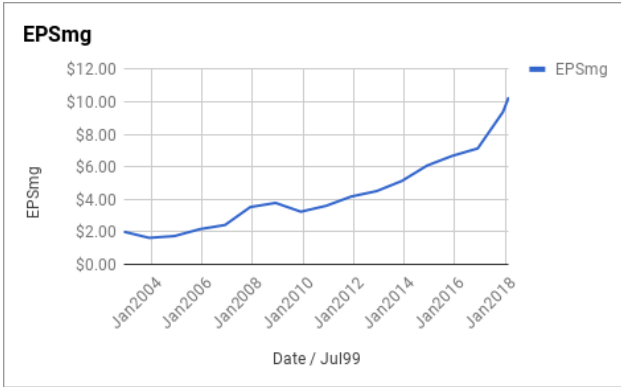
|  |          |
|--|----------|
| Net Current Asset Value (NCAV)                 | -\$44.58 |
| Graham Number                                  | \$12.25  |
| PEmg   | 34.61    |
| Current Ratio                                  | 1.16     |
| PB Ratio                                       | 603.14   |
| Current Dividend                               | \$5.68   |
| Dividend Yield                                 | 1.60%    |
| Number of Consecutive Years of Dividend Growth | 6        |

### Useful Links:

|  |                               |
|--|-------------------------------|
| <a href="#">ModernGraham tagged articles</a> | <a href="#">Morningstar</a>   |
| <a href="#">Google Finance</a>               | <a href="#">MSN Money</a>     |
| <a href="#">Yahoo Finance</a>                | <a href="#">Seeking Alpha</a> |
| <a href="#">GuruFocus</a>                    | <a href="#">SEC Filings</a>   |

| EPS History               |         | EPSmg History                              |                  |
|---------------------------|---------|--|------------------|
| Next Fiscal Year Estimate | \$11.09 | Next Fiscal Year Estimate                  | \$10.28          |
| Dec2017                   | \$13.43 | Dec2017                                    | \$9.38           |
| Dec2016                   | \$7.61  | Dec2016                                    | \$7.13           |
| Dec2015                   | \$7.44  | Dec2015                                    | \$6.68           |
| Dec2014                   | \$7.38  | Dec2014                                    | \$6.08           |
| Dec2013                   | \$5.96  | Dec2013                                    | \$5.13           |
| Dec2012                   | \$5.11  | Dec2012                                    | \$4.51           |
| Dec2011                   | \$5.34  | Dec2011                                    | \$4.18           |
| Dec2010                   | \$4.45  | Dec2010                                    | \$3.60           |
| Dec2009                   | \$1.84  | Dec2009                                    | \$3.24           |
| Dec2008                   | \$3.67  | Dec2008                                    | \$3.78           |
| Dec2007                   | \$5.28  | Dec2007                                    | \$3.53           |
| Dec2006                   | \$2.85  | Dec2006                                    | \$2.42           |
| Dec2005                   | \$3.20  | Dec2005                                    | \$2.17           |
| Dec2004                   | \$2.30  | Dec2004                                    | \$1.74           |
| Dec2003                   | \$0.89  | Dec2003                                    | \$1.63           |
| Dec2002                   | \$0.61  | Dec2002                                    | \$2.01           |
| Dec2001                   | \$3.41  | <b>Balance Sheet Information 12/1/2017</b> |                  |
| Dec2000                   | \$2.44  | Total Current Assets                       | \$65,161,000,000 |
| Dec1999                   | \$2.49  | Total Current Liabilities                  | \$56,269,000,000 |
| Dec1998                   | \$1.15  | Long-Term Debt                             | \$9,782,000,000  |
|                           |         | Total Assets                               | \$92,333,000,000 |
|                           |         | Intangible Assets                          | \$8,132,000,000  |
|                           |         | Total Liabilities                          | \$91,978,000,000 |
|                           |         | Shares Outstanding (Diluted Average)       | 601,600,000      |





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

### Recommended Reading:

Other ModernGraham posts about the company

- [9 Best Stocks For Value Investors This Week – 11/28/15](#)
- [Boeing Company Valuation – November 2015 Update \\$BA](#)
- [15 Best Stocks For Value Investors This Week – 8/22/15](#)
- [Boeing Company Analysis – August 2015 Update \\$BA](#)
- [5 Undervalued Dow Stocks to Research – July 2015](#)

Other ModernGraham posts about related companies

- [AAR Corp Valuation – Initial Coverage \\$AIR](#)
- [TransDigm Group Inc Valuation – Initial Coverage \\$TDG](#)
- [Textron Inc Valuation – June 2016 \\$TXT](#)
- [Boeing Company Valuation – June 2016 \\$BA](#)
- [Textron Inc Valuation – December 2015 Update \\$TXT](#)
- [Boeing Company Valuation – November 2015 Update \\$BA](#)
- [Textron Inc. Analysis – August 2015 Update \\$TXT](#)
- [Boeing Company Analysis – August 2015 Update \\$BA](#)
- [Textron Inc. Quarterly Valuation – May 2015 \\$TXT](#)
- [Boeing Company Quarterly Valuation – May 2015 \\$BA](#)