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The Boeing Co. (BA)

Barclays Industrial Select Conference

CORPORATE PARTICIPANTS

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

OTHER PARTICIPANTS

David Strauss
Analyst, Barclays Capital, Inc.

MANAGEMENT DISCUSSION SECTION

David Strauss
Analyst, Barclays Capital, Inc.

All right. Next up, we're pleased to have Boeing. Kelly Ortberg, CEO of Boeing. I think his first conference appearance in the role.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

Yes.

David Strauss
Analyst, Barclays Capital, Inc.

After a long time. We've known each other for quite a while, going years and years back. Both of us just have a few more gray hairs. But Kelly, thanks for joining us. Do you have any opening comments?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

Let's get right into the Q&A.

David Strauss
Analyst, Barclays Capital, Inc.

Okay. All right.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

Before we do that, I think we're going to flash up our Safe Harbor, and just bring your attention to that as we go through the Q&A. So good to see you.

QUESTION AND ANSWER SECTION

David Strauss
Analyst, Barclays Capital, Inc.

Q

Terrific. So been on the job for a long time now, six months.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Feels a little longer.

David Strauss
Analyst, Barclays Capital, Inc.

Q

Yeah. Every day, I'm sure. So how do you view – you talked about I think on your first call kind of the key priorities, and I think some of those were very pressing, you got to tick those off. But how do you view the progress that you've been able to make so far, and what are you focused on over the near term?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Yeah. In general, I'm feeling pretty good about where we are relative to what the challenge was at start. I feel really good about getting through the workforce stoppage that went longer than certainly anybody wanted. But getting through that, people are back to work, good attitudes and working on building great airplanes. So that's good to have that behind us. Obviously, the capital raise was an important task to get behind us. So we now have the balance sheet to really manage the recovery of the production system. So I'm pretty pleased with that. And we're making progress on the other priority areas in the culture and development programs that I outlined.

We're turning the corner here as we enter into 2025. I certainly want this to be a much more stable year for the company. We got to get past this drumbeat of continued EAC adjustments in our Defense business, and we're working really hard to do that. And then we're staying very disciplined in the Commercial side in our ramp-up, and I'm sure you'll ask some more questions about that. But so far, so good on the 737 MAX production ramp-up. And we're really, really making good strides in our safety and quality plan implementation across the company. So I feel pretty good about that. A lot of work to do. But I think, where we are today as we're turning into 2025, I feel like we're headed in the right direction.

David Strauss
Analyst, Barclays Capital, Inc.

Q

Great. So you've – one of the things that you laid out certainly longer term, but you identified rebuilding the culture at Boeing as one of the key priorities. You came from a place at Collins that outwardly to us felt like had a really, really strong culture. Talk about the steps that you're taking, when you can do kind of near term to get things moving in the right direction, and maybe the long term rebuild of the culture at Boeing.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Yeah. I think, one advantage I have is, as you said, I came from a business where I do think we had a good culture. So I do know what good culture looks like, and I know what the value is of good culture and helping guide the organization in the day in, day out decisions that are made. I also spent most of my career as a first tier supplier to Boeing, both in the defense and commercial side. So I know from the outside in some of the challenges that we have, and I think it's refreshing, I can come in and give a little bit of an outside critical perspective to the team that sometimes is insular and can't see some of these things from the inside out. But we're really focusing on making changes, fundamental changes to the culture with a lot of straight talk with people about what needs to change.

I will tell you that, one thing I'm really pleased about is, there's nobody who wants to change the culture more than the Boeing employees. They are tired of the challenges that we have. They want to see their company back to the market leader that they know we can be. So I don't have a case for change problem. We just have to go identify the values and behaviors and hold people accountable for that. So this year, in 2025, we'll be rolling out, I've got a culture team that's been assigned from across the organization that's going to work with me in re-establishing the core values of the company. And probably more importantly, the core behaviors of the company, how we expect our employees and leaders to behave. We're driving that into our leadership development program. We use that as criteria for selection of leaders.

We promote new leaders in the organization. And then we're going to make that a fundamental part of our performance management system. So when we evaluate people, it's not just what did you get done, but how did you get it done, and did you do it consistently with the core values of the company. I can assure you, safety is going to be forefront of those core values going forward. But we got a lot of work to do to get everybody behaving in the same way. Working together, we're very insular in our organizational boundaries. We've got to work together and we've got to work more closely with our customers as well, especially as we're trying to recover. It's no secret most of our customers were behind in deliveries, particularly in our Commercial business.

So we've got to recover that trust. And it's easy to lose and it takes a long time to rebuild. So we've just got to get at that every transaction that we have with our customers, needs to be a positive trust-building transaction and we're making progress there. More work to do. I do have a methodical way of attacking this, and I've seen it work before, and I'm confident that we'll start to see changes to the culture. This isn't something that happens overnight.

David Strauss Q
Analyst, Barclays Capital, Inc.

On MAX, you noted kind of on plan with what you talked about back in January, but maybe just dig into that a little bit. So January really good delivery month, February as, Brian and you had talked about, down pretty low. Are you still expecting a recovery in March? And how are you thinking about the trajectory beyond that?

Robert Kelly Ortberg A
President, Chief Executive Officer & Director, The Boeing Co.

Yeah. I think, one thing to remember is that, the airplanes that we're delivering today were airplanes that had work in process prior to the strike. So just to give you a feel for the flow, the first [indiscernible] (00:06:56) 737 airplane or fuselage that was loaded in the factory [indiscernible] (00:07:01), so that gives you a feel for, we're still flushing through quite a bit of the inventory. So that's why we had a really strong January deliveries. The other thing I'll just say is, when you look at rate, when we talk about the rate, that's the rate at which the tasks are getting done. That's not necessarily a direct correlation to deliveries. Sometimes, we have customer issues and the like in some of these inventory airplanes. So January was good, both from a production delivery, but also from a production output.

February is looking good for production output as well. Deliveries will be down a little bit from January, but not drastically down. We're ticking along here in February. So far, so good, things look really good. Supply chain on 737 is in good shape. We don't have any supply chain constraints right now that I see that are going to stop us from ramping up here to the 38 a month. And you know, that's where we have the FAA cap that we've got to get through this year. And our metrics are tracking real well to allow us to do that. But it's early innings. So we've got to stay focused on this, stay disciplined. One of the things that I think we really are benefiting from, both in the supply chain and our own production work is during the strike we didn't waste that time. We did go clean the inventory, get the production system cleaned out, rebalance, and we just got to stay disciplined to make sure it stays that way as we ramp back up.

David Strauss
Analyst, Barclays Capital, Inc.

Q

So on the call, you touched on the six KPIs you have on MAX. I appreciate the detail. You spelled them all out. But how do they sit kind of relative to each other, I guess, what's better, what's worse? How often are you actually looking at these KPIs? And I guess, one, we had heard about, you were traveling work on the MAX, then you weren't traveling work on the MAX, are you actually still traveling work on the MAX?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

We will never be traveling, no work. So just to give a perspective, there's always going to be some [indiscernible] (00:09:22) we changed our processes. First of all, if any work is not done in station and it's traveled, there has to be a safety risk assessment against it. If that risk assessment says, you're adding risk to safety of the airplane, we won't move the airplane and we won't travel to work. If we say we can, then we have to put a safety risk management plan in place on how that works going to be accomplished at a later date. So we're really using our safety management system to help guide that. Now, to your broader question on the KPIs, six of them, in some cases, they're kind of integrated, and they all need to be working in harmony. There are some KPI, each KPI has a control limit.

So we've agreed with the FAA on what's acceptable in terms of production stability on those KPIs. And if we're out of those control [indiscernible] (00:10:15) there's instability in the production system. We obviously will be in the control limit. We also do a two-month average on those. So it is a little early as we're coming out of production, ramp back up to draw any conclusions from the KPIs. The trends are good. There are a couple of KPIs that we're watching real closely. One on MAX, for example, is in rework because we have a bunch of airplanes that were pre-strike, particularly fuselages, before we got some of the cleanup work done on those that we are doing some rework on. We knew we would be. So those KPIs we're expecting will continue to improve as we flush through the inventory airplanes. But so far so good.

The trends all look good. I look at them regularly. You can just log on and pull them up. So can the FAA, by the way. They can look at them at any time they want. You can overlook at them a little bit. So I think, like on a monthly basis is probably a good time because that's when you see these two month averages tick in to the KPIs. And one of the things that I'm trying to do is be very careful when I ask how we're doing, I don't ask the question of how many do we deliver or how many we're going to deliver [indiscernible] (00:11:33) KPIs look, because I do believe the KPIs are what's key to allow us to unleash the production ramp-up. So we just got to stay focused on those. And Stephanie and her team are all over this. They're doing a very good job. Our customers are giving us a good feedback in this area, and we're getting decent feedback from the FAA too.

David Strauss

Analyst, Barclays Capital, Inc.

Q

In terms of these control limits where you need to be, any insight, any color you can give us around, I guess, you've talked about how you have to be comfortable going to the FAA and asking to go above. I mean, how long you need to see all these in those control limits before you're comfortable? How long does the FAA need to see?

Robert Kelly Ortberg

President, Chief Executive Officer & Director, The Boeing Co.

A

Well, it's not specifically stated, I'll just say, generically, we'd want to see two to three months of stability at a rate. So we'll get up to 38 a month rate. We'll be at that, show stability for a couple of months. The metrics will show stability before we'll go to the FAA and ask for the rate increase. And the way we do that, there's this thing called a Capstone Review, which is usually done about 30 days before a rate increase with the FAA. I will tell you, we won't go and ask for a rate increase if we're not ready for a rate increase. And I think case in point, we finished 787 production rates at the end of the year at five a month, which was our goal, and that was good. We want to move up to seven a month, but we're still working on a couple of KPIs, so we've held off on rate increases on the 787 until we can get to the right level. Now. that creates some challenges for our customers because it's fewer airplanes than if we went faster. But I think, it's much more important that we be deliberate here and do it the right way than to try to go fast and let our production system get unstable again.

David Strauss

Analyst, Barclays Capital, Inc.

Q

Are the KPIs that you're using on the MAX similar?

Robert Kelly Ortberg

President, Chief Executive Officer & Director, The Boeing Co.

A

Exact same.

David Strauss

Analyst, Barclays Capital, Inc.

Q

As the 787.

Robert Kelly Ortberg

President, Chief Executive Officer & Director, The Boeing Co.

A

Yeah. And actually we're going to use them on the widebodies in Everett too, the 777. So we're only held at a cap by the FAA on MAX, but we're using those across the board because we think – actually we had a big part in these KPIs, they're not just things that the FAA gave us. We had a big part in developing these. So we think they are the right things to be measured for our production stability.

David Strauss

Analyst, Barclays Capital, Inc.

Q

Okay. So obviously a big bottleneck on the MAX side has been Spirit. They had really strong MAX fuselage deliveries. You talked about how you have plenty of fuselages to work off of. But just describe what the improvement process has been with Spirit, your initial thoughts on how you plan to integrate it, and if you think ultimately having that structures capability, production in houses is beneficial...

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Well, I certainly think it's beneficial. I think you've seen the criticality of Spirit's performance to our performance. It's hand in glove, and having that a part of our organization is going to be a big uplift and strategic lift for us to continue to manage that. You're right in that, Spirit's done a fantastic job here in the last quarter in both improving their production flow, but more importantly, improving the quality. I think, one of the smartest things that we did in concert with Spirit was, we stopped bringing fuselages into Renton that had known defects in them. What we were doing is, we were bringing those in, and then we were fixing the fuselage defects while we were assembling the airplane. And that created a lot of instabilities. It's things like even changing skins on the airplane on the production line. So we pushed all that back to Spirit and said, no, we're not going to deliver any of those to Renton.

That's allowed them to push it back into their production system, and find out where are the root of these defects and really actually get them to go away as opposed to re-work them, get them to go away, stop the defects from being created. And the fuselages that we're seeing right now are the cleanest we've seen. So they're really doing a nice job. We're doing that hand in glove. We got a large team of Boeing folks at the Wichita facility, a Spirit facility, working very closely with them. I think that also is going to help very much with the integration, because we know the teams, we know the players, we know the leaders that we need to help lead this post integration. So I think we're set up pretty well to integrate the business. And I have no concerns right now about fuselages being our constraint, 38 a month. And I would say, when I first started six months ago, that was probably the number one concern that we had. So good progress there.

David Strauss
Analyst, Barclays Capital, Inc.

Q

On 787 brought up the KPIs you're monitoring. I think, first, we've kind of heard about that specifically. I mean, I think from the outside we thought the rate hasn't been going up, mainly because supply constraints, seats, heat exchangers. Now, we've got, and I'd like you to comment maybe on whatever you know with regard to this fast PCP SPS fastener fire. So is 787 at this point from your standpoint not going up in rate because of the KPIs that you're monitoring or is it supply chain or...?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

I'd say they're pretty much – it's a little of both. So we have been plagued with heat exchangers. That's an issue that came out of the Russia-Ukraine conflict, and we had to move production in our supply chain. They're doing a really good job of recovery on that. And so I feel pretty good that fuselages are not, I mean, heat exchangers, they're not exactly where we'd want them to be, but they're making good progress to get there. So I don't think the heat exchangers will be a problem for us to move from five to seven. Seats continued to be a problem. And it's not actually the production of the seats, it's getting the seats certified. And it's not actually the butt part of the seat. It's the cabinet and the doors for first class and business class, these are pretty complex systems. And getting those certified has taking both the seat suppliers and us longer than anticipated.

So if you were in Charleston, you'd see we've got completed airplanes that are held up for delivery for the seats, which obviously go in pretty late in the assembly process. So that's something we're going to continue to work through. But it's generally only if it's a first of type seat. So a new seat configuration that's first time going on the airplane. But if it's a seat that's already certified, then we're not being constrained by seats going forward. So I hope to get to move from five to seven later this year. Our KPIs will be important to make sure we're there. There's one KPI in our final ticketing that has been below where we want to be, and we're making great progress.

The vector is good on that. So I think the team's got a good handle on improvements there. And then the supply chain we'll continue to manage it.

Now, specific to your question about the PCP fire, we do have a lot of components coming out of that factory. The process is pretty late breaking so we're in the process of doing our assessment of that. I know what parts for each airplane. I know which ones are single-sourced versus dual-sourced. So we're working through all that. My guess is that, that will have some perturbation that we're going to have to manage through associated with that. I just heard, for example, that the big shipment that they had to ship to us, actually the parts are done and they're okay. But they're in their warehouse, and we can't get them out right now. So that's the kind of thing we're really working through in a real time basis. Looks like pretty substantial damage there.

David Strauss
Analyst, Barclays Capital, Inc.
Q

Yeah. Is it more of an issue, you think, I mean, just given the proportion of fasteners that you've got on a 787 relative to the MAX?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.
A

I don't have it off the top of my head the breakdown between the widebodies and narrowbody in terms of parts. It's in both I do know that. And by the way, it's significantly in the supply chain. I don't know if Larry said anything about that one when you talked to him, but I'm sure he's also got some components that he's going to manage through. So these are the things that happen. I made a comment that we put together our recovery plan, assuming that we'd have some hiccups in the supply chain. And so we weren't leaning out over our skis so that we don't have any room to manage some of these types of things. And this is an example of a hiccup in the supply chain. Nobody could have foreseen it. But we're going to have to manage through it. I can tell you that our supply chain team is all over this, and they'll do Yeoman's work to get a recovery plan in place, and we'll get through it.

David Strauss
Analyst, Barclays Capital, Inc.
Q

Okay. Last thing on the Commercial side. 777X, how many are you producing now, how you're thinking about the loss profile on that program as you start, obviously certification on line, but how you're thinking about the loss profile because that's an important part of the story, the loss profile over the next several years as you ramp up production, get it certified, ramp up production, start deliveries?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.
A

Well, we're producing the 777-9 or the 777X on the same line as we're producing the metal wing 777 Freighter. And so we kind of alternating those. [indiscernible] (00:21:40) going through the flight test [indiscernible] (00:21:45) that we're planning to get the certification done towards the end of this year or early next year so that we can start the delivery, and the build process will continue. The focus right now on the build processes is making sure that the assembly of the airplanes is happening in the way we want it to happen and there's areas where we're continuously working on improvement to improve the flow [indiscernible] (00:22:16). So we'll do that in an efficient manner. The program is in a reach-forward loss. So any additional scheduled delay with the program will likely result in EAC variation for this block.

We do believe that the airplanes are great airplane. Over the life of the program it'll be a profitable airplane. I was just with Carsten Spohr, CEO of Lufthansa. He impressed upon me how critical that airplane is to his operating model. And so I feel really good we got roughly 500 airplanes in backlog. The challenges we got to get through certification here on the 777-9 so that we can start delivering these things to our customers. One of the things that I'm going to focus on with Stephanie and the team this this year is on that certification process. We've got the 777-9 and then the two variants of the MAX and still have to get through certification and a lot of changes going on with the FAA leadership.

So one of the things that we're doing is trying to be very proactive. I'm meeting with the Transportation Secretary. We're going to get him out to Seattle. We've got the new Interim Administrator coming to Seattle to make sure we don't have any misalignment as we go through leadership changes there with the FAA. We have a pretty good plan on the rate increases. I don't anticipate the administration change is going to impact us in [indiscernible] (00:23:55) that we get the new leadership aligned the same way that the old leadership was.

David Strauss Q
Analyst, Barclays Capital, Inc.

Moving over to the BDS side. So you touched on this I think at the beginning, the persistent charges. You've had some time now to kind of dig into those programs. I mean, certainly not completely de-risk, but how do you see the risk profile of these, I guess, four fixed price development programs?

Robert Kelly Ortberg A
President, Chief Executive Officer & Director, The Boeing Co.

Well, you can never say – until the programs are done, you can never say there's no risks left in these programs. Unfortunately, they are fixed price and they are what they are. Having said that, the fourth quarter charges, I clearly, wanted to be in a position to where we have stability through 2025. So, so far so good. I feel pretty good about that. The thing that we're doing much differently than in the past is, we're engaging with our customers and renegotiating some of the terms of these contracts in areas that we see huge risks or impossibility to complete that task. And you've seen we did that on the T-7 airplane with the Air Force. That was kind of a win-win. We're doing another MoU with the Air Force on T-7 as well. We're working on the Presidential aircraft VC-25. The President is clearly not happy with the delivery timing. I think he's made that well known.

And Elon Musk is actually helping us a lot in working through the requirements on VC-25 to try to help us get the things that are non-value-added constraints out of the way so that we can move faster and get the President those airplanes delivered. And he's a brilliant guy. So he's able to pretty quickly ascertain the difference between technical requirements and things that we can move out of the way. And he's helping us in a big way. So I'm embracing that, working with the DOGE team to help us improve the delivery. And we are making progress, significant progress in improving the delivery. And of course, improving the delivery time will eliminate risks of continued cost overruns for us. So I'm all in on trying to pull these airplanes up and get the President the airplanes delivered to him, which is what he wants.

David Strauss Q
Analyst, Barclays Capital, Inc.

Okay. So high level, so BCA was a low to mid-teens on a program accounting basis, margin business back in 2018, 2019. How do you think about [indiscernible] (00:26:42) how do you think about profitability [indiscernible] (00:26:47) rates and mix on both the MAX and 737 over the next several years? How should we think about profitability where that business, where BCA could go?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Well, fundamentally, I don't see anything that doesn't get us back to those profitability numbers. Obviously, we've got to get back to them before we can start talking about improving them. But I will tell you, there's great operational leverage in the ramp back up. So there's no question that that'll be a tailwind for us. We are going to have inflationary effects from the supply chain that we're going to see. So that's playing through. We have consideration to our customers for late deliveries that we're going to have to work through. So we do have some headwinds to work through in the near term. But I would say, fundamentally, I don't see why we can't get back there, and we really are going to – there's a lot of productivity opportunities in the organization. I'm not really attacking that right now because I want to get stable, I want to get ramped back up.

I don't want to get things confused, but once we do, there's just a tremendous amount of opportunity for us to become more efficient and productivity, do lean activities across the board to offset some of those inflationary pressures. So that's the plan. Hopefully, by the end of this year we'll be through, again through the rate increase. We'll be in a positive cash flow for the company environment, which life is easier when we're in positive cash flow environment versus right now, and then we'll be able to really start attacking those efficiency opportunities. And I think if you walk the floor, and I know a lot of people actually were in Charleston recently, walk the floor, there's opportunities, clear opportunities for us to be more efficient going forward. So we're just going to have to put our energy towards those lean activities to drive some productivity to offset inflation.

David Strauss
Analyst, Barclays Capital, Inc.

Q

And then similar question on the cash flow side. I mean, is this a fundamentally different business? Is there a reason why previously we had talked about this $10 billion target? Cash flow had been well above that back in 2018, 2019. I mean, is there fundamentally from your [indiscernible] (00:29:02) about this business and why [indiscernible] (00:29:07) going forward?

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

David, I don't see anything fundamental that says that. I've been reluctant to put out, and I haven't put out any guidance yet. I want to get to stability, and I know people are looking for a guidance on that cash flow, long term cash flow. Let's get to positive by the end of the year. That would be the first [indiscernible] (00:29:29). And then, I think I'll be in a position to probably give a little bit better idea. The question to me is not if, it's when, when do we get to that kind of a level of cash flow. And I'm not ready to answer that yet. I want to see a little bit more – have a little bit more confidence that when we put out guidance we're going to meet that guidance. So little work yet to do for me before I'm ready to do that. But I don't see anything that fundamentally, you know, says, boy, we've got a structural problem. We can't get there.

Great demand, let me just reiterate, great demand for our products. We've got $0.5 trillion of backlog to work off. I know we could be – are getting more airplane orders. I know we could be delivering more airplanes than we currently are. So this is really an execution strategy here. We get the execution of the organization back up. Then I think a lot of the good things are going to happen for us, will improve the profitability, improve the cash flow, we'll even improve the backlog of the business going forward. So I think we've got a good plan. This is going to be an important year to measure ourselves against that plan, and I'm sure you'll help us do that. And you should see The Boeing Company starting to recover to what you all expect it to be and what it's been in the past.

David Strauss
Analyst, Barclays Capital, Inc.
Q

Can we bring up the audience questions. Please stick around and do this for a quick second.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.
A

Do I participate in this?

David Strauss
Analyst, Barclays Capital, Inc.
Q

No. This is your interim report card.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.
A

Okay.

David Strauss
Analyst, Barclays Capital, Inc.
Q

It's interesting.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.
A

That was an interesting one. I agree with that one. Thank you.

David Strauss
Analyst, Barclays Capital, Inc.
Q

We need to get the earnings but...

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.
A

Yeah. That's a front of the equation right now, yeah.

David Strauss
Analyst, Barclays Capital, Inc.
Q

Yeah. It doesn't really [indiscernible] (00:33:41), but I could have put on 2027 or 2028.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.
A

There you go.

David Strauss
Analyst, Barclays Capital, Inc.
Q

I think we know this one. It should be 100% on 4.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

A

Is this the last one?

David Strauss
Analyst, Barclays Capital, Inc.

Q

This is the last one and then you're off the hot seat. Yes. That was close.

David Strauss
Analyst, Barclays Capital, Inc.

Kelly, thanks for being here.

Robert Kelly Ortberg
President, Chief Executive Officer & Director, The Boeing Co.

Hey, thank you. Thank you.

David Strauss
Analyst, Barclays Capital, Inc.

Thank you.