Moschovakis Capital

The Boeing

BA

EQUITY RESEARCH REPORT

September 14, 2026

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BA — THE BOEING COMPANY

Report Date: 2026-09-14

Analyst: Moschovakis Capital Research

EXECUTIVE SUMMARY

Metric	Value
Recommendation	**AVOID**
Current Price	$210.45 (€182.29)
Fair Value — Base Case, 7% required-return basis	~$124.55 (USD)
Margin of Safety vs. Fair Value	**Negative ~40.8%**
Target Entry	None — current price already exceeds wealth-preservation fair value

Return Profile	Value
Dividend Yield	0.0% — Boeing pays no dividend
Expected Dividend Growth	0.0%
Expected Price Appreciation — Base Case	~1.5% CAGR
Total Expected Return — Base Case	~1.5% CAGR
Bear Case Total Return	~-8.7% CAGR
Bull Case Total Return	~6.4% CAGR
Probability-Weighted Return	~0.2% CAGR

Risk Assessment	Value
Wealth Preservation Score	**16 / 100**
Downside Protection Score	**15 / 100**
Quality Score	**11 / 100**
Risk Level	**ELEVATED**
Probability of >50% Permanent Loss	**>15%**
Recession Profile	**VULNERABLE**

One-Line Thesis:

Boeing is a leveraged cyclical turnaround with negative tangible equity, no dividend, heavy insider selling, and a share price that prices in a nearly flawless multiyear production and cash-flow recovery; the downside case violates the wealth-preservation mandate, so the position fails on absolute criteria.

INVESTMENT THESIS

Boeing does not pass the capital-preservation gate. The business possesses real industrial assets — a global commercial aircraft duopoly, a $636 billion-plus backlog, a profitable services franchise, and a U.S. government defense position — but those assets sit inside a financial structure that fails the solvency, earnings quality, and valuation screens this framework requires. At $210.45, the stock has no dividend cushion. The only return available is price appreciation, and the base case produces roughly 1.5% CAGR over a decade. That does not beat the 4% high-yield savings account floor, let alone the inflation-plus-4% hurdle near 7%.

The strategic narrative is a recovery thesis: 737 MAX production ramping toward 47 aircraft per month, 777X certification expected late 2026, the Spirit AeroSystems reacquisition bringing fuselage production back in-house, and management guiding to $1 billion–$3 billion of positive free cash flow in 2026. The company reported FY2025 revenue of $89.46 billion and net income of $2.24 billion, an improvement from an operating loss of $10.71 billion in the prior year. Six hundred aircraft deliveries in 2025 support the idea that the worst operational collapse is behind it.

The problem is that the price already awards Boeing for completing that recovery and more. On trailing twelve-month figures, revenue is $93.99 billion, net income is $2.09 billion, and diluted EPS is around $2.79. At $210.45, that is roughly 75 times earnings on the most generous EPS figure in the packet. The forward P/E of 49.26 implies the market expects approximately $4.27 in forward EPS, a 53% improvement from trailing EPS. A 29% to 35% analyst-target upside compounds the optimism. If Boeing merely reaches those targets, the return is still a single misstep away from evaporating, because the balance sheet offers no margin of safety.

For this mandate, the defining question is not whether Boeing can recover; it is whether the downside is acceptable. It is not. The bear case, built on a modest 1.6% revenue CAGR, a 3.0% net margin, share dilution, and a distress multiple, produces a decade-later price around $85 and a total return near -8.7% CAGR. That is permanent capital loss, not volatility. Tangible book value per share is negative $16.43. Total debt is $48.36 billion against $19.3 billion of cash. Debt-to-equity prints at 790.88%. A recession that cuts revenue 30% for two years would push free cash flow deeply negative and force either asset sales, equity issuance, or both. The company itself lists future common-stock dilution and mandatory convertible preferred stock among its risk factors.

Boeing competes for capital against a 4% risk-free cash yield. A no-dividend equity with negative tangible book value, elevated leverage, regulatory-gated production, fixed-price defense losses, and a 60% bear-case drawdown cannot clear that bar. The correct action is to leave the capital in cash or in a security that produces income while the recovery proves itself.

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1. BUSINESS QUALITY ASSESSMENT

Boeing operates through three reportable segments in the most recent quarterly data. Commercial Airplanes generated $11,751 million of revenue, 47.8% of the total, and lost $322 million at the operating line in Q2 FY2026. Defense, Space & Security generated $7,483 million, 30.5% of revenue, and lost $15 million. Global Services generated $5,344 million, 21.8% of revenue, and produced $968 million of operating income. The services segment is the only part of the company currently earning its capital cost. That asymmetry defines the business: the revenue-heavy manufacturing segments are still in repair, while the aftermarket franchise carries the profit.

Consolidated figures reinforce the picture. Trailing twelve-month revenue is $93.99 billion with a 2.59% net margin and a 0.00% operating margin. ROA is -1.98%. The reported EBITDA is negative $2.9 billion on one

source and inconsistent with an EV/EBITDA multiple of 25.05 on another. The earnings quality is low precisely because the company carries huge fixed obligations, program charges, and regulatory constraints while attempting to raise output.

The competitive moat is easier to describe than to monetize right now. Boeing holds a duopoly position with Airbus in large commercial aircraft. The installed base of 15,600-plus patents, 49 R&D centers, long-lived programs, and a global services network creates switching costs and aftermarket pull. The U.S. government relationship — Boeing won the F-47 design-and-build contract in 2025 — provides a high-barrier franchise. The backlog exceeding $636 billion supports years of demand. Asia is the clearest growth line in the geographic data, rising from $5.84 billion in 2021 to $16.47 billion in 2025, with the United States at roughly 54% of revenue.

None of that moat currently produces wealth. A durable moat matters only if it converts into high and stable returns on capital. Boeing's post-2019 record is the opposite: quality failures, the 737 MAX grounding, a brief 2023 production halt, a March 2026 wiring defect on undelivered 737 MAX aircraft, and commercial airplane operating losses of $7.97 billion in 2024 and $7.08 billion in 2025. The Spirit AeroSystems reacquisition reverses a 2005 divestiture and tightens vertical control, but it adds integration risk to an already burdened production system.

The sector is understandable and not in secular decline. It is, however, highly cyclical and exposed to airline capital-expenditure cycles, fuel prices, financing costs, and travel demand. For a wealth-preservation mandate, this is a business that must be owned only at a deep discount with a fortress balance sheet. Boeing offers neither.

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2. FINANCIAL FORTRESS ANALYSIS

Stage 2 is where Boeing fails decisively. The framework requires a solvency assessment of FORTRESS or ADEQUATE. Boeing is neither.

The balance sheet is leveraged to a degree that removes the downside buffer this mandate requires. Total debt is $48.36 billion. Cash is $19.3 billion. Net debt is therefore approximately $29.06 billion. Debt-to-equity prints at 790.88%. Because book value per share is only $7.72, the equity base is thin. Tangible book value per share is negative $16.43. Boeing has negative tangible equity, which means liquidation of the operating business would not protect common shareholders even before accounting for the 6.00% mandatory convertible preferred stock that sits ahead of them.

The current ratio is 1.14, below the 1.5 threshold the framework prefers and barely above the 1.0 removal line. Free cash flow is negative on a trailing basis: FCF per share is -$0.28 and FCF yield is -0.14%. Operating cash flow per share is $4.60 for an operating cash flow yield of 2.25%, but that operating cash flow appears insufficient to cover reinvestment and the balance-sheet repair. Cash equals 39.9% of total debt, which passes the 20% preference, but the absolute debt load overwhelms that comfort.

Interest coverage cannot be computed from the packet because no EBIT/interest expense pair is supplied. That absence matters for a company whose reported EBITDA is negative. A negative EBITDA company with $48 billion of debt does not have a meaningful coverage cushion. The framework's debt-maturity-schedule check also cannot be completed because the data packet contains no maturity table. I flag both gaps rather than fill them with invention.

The stress-test question produces an unacceptable answer. If revenue dropped 30% for two years, from $93.99 billion to roughly $66 billion, fixed manufacturing costs, program charges, and debt service would convert the current thin profitability into deep losses. Free cash flow would go sharply negative. Boeing would likely need to

preserve liquidity before protecting shareholders: the company's own Q4 2026 risk disclosures name liquidity management, credit rating actions, pension obligations, and the dilutive effect of future common stock issuances among its forward-looking risks. A common equity holder in that scenario absorbs dilution and may never recover the capital.

Earnings quality is questionable. The packet contains two conflicting EPS figures for the trailing period: Yahoo's diluted EPS of $2.79 and ChartMill's -$9.55. Net margin is 2.59%, operating margin is 0.00%, ROA is -1.98%, and EBITDA is reported as negative while simultaneously paired with a positive EV/EBITDA multiple. That combination signals heavy non-cash or one-time items, program forward losses, or source inconsistency. For a wealth-preservation framework, earnings that cannot be stated cleanly do not support a buy decision.

Dilution risk is a deal-breaker. Boeing's own risk factors include the preferential treatment of the 6.00% mandatory convertible preferred stock and the dilutive effect of future issuances of common stock. The insider tape shows repeated officer sales at prices between $183 and $243. The data packet does not provide a five-year shares-outstanding trend, but the existence of mandatory convertible preferred, large share-based compensation, and a recurring need for liquidity makes annual dilution a material probability. The framework's dilution gate cannot be passed on this evidence.

Solvency verdict: **UNACCEPTABLE** for a wealth-preservation account.

Stage 2 Gate	Threshold	Boeing	Verdict
Debt/Equity	<1.0x	790.88%	FAIL
Current Ratio	>1.5x	1.14	MONITOR
FCF / Share TTM	Positive	-$0.28	FAIL
Interest Coverage	>5.0x	Not provided; EBITDA negative	FAIL
Cash / Total Debt	>20%	39.9%	PASS
Debt Maturity Cliff	<30% in 2 yrs	Not provided	UNKNOWN
Solvency Rating	Fortress/Adequate	See above	UNACCEPTABLE

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3. DIVIDEND ANALYSIS

Boeing pays no dividend. The framework's dividend income gate contributes zero downside cushion and zero total-return support. This is not a minor omission for a wealth-preservation mandate; a 0% yield means every dollar of required return above zero must come from price appreciation. The absence of a dividend also means the base case cannot meet the 7% hurdle unless Boeing's share price roughly doubles in a decade, which the valuation section shows is not the central path. No dividend payout ratio, dividend growth, or dividend coverage metrics apply.

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4. VALUATION ANALYSIS

At $210.45, Boeing is expensive on every earnings-based measure that produces a usable number.

The trailing P/E conflict matters. Public.com reports a current P/E of 95.84 as of September 11, 2026, against a 12-month average of 69.98, a premium of 36.95%. Yahoo Finance reports a trailing P/E of 74.25. Using the

authoritative price and Yahoo's diluted TTM EPS of $2.79 produces 75.4. The higher public.com figure likely uses a lower or stale earnings base. Either way, the multiple is high for a company with a 2.59% net margin, negative EBITDA on one source, and negative tangible book value.

The forward P/E of 49.26 implies forward EPS of roughly $4.27. That embeds a 53% improvement from trailing EPS before the investor earns a single dollar. The P/S ratio is 1.71, EV/Revenue is 2.01, and P/B is 26.77. P/B is distorted by the thin and negative tangible equity and is not a usable anchor. EV/EBITDA is not meaningful because the underlying EBITDA figure is negative. P/FCF is not meaningful because FCF is negative. ChartMill assigns a valuation rating of 2/10 and a fundamental rating of 3/10.

Analyst price targets appear supportive but are not a margin of safety. The mean target is $275.65 from 37 analysts, suggesting 34.6% upside. Simply Wall St shows an average target near $271.63. Those targets have risen from $182.21 in December 2025 to $271.63 by March 2027, even as the rating mix deteriorated: over the trailing twelve months, Buy ratings fell from 17 to 12, Holds rose from 3 to 6, and Sells rose from 2 to 3. Five downgrades occurred against two upgrades over the prior 90 days. A rising target with a weakening rating mix often means the stock sold off while targets held flat, not that intrinsic value advanced.

The wealth-preservation question is whether the current price leaves a margin of safety to fair value. It does not. To justify $210.45 with no dividend and the roughly 7% required return, Boeing's market value must compound at 7% for a decade. Starting from an implied market value near $163 billion, the required 2036 value is about $321 billion. At a mature-duopoly terminal P/E of 18, Boeing would need nearly $17.8 billion of net income in 2036; at a generous 22 times, it would need $14.6 billion. Current trailing net income is $2.09 billion. The base-case path implies something closer to $8 billion of net income on mid-single-digit revenue growth, supporting a terminal value near $226 billion to $246 billion and a price in the mid-$200s, not enough to satisfy the hurdle from today's level.

On a required-return basis, a $245 base-case decade-end price discounted back at 7% is worth about $124.55 today. The market price of $210.45 therefore carries a negative margin of safety of approximately 40.8%. That is the central valuation conclusion: the recovery is real, but the price already more than pays for it.

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5. SCENARIO ANALYSIS

The three scenarios below use a 10-year horizon and assume no dividend, which is the current reality. The current price is $210.45.

Bear Case — 25% probability. The 737 MAX ramp stalls below 30 per month because of another quality defect or FAA production-rate restriction. The 777X slips again beyond late 2026. China does not place the large expected order. Spirit AeroSystems integration produces schedule disruption. A global recession cuts airline capital spending. Revenue compounds at only 1.6% from roughly $90 billion to $105 billion over the decade. Net margin stays near 3.0% because fixed-price defense contracts and program charges absorb profitability. Share count rises to 850 million from dilution. Net income reaches about $3.15 billion, or $3.70 per share. A distressed 14x multiple produces a decade-end price near $85. Total return is approximately -8.7% CAGR. This is a permanent loss of more than half the investment in real terms.

Base Case — 50% probability. Boeing reaches the 47-per-month 737 rate, certifies the 777X near the late-2026 target, achieves the guided $1 billion–$3 billion of positive free cash flow in 2026, and slowly reduces net debt. Revenue compounds at 5% from roughly $89.5 billion to $145 billion by 2036. Net margin normalizes to 5.5%, producing about $8.0 billion of net income. With 780 million shares outstanding, EPS is about $10.26. A 24x terminal multiple — generous for a capital-intensive manufacturer — gives a price near $245. Total return is

about 1.5% CAGR. The business recovers, but the investor who buys at $210.45 does not.

Bull Case — 25% probability. Production reaches and sustains the higher single-aisle rate, the 777X enters service on time, China orders, fixed-price defense losses end, and free cash flow compounds toward the $7 billion-$10 billion range. Revenue grows 6.3% to $165 billion. Net margin reaches 8.0%, producing $13.2 billion of net income. On 800 million shares, EPS is $16.50. A 23x terminal multiple gives a price near $390. Total return is about 6.4% CAGR. Even this optimistic case barely clears the savings-account-plus-inflation hurdle and does not compensate for the bear-case risk.

Scenario	10-Yr Price Target	Total CAGR	Weight	Contribution
Bear	$85	-8.7%	25%	-2.2%
Base	$245	1.5%	50%	0.75%
Bull	$390	6.4%	25%	1.6%
Probability-Weighted Expected Return				**~0.2%**

The capital at risk is unacceptable. The bear case alone implies a 60% decline from current price. The probability of a greater-than-50% permanent loss is above 15%, violating the framework's absolute limit. The base case fails the 7% absolute return hurdle. The bull case fails to compensate for the left tail. The expected return is approximately zero in a mandate that exists to preserve and grow capital above inflation.

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6. RISK ASSESSMENT

Boeing's risk register is long and specific, and most of it bears directly on permanent capital loss.

The company depends on U.S. government contracts. Boeing's own risk factors name dependence on U.S. government contracts, fixed-price contracts, cost-type contracts, and contracts with in-orbit incentive payments. Fixed-price defense work has already produced losses in BDS, and a single charge can erase a quarter's profit. The government customer is also the regulator, which creates a conflict: the same hand that buys the F-47 also gates 737 MAX production rates through the FAA.

Production execution is a live, recurring risk. The March 2026 wiring defect on undelivered 737 MAX aircraft pushed the stock from above $240 in February toward $213. The FAA's March 2024 audit of 737 MAX production found dozens of issues, including wiring bundles that could short. The 777X certification extends into late 2026. Any further delay attacks the delivery schedule, free cash flow, and the market's recovery assumption. Spirit AeroSystems integration adds another execution layer to a system that has already demonstrated it cannot absorb additional complexity without defects.

The balance sheet amplifies operational risk. Total debt of $48.36 billion, thin equity, negative tangible book value, and pension obligations leave little room for error. The company's own disclosures name credit rating agency actions, liquidity management, and future common-stock dilution as risks. The 6.00% mandatory convertible preferred sits ahead of common holders. A recession that cuts revenue 30% turns today's thin profit into deep losses and likely forces a liquidity-preserving equity raise.

Litigation and governance liability remain open. The packet contains no settlement quantum, but Boeing's filings flag potential adverse developments in pending litigation and government inquiries. The whistleblower record — Engineer Salehpour describing unmeasured force during 777 assembly, "the Tarzan effect," and suppression of concerns — indicates the safety culture problem has not been fully resolved. The DEF 14A proxy fight over

DEI-related quotas adds regulatory and litigation exposure.

Macro factors include high interest rates, supply-chain pressure, foreign-exchange fluctuations, import tariffs, and China trade policy. China is simultaneously a large demand source and a policy risk. Ryanair's FY2026 annual report, used here as customer read-across, names high interest rates, inflation, supply-chain constraints, aircraft availability, and safety perception as sector risks.

For a wealth-preservation account, the combination of operational, regulatory, balance-sheet, and litigation risks means Boeing fails the absolute risk threshold. The downside is not a temporary drawdown; it is a plausible multi-year impairment of capital.

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7. MANAGEMENT & GOVERNANCE

The management picture is a transition story with limited verifiable capital-allocation history. Robert Kelly Ortberg is President and CEO. A February 2026 SEC filing shows a tax withholding of 5,016.643 shares at $236.71 on restricted-stock vesting, leaving him with 135,927.865 shares directly owned. The data packet provides no compensation totals, tenure, or say-on-pay outcome for the current leadership team, so the framework cannot grade compensation alignment directly.

The insider tape is dominated by sales, not purchases. Ann M. Schmidt, an officer, sold 1,528,613 shares at $243.37 on February 17, 2026. Howard E. McKenzie sold 2,456,150 shares at $233.99 on February 5, 2026. Uma M. Amuluru sold 644,598 shares at $236.00 on February 4, 2026, and 270,009 shares at $197.66 on November 6, 2025. Other officers sold in May 2025 at prices from $183 to $206. The only notable open-market purchases in the packet are Director Mortimer J. Buckley buying 497,420 shares at $226.10 on August 19, 2025, and officer Dana S. Deasy buying 99,102 shares at $178.88 on November 24, 2025. Officers receive substantial stock awards and convert a meaningful portion into cash.

The old culture remains a governance cost. The packet describes a prior era of fear in which engineers hesitated to escalate safety concerns. The whistleblower description of being "silenced" and receiving "physical threats" is not a one-off problem; it is the root of the quality failures that wiped out prior shareholder value. The current management's stated priority is cash conversion, deleveraging, and bringing Spirit AeroSystems back in-house. That is directionally correct, but unproven.

Capital allocation over the past five years is mostly defined by loss absorption and repair: $10.71 billion of operating loss in the prior year, $4.28 billion of operating profit in 2025, a 737 production halt in 2023, and the late-2025 Spirit reacquisition. There is no dividend, no buyback history in the packet, and no debt-reduction schedule. The framework cannot call this a strong capital-allocation track record. Management quality is **CONCERNING** for a preservation mandate, and the insider selling pattern reinforces that call.

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8. PEER COMPARISON

The research packet does not provide peer valuation multiples for Airbus or any aerospace-and-defense competitor. I cannot fill a ranked peer table with numbers I do not have, and I will not fabricate them. The framework's quantitative peer ranking therefore cannot be completed from the supplied data.

What the packet does show is Boeing's internal profit asymmetry. Global Services earns $968 million of operating income on $5,344 million of revenue, while Commercial Airplanes loses $322 million on $11,751 million and BDS loses $15 million on $7,483 million in the same quarter. The aftermarket franchise is the profit engine;

the manufacturing segments are the risk. A peer comparison built only on revenue growth would miss that asymmetry.

On absolute preservation criteria, Boeing compares poorly to the framework's standard. The table below summarizes what is available for Boeing and marks the peer columns as absent.

Dimension	Boeing	Airbus / Peers	Preservation Read
Debt/Equity	790.88%	Not provided	Boeing fails <1.0x
Current Ratio	1.14	Not provided	Below 1.5x preference
FCF/Share TTM	-$0.28	Not provided	Negative
Tangible Book/Share	-$16.43	Not provided	Negative
Trailing P/E	95.84 / 74.25	Not provided	Expensive
Forward P/E	49.26	Not provided	Recovery already priced
Dividend Yield	0.0%	Not provided	No income cushion
Segment Profit Engine	Global Services	Not provided	Services carries BCA/BDS

The qualitative comparison is that Boeing holds a duopoly position with Airbus and a protected U.S. defense franchise, but its financial architecture is weaker than what a preservation investor should accept. The peer data gap prevents a stronger conclusion; the BA-specific data alone already suffices for rejection.

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9. KEY METRICS SUMMARY

Metric	Value	Source / Note
Current Price	$210.45 / €182.29	Authoritative live price
Market Cap	$163.15B	Yahoo
Enterprise Value	$189.03B	Yahoo
Revenue TTM	$93.99B	Yahoo
Net Income TTM	$2.09B	Yahoo
Diluted EPS TTM	$2.79 / -$9.55 conflict	Yahoo / ChartMill
Trailing P/E	95.84 / 74.25	Public / Yahoo
Forward P/E	49.26	Yahoo
PEG Ratio	1.48	Yahoo
Price/Sales	1.71	Yahoo
EV/Revenue	2.01	Yahoo
P/B	26.77	Yahoo
Book Value/Share	$7.72	ChartMill

Metric	Value	Source / Note
Tangible Book/Share	-$16.43	ChartMill
FCF/Share TTM	-$0.28	ChartMill
OCF/Share	$4.60	ChartMill
Total Debt	$48.36B	Yahoo
Total Cash	$19.3B	Yahoo
Net Debt	~$29.06B	Computed
Debt/Equity	790.88%	Yahoo
Current Ratio	1.14	Yahoo
ROA TTM	-1.98%	Yahoo
Short Float	1.9%	ChartMill
Days to Cover	2.68	ChartMill
Analyst Mean Target	$275.65	ChartMill
WP Score	16/100	Computed

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10. MONITORING CHECKLIST

Metric	Current	Threshold	Frequency	Action
737 MAX monthly deliveries	Not provided	47/month target	Monthly	Below 35 for 2 months → re-run th
777X certification	Pending late 2026	Certify by Q1 2027	Quarterly	Further delay → downgrade base c
2026 free cash flow	Guided $1B–$3B	Stay positive	Quarterly	Negative or below $1B → sell trigg
Spirit AeroSystems integration	Ongoing	No new defects/charges	Quarterly	Cost overrun → revisit
Net debt	~$29.06B	Decline below $25B by 2027	Quarterly	Rising → avoid
BDS fixed-price charges	BDS op income -$15M Q2 FY26	No new forward losses	Quarterly	Charge >$500M → sell
Officer insider selling	Heavy	No cluster at lower prices	Monthly	Accelerating → negative signal
Short interest	1.9%	>5% or days >5 → attention	Monthly	
Credit rating/liquidity	Not provided	No downgrade	Quarterly	Downgrade → exit
WP Score re-run	16/100	Must exceed 65 to buy	Semi-annual	

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11. MARKET EXPECTATIONS & CONSENSUS

What the current price implies.

At $210.45 and trailing diluted EPS of $2.79, the market pays about 75 times trailing earnings. At the forward P/E of 49.26, it pays about 49 times the roughly $4.27 in forward EPS the market expects. That forward figure embeds a 53% EPS improvement from the trailing level. The current price therefore implies that Boeing not only hits its recovery targets but delivers them without a new defect, without a certification slip, and without a defense-program charge.

Consensus bull case.

The bull case rests on three items: the 737 MAX production ramp toward 47 aircraft per month, FAA approval for higher production rates, and a potential large-scale China order. Analysts also cite a record order pipeline, multiyear backlogs at Boeing and Airbus, and a low bar for free cash flow. Citi's view, as relayed in the packet, is that much bad news is already priced in and long-term free cash flow in the low single digits could support meaningful appreciation.

Consensus bear case.

The bear case is execution failure: a fresh wiring defect, FAA production-rate restrictions, 777X delays, Spirit integration problems, or a China order that does not arrive. The March 2026 pullback from above $240 to around $213 demonstrates how quickly one disclosure removes the optimistic case.

Short interest and analyst position.

Short float is 1.9% with 2.68 days to cover, so the market is not positioned aggressively against Boeing. This is not a crowded short. The analyst consensus is Moderate Buy with a mean target near $275.65, but the trend is deteriorating: Buy ratings fell from 17 to 12 over twelve months while Holds rose from 3 to 6 and Sells from 2 to 3. Five downgrades occurred against two upgrades in the prior 90 days.

Forward valuation.

Metric	Value	Assessment
Forward P/E	49.26	Not cheap for a 2.59% net-margin company
PEG Ratio	1.48	Depends on aggressive EPS growth
EV/EBITDA	25.05 reported, but implied by negative EBITDA	Not reliable
Beta	Not provided in packet	Factor exposure cannot be quantified
Price/Sales	1.71	Full for a capital-intensive manufacturer
FCF Yield	-0.14%	No cash return to equity

What would validate the consensus: a clean 2026 with positive free cash flow of $1 billion–$3 billion, 737 deliveries rising toward 47 per month, 777X certification on schedule, and a new China order. **What would disappoint:** another 737 MAX defect, FAA rate restrictions, 777X delay, a fixed-price defense forward loss, or 2026 free cash flow below guidance.

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12. KEY BUSINESS DRIVERS

Driver 1: 737 MAX production rate and deliveries.

Why it matters: the 737 MAX is Boeing's largest commercial program and the primary cash-conversion lever. Management targets 47 aircraft per month. Current level: not provided in the packet. Bull threshold: sustained 47

per month by 2027. Bear threshold: below 30 per month for two consecutive quarters. Next data point: monthly delivery disclosures and the next quarterly report.

Driver 2: 777X certification and entry into service.

Why it matters: the 777X unlocks widebody cash flow and reduces program liability. Certification extends into late 2026. Bull threshold: certification by Q1 2027 and first deliveries in 2027. Bear threshold: another delay into 2028. Next data point: FAA certification announcements through late 2026.

Driver 3: Free cash flow generation.

Why it matters: FCF pays down the $29 billion net debt and proves the production system is cash-converting again. Management guides to $1 billion–$3 billion in 2026. Bull threshold: at least $3 billion and rising toward $7 billion by 2027. Bear threshold: negative or below $1 billion in 2026. Next data point: quarterly earnings and cash-flow statements.

Driver 4: Spirit AeroSystems integration.

Why it matters: bringing fuselage production in-house should improve quality control but adds execution risk. Bull threshold: integration completed without new defects or material forward losses. Bear threshold: another quality disclosure tied to the Spirit operations. Next data point: quarterly updates and any FAA audit findings.

Driver 5: Defense segment margins.

Why it matters: BDS reported a $15 million operating loss in Q2 FY2026. Fixed-price and cost-type contracts can produce abrupt forward-loss charges that overwhelm services profit. Bull threshold: BDS returns to positive operating income and avoids large forward losses. Bear threshold: a new charge above $500 million. Next data point: quarterly segment reporting.

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13. PROXY TRACKERS & LEADING INDICATORS

Proxy	Ticker/Symbol	Relationship	Signal
iShares U.S. Aerospace & Defense ETF	ITA	Leads/sector sentiment	Bullish if ITA holds above its 50-day movi
Airbus	AIR.PA or EADSY	Direct competitor	Bullish for BA if Airbus also holds delivery
S&P 500 / Industrials	SPY / XLI	Macro cycle	Bullish if XLI trends higher with airline cap
Jet fuel / crude oil	HO/USO	Airline cost input	Bearish if fuel spikes because airline cape

Monitoring rule: if ITA breaks below its 50-day moving average or Airbus accelerates deliveries during a Boeing delivery pause, re-evaluate the BA thesis within five trading days.

EXIT TRIGGERS

- **2026 free cash flow falls below $1 billion or turns negative:** reduce to zero and await a new valuation base.
- **Another 737 MAX or 777X defect triggers an FAA production-rate restriction or delivery pause:** sell; the recovery timeline resets.

- **777X certification slips beyond Q1 2027:** downgrade the base case; the cash-flow inflection moves further out.
- **A new fixed-price defense forward loss greater than $500 million:** exit; BDS has no cushion for surprises.
- **Credit downgrade or liquidity warning:** exit; leverage becomes uncontrolled.
- **Material common-stock or convertible issuance at current levels:** treat as dilution signal and sell.
- **Accelerating officer selling after the stock falls:** exit; insiders may be signaling a broken recovery.

FINAL RECOMMENDATION

RECOMMENDATION: AVOID

Boeing fails every absolute wealth-preservation requirement. Bear case total return is negative near -8.7% CAGR. Base case total return is roughly 1.5% CAGR, below the 7% hurdle. The solvency assessment is unacceptable. No dividend provides a cushion. Permanent loss probability exceeds the 15% threshold. The Wealth Preservation Score is 16 out of 100. The current $210.45 price already pays for a recovery that has not happened and still faces regulatory, manufacturing, litigation, and balance-sheet risks. Position size is zero.

ANALYST NOTES

Key Assumptions:

- 10-year horizon with no dividend.
- Current price $210.45 / €182.29 treated as authoritative.
- Base 2036 revenue of $145 billion, net margin 5.5%, shares 780 million, terminal P/E 24x.
- Bear 2036 revenue of $105 billion, net margin 3.0%, shares 850 million, terminal P/E 14x.
- Bull 2036 revenue of $165 billion, net margin 8.0%, shares 800 million, terminal P/E 23x.
- 7% required return used for fair-value discounting.

Limitations:

- The research packet supplies no five-year annual Boeing financial series, no EBITDA for Boeing, no interest expense or coverage, no debt maturity schedule, and no peer multiples.
- EPS sources conflict: Yahoo shows $2.79 TTM, ChartMill shows -$9.55 TTM.
- EV/EBITDA is internally inconsistent with the reported negative EBITDA.
- Institutional ownership, beta, and compensation alignment are absent from the packet.
- Scenario inputs are analyst estimates built from the available data, not company guidance beyond the disclosed 2026 FCF range and 737 rate.

Confidence Level: HIGH on the AVOID call. The decision does not depend on precise scenario targets; it rests on clear absolute failures: negative tangible equity, 790.88% debt/equity, negative FCF, no dividend, near-zero probability-weighted return, and a bear case that destroys more than half the capital.

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For the execution of positions discussed in our research, we use the following platforms for their regulatory standing, liquidity and reliability.

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Revolut	Multi-currency banking and FX
Interactive Brokers	Institutional-grade brokerage
Vantage	MT4/MT5 execution
Binance	Digital asset infrastructure
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