



PARIS AIR SHOW 2017

2017 Current Market Outlook

Randy Tinseth
Vice President, Marketing
Boeing Commercial Airplanes
June 20, 2017

The statements contained herein are based on good faith assumptions and are to be used for general information purposes only. These statements do not constitute an offer, promise, warranty or guarantee of performance.

Copyright © 2017 Boeing. All rights reserved.

Agenda

PARIS AIR SHOW 2017

Market performance, expectations

2017 Current Market Outlook

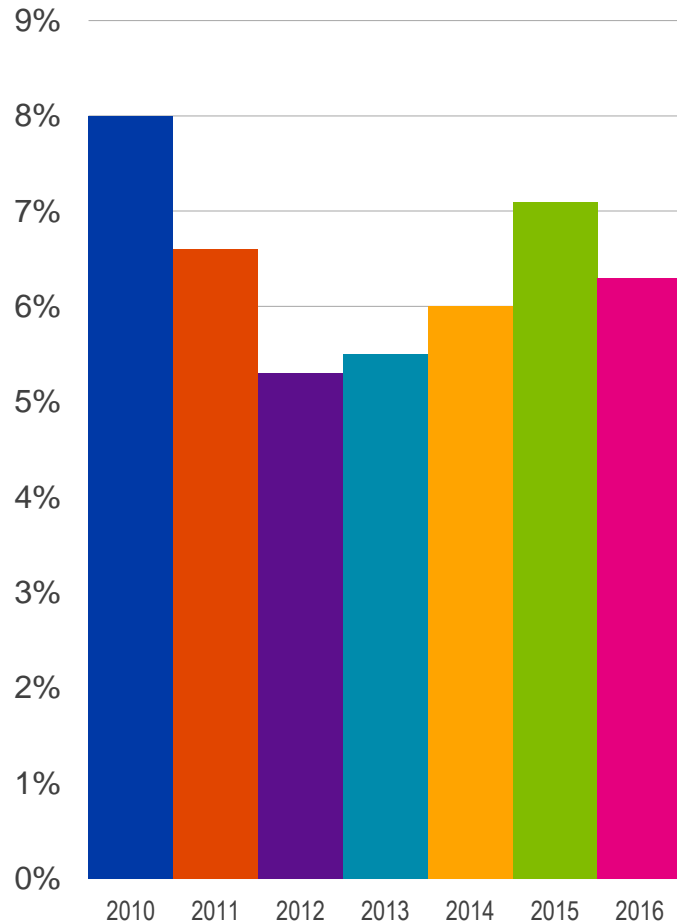
Product strategy



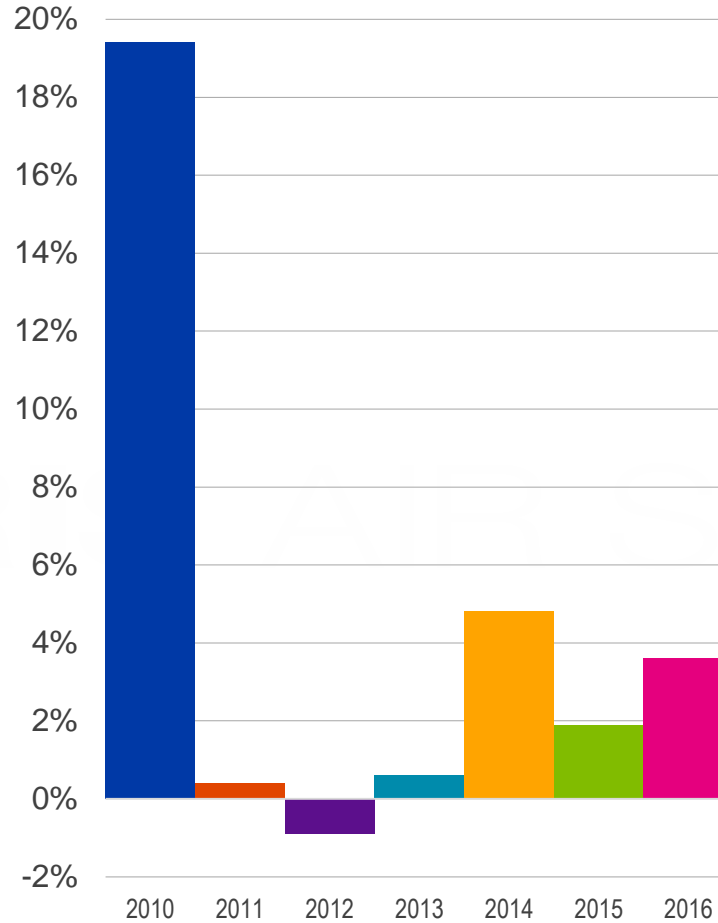
Market is growing, customers are profitable

PARIS AIR SHOW 2017

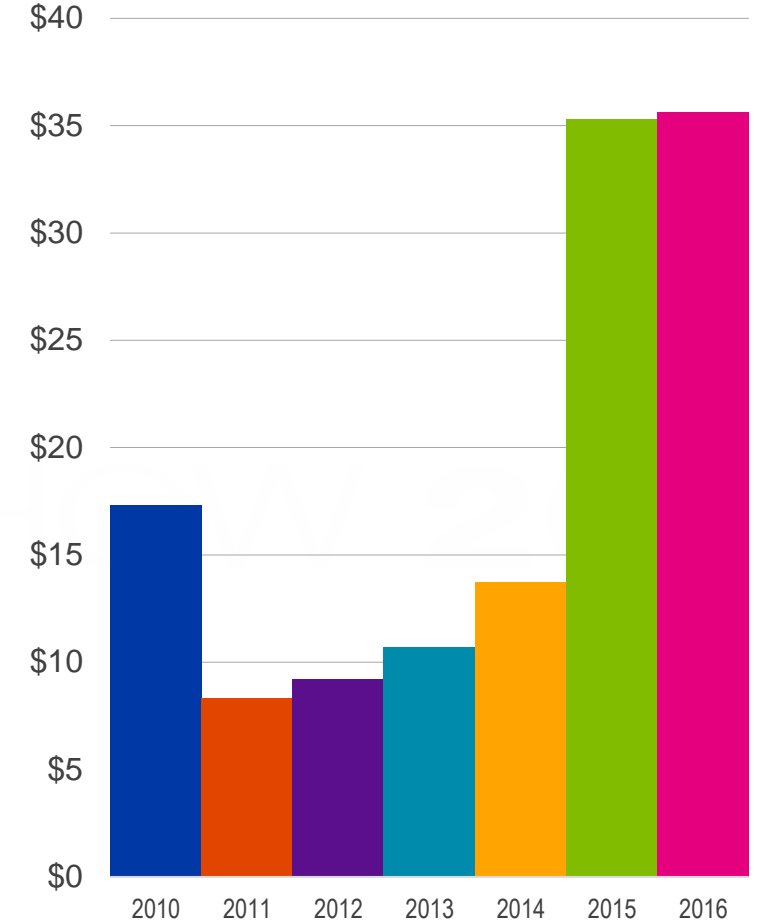
Traffic growth rates (RPKs)



Cargo growth rates (RTKs)



Net profit (billions)

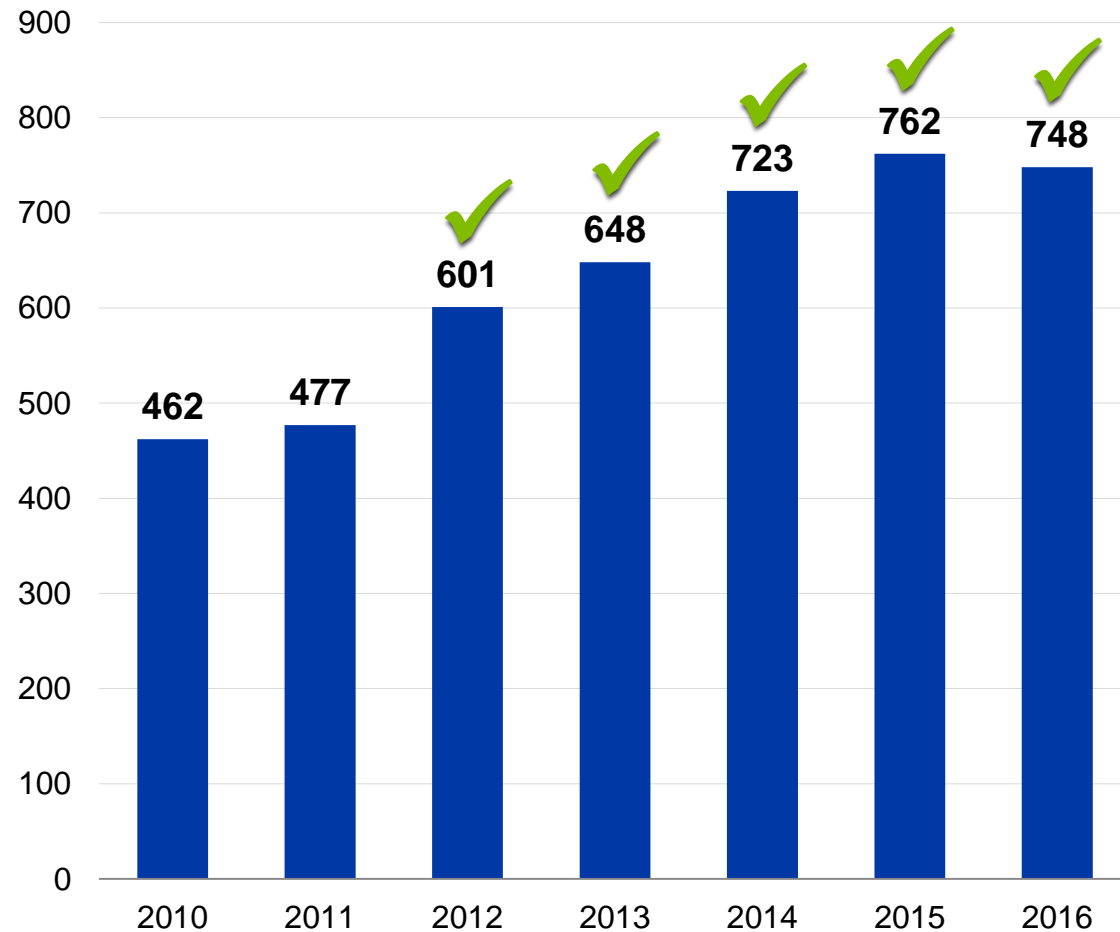


SOURCE: ICAO / IATA

Copyright © 2017 Boeing. All rights reserved.

Industry-leading delivery performance

PARIS AIR SHOW 2017

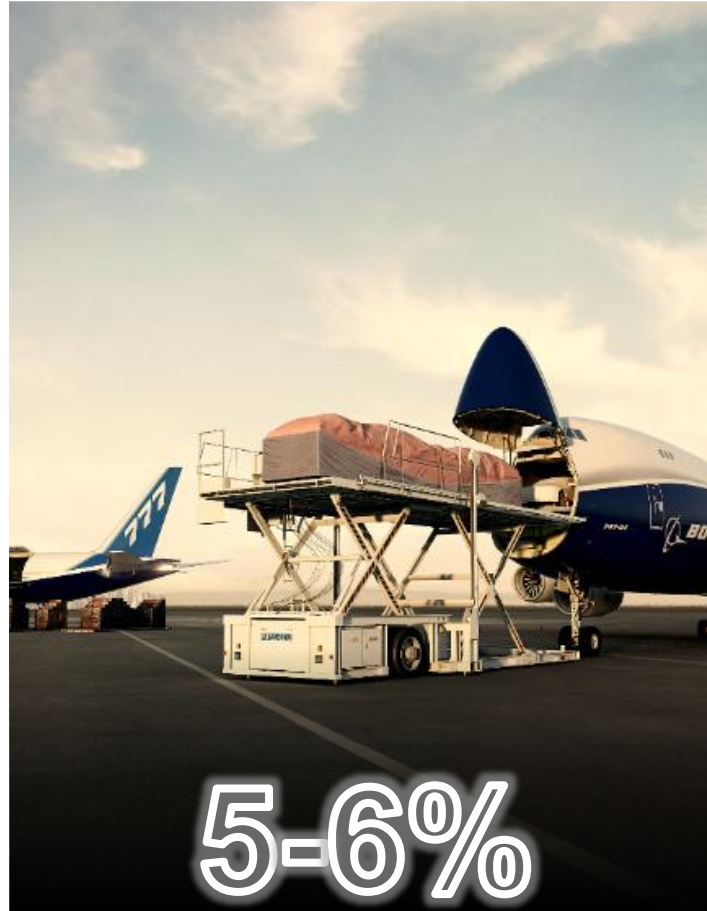


2017 global market expectations

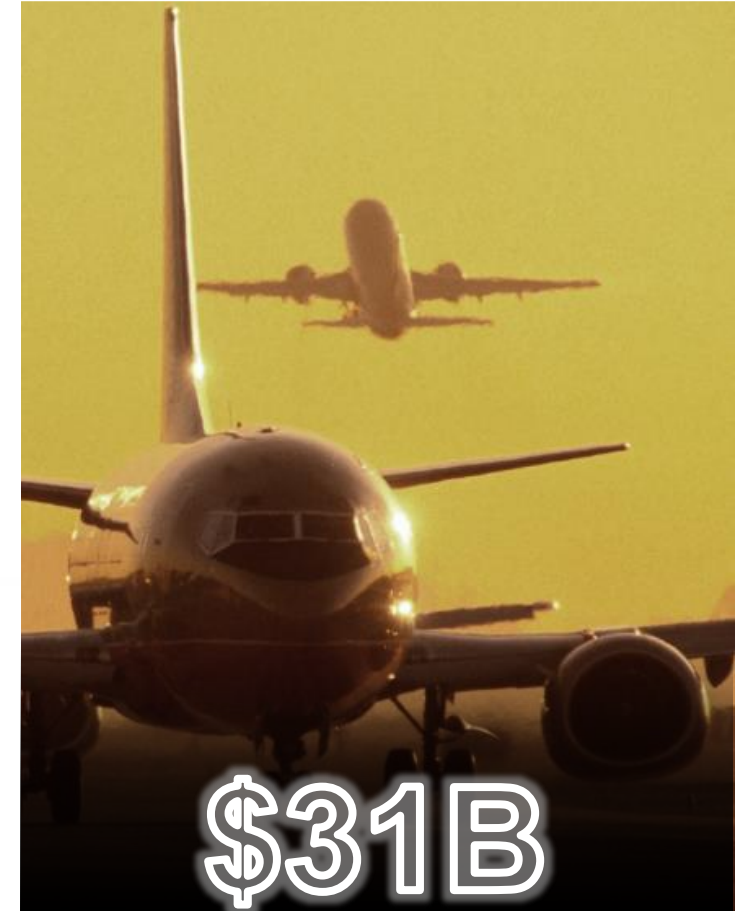
PARIS AIR SHOW 2017



Passenger traffic growth



Cargo traffic growth



Airline profits

SOURCE: Boeing estimates for growth, IATA forecast for airline profits

Copyright © 2017 Boeing. All rights reserved.

Headwinds in the market

PARIS AIR SHOW 2017



What's in the Current Market Outlook (CMO)?

PARIS AIR SHOW 2017

Global Coverage



20-year forecast

- Traffic
- Product



All jets >30 seats

- No turbo props
- No biz jets
- No military



Freighters

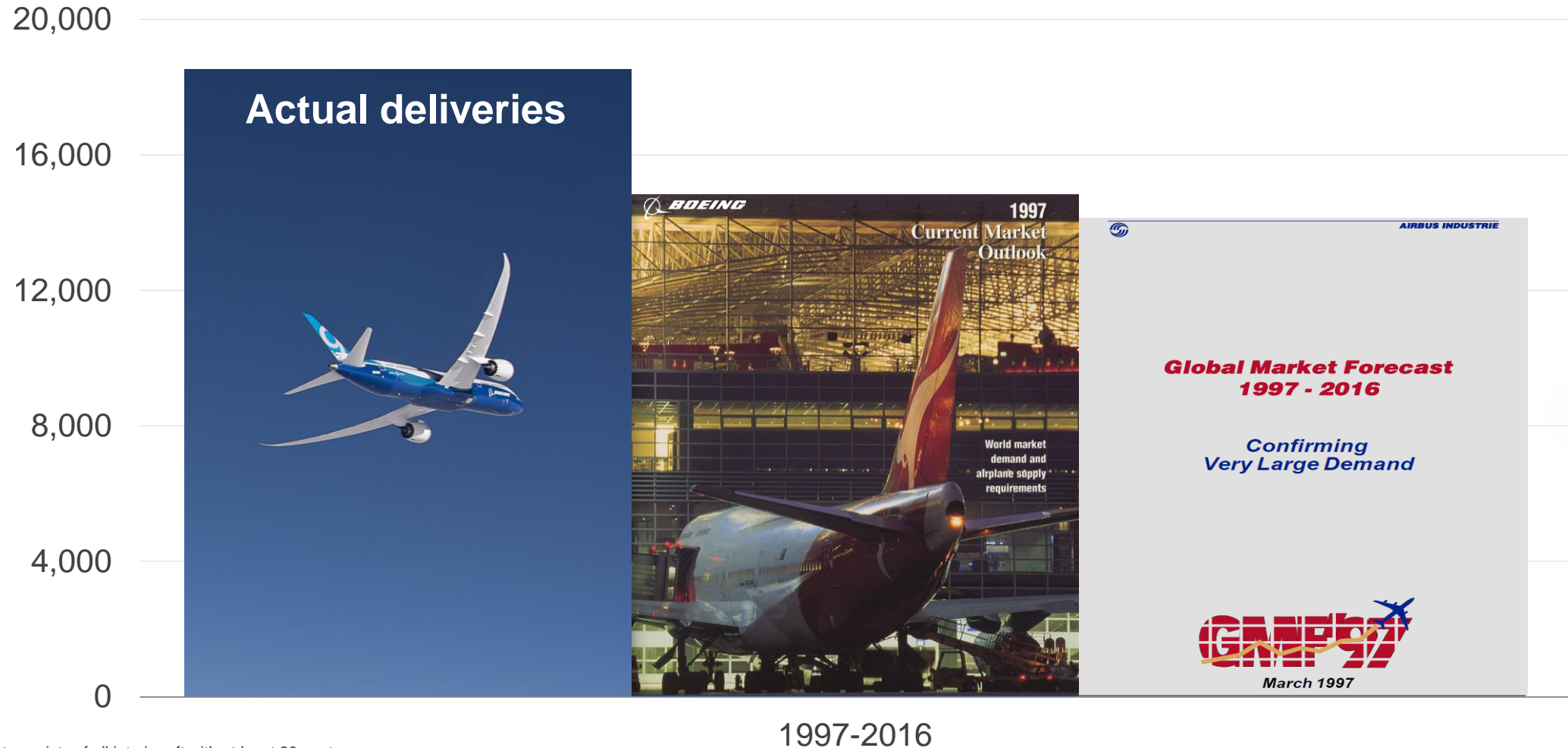


All flights

- Scheduled
- Nonscheduled

1997 Boeing CMO analysis results

PARIS AIR SHOW 2017

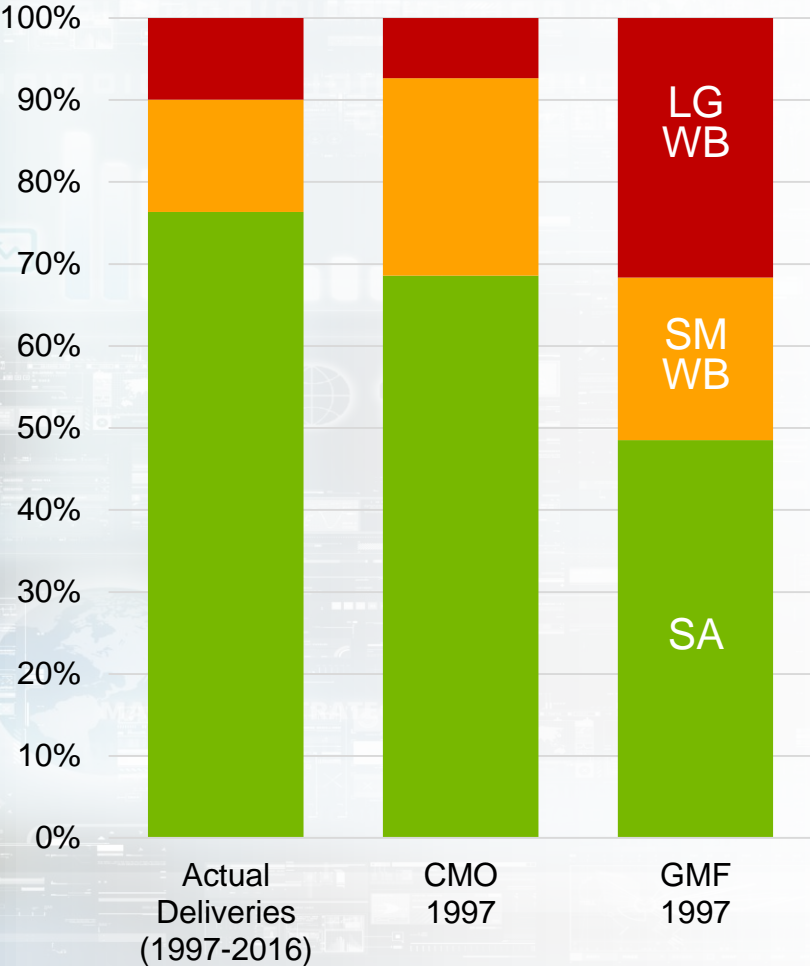


NOTE: Fleet consists of all jet aircraft with at least 90 seats

Copyright © 2017 Boeing. All rights reserved.

1997 Boeing CMO analysis results

PARIS AIR SHOW 2017



Market forecast drivers and considerations

PARIS AIR SHOW 2017



Economic growth



Competitive landscape



Airport infrastructure



Environmental regulations



Airline strategies & business models



Fuel price



Emerging markets



Market liberalization



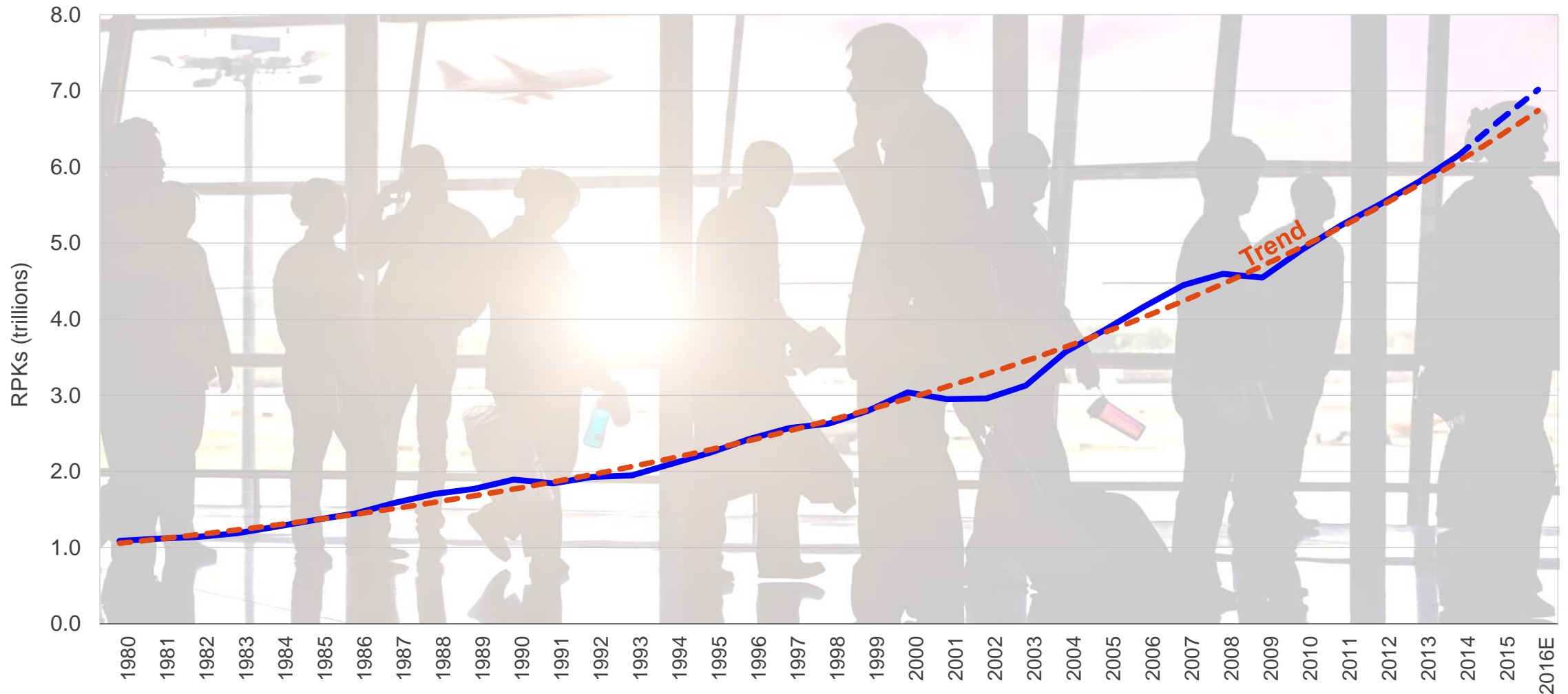
Airplane capabilities

CURRENT MARKET OUTLOOK 2017-2036

Resilient, growing market expected to continue

5% long-term growth rate

PARIS AIR SHOW 2017



SOURCE: ICAO scheduled traffic / 2016E IATA December 2016, RPKs = Revenue Passenger Kilometers

Copyright © 2017 Boeing. All rights reserved.

20-year forecast: continued long-term growth

Average annual growth

PARIS AIR SHOW 2017



World economy (GDP) 2.8%

Number of airline passengers 4.0%

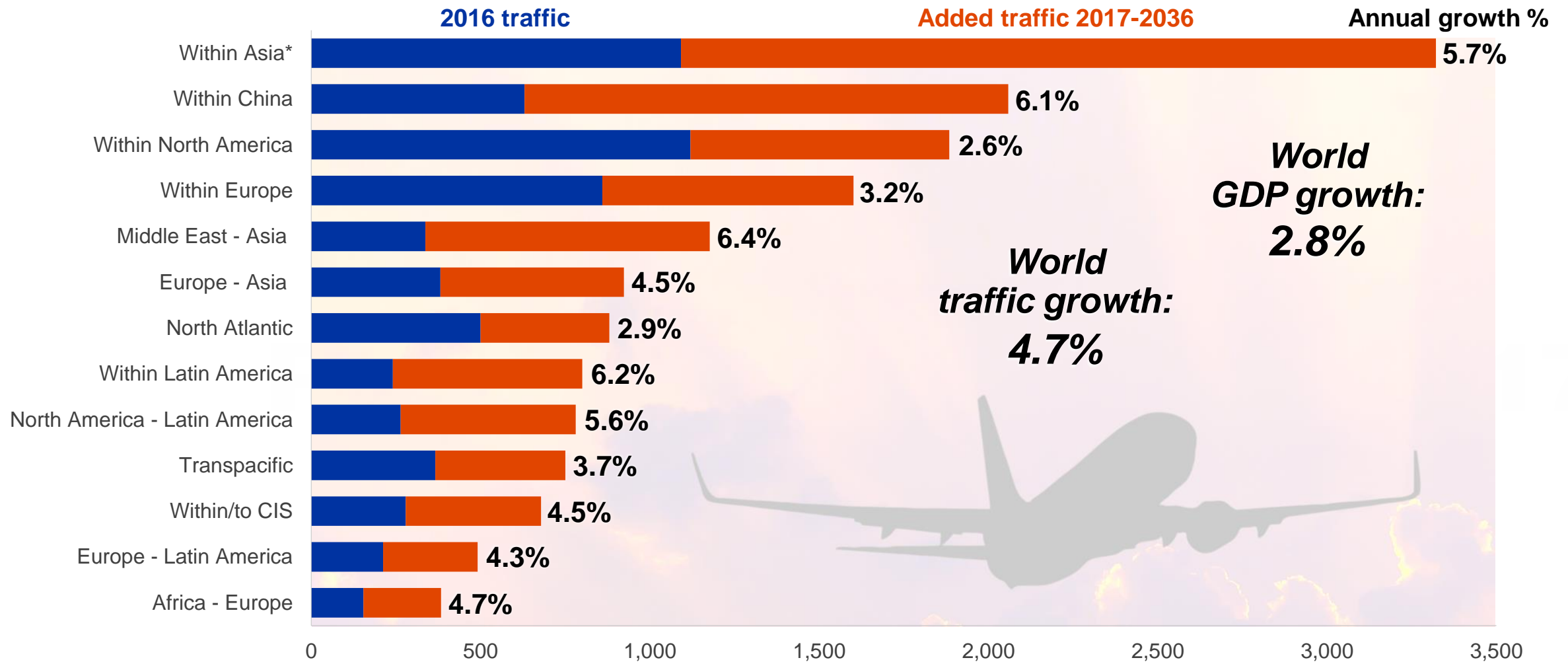
Cargo traffic (RTK) 4.2%

Passenger traffic (RPK) 4.7%

Air travel growth varies by market

RPKs, billions

PARIS AIR SHOW 2017



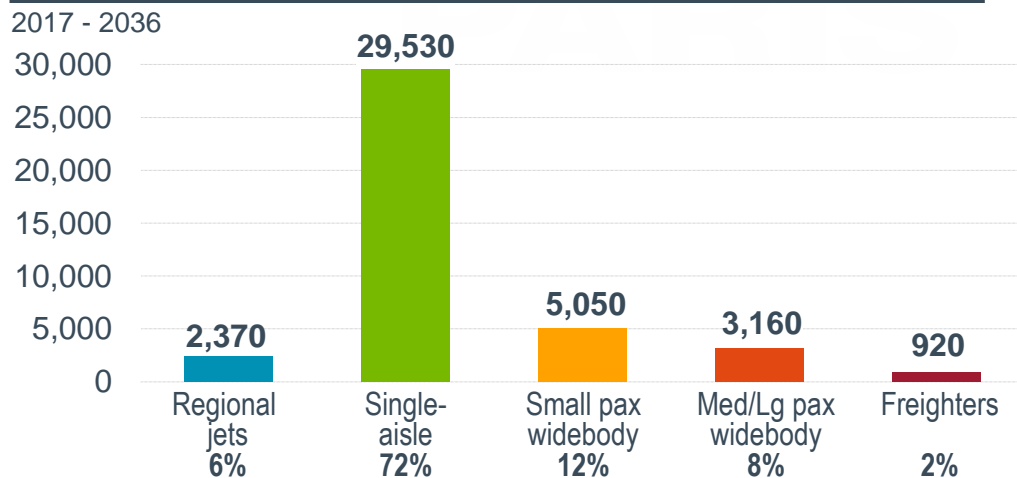
*Does NOT include travel within China

Airlines will need 41,030 new airplanes valued at \$6.1 trillion

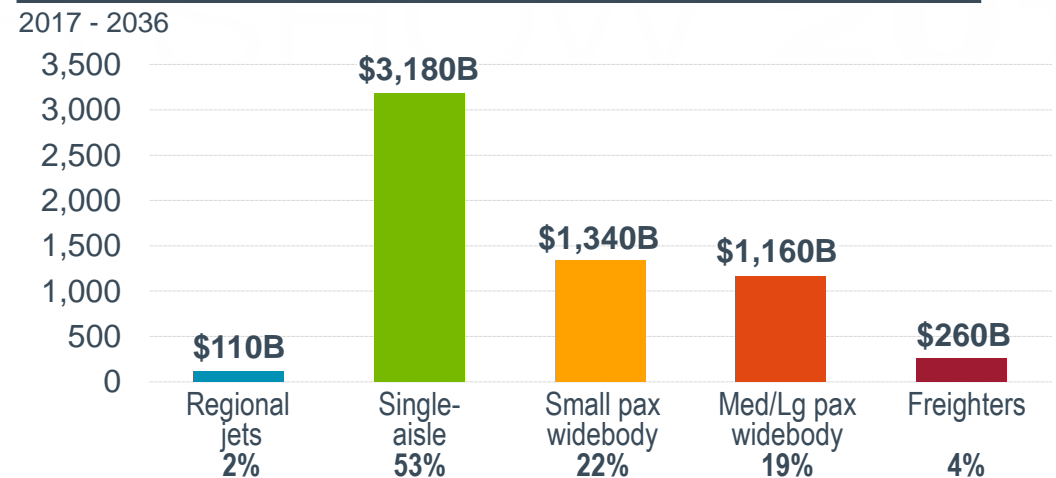
PARIS AIR SHOW 2017



Airplane deliveries: 41,030

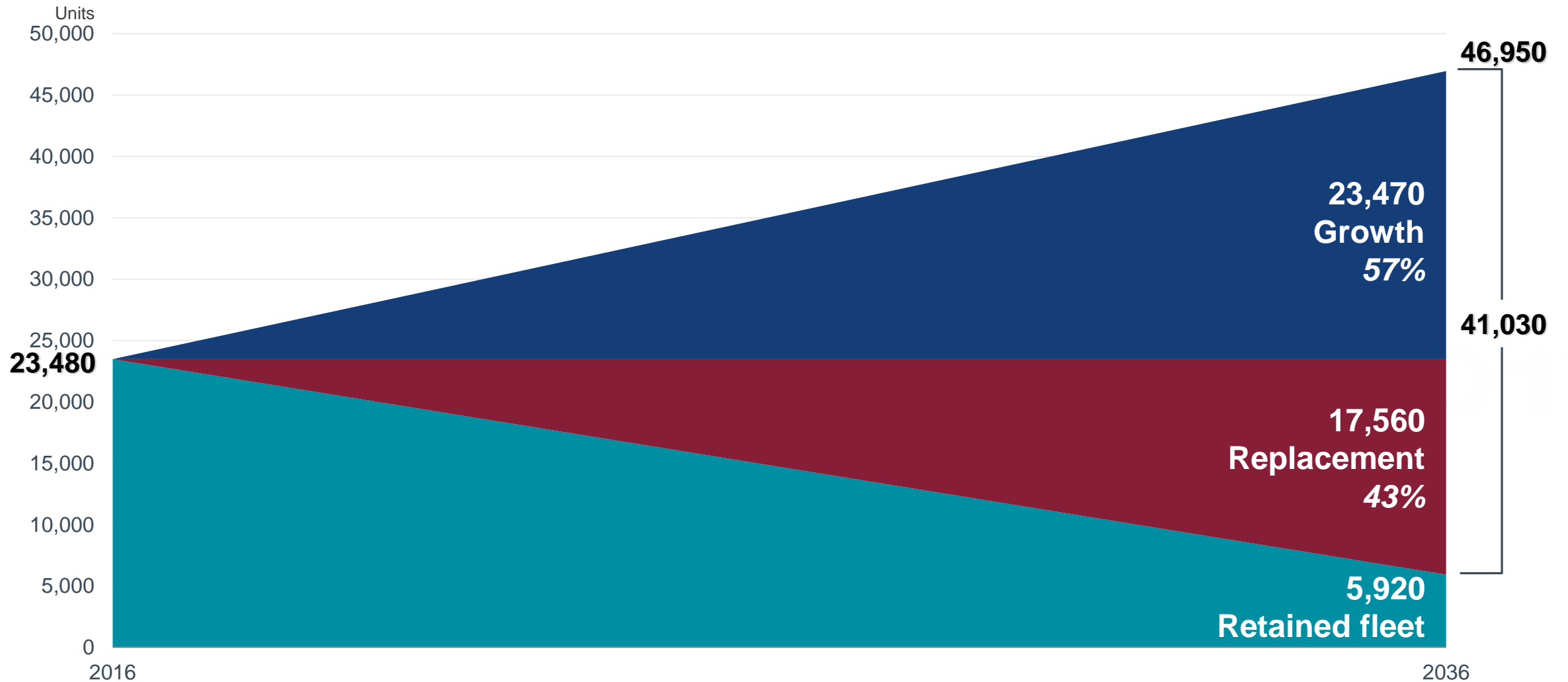


Market value: \$6,050 billion



Global fleet will double

PARIS AIR SHOW 2017



Market for new airplanes to become even more geographically balanced

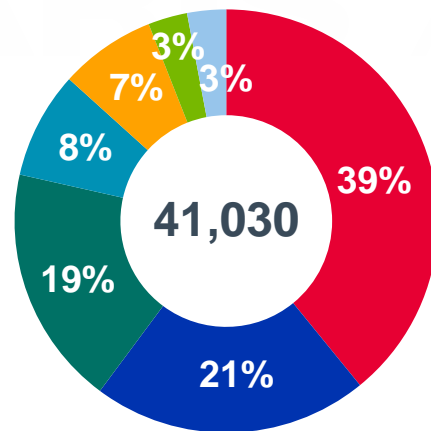
PARIS AIR SHOW 2017



New airplane deliveries by region

2017 - 2036

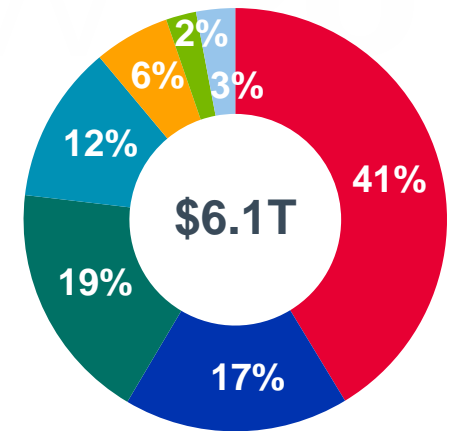
Region	Airplanes
● Asia	16,050
● North America	8,640
● Europe	7,530
● Middle East	3,350
● Latin America	3,010
● C.I.S.	1,230
● Africa	1,220
World Total	41,030



Market value by region

2017 - 2036

Region	\$Billions
● Asia	2,500
● North America	1,040
● Europe	1,110
● Middle East	730
● Latin America	350
● C.I.S.	140
● Africa	180
World Total	\$6,050B



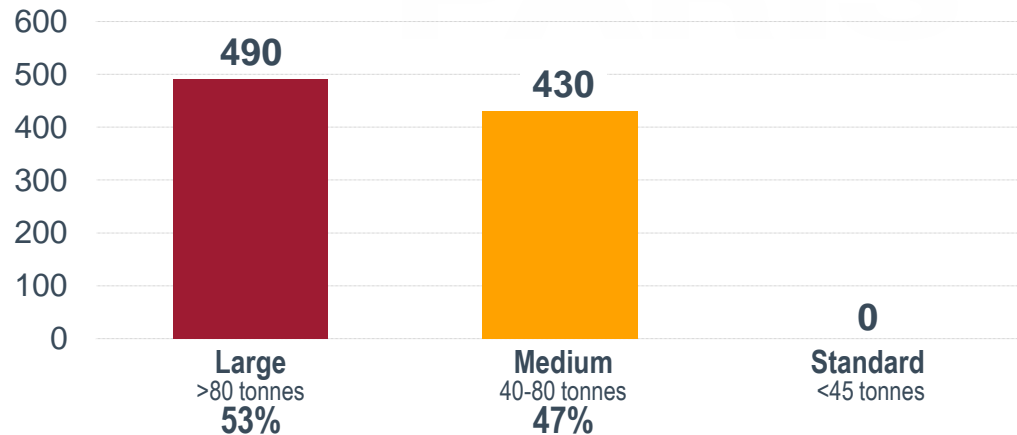
Future new freighter deliveries will be led by demand for large widebodies

PARIS AIR SHOW 2017



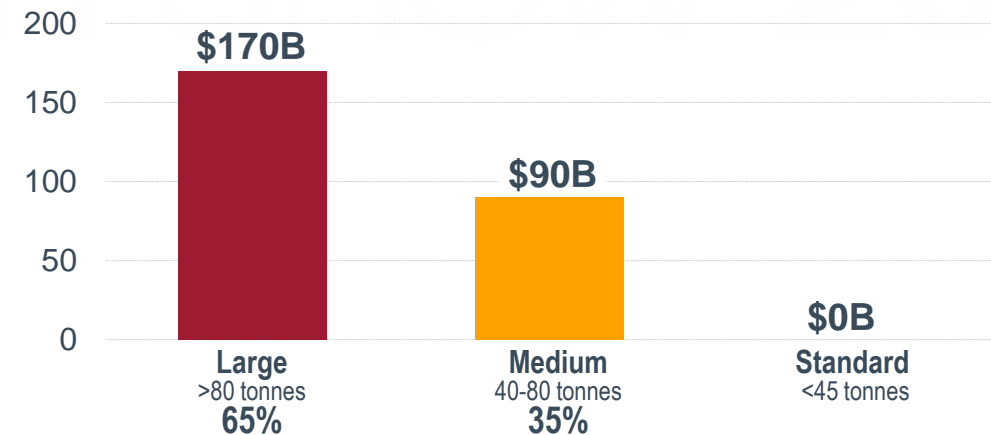
New freighter deliveries: 920

2017 - 2036



Market value: \$260 billion

2017 - 2036



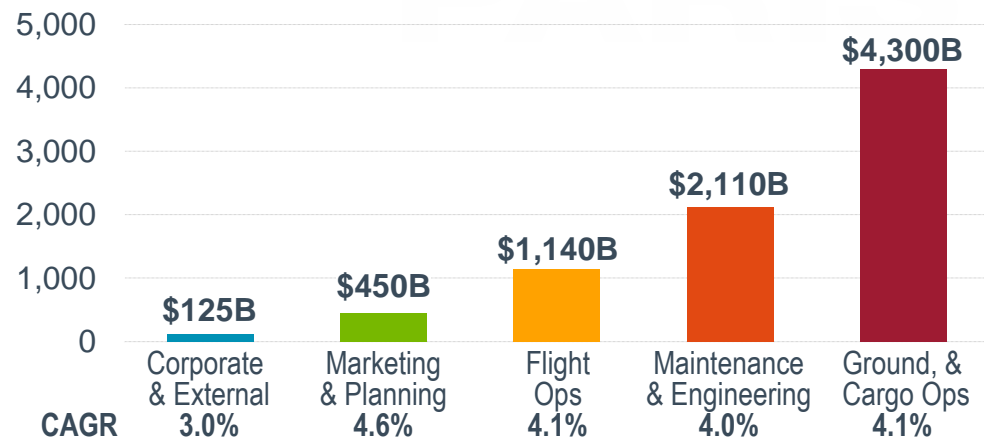
Commercial aviation will demand \$8.5 trillion in services over 20 years

PARIS AIR SHOW 2017



Commercial Aviation Services: \$8.5T

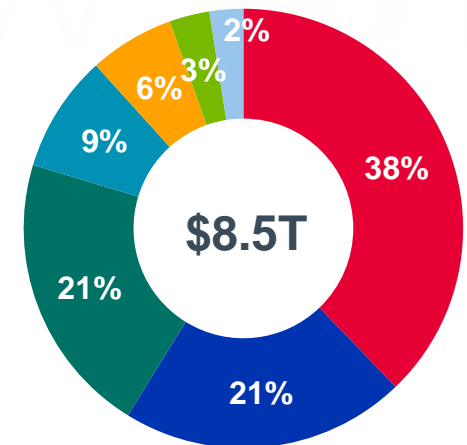
2017 - 2036



Services by region

2017 - 2036

Region	Services	CAGR
Asia	3,200	5.3%
North America	1,775	3.1%
Europe	1,765	2.8%
Middle East	730	5.0%
Latin America	530	5.0%
CIS	250	3.9%
Africa	210	5.3%
World Total	\$8,460	4.0%

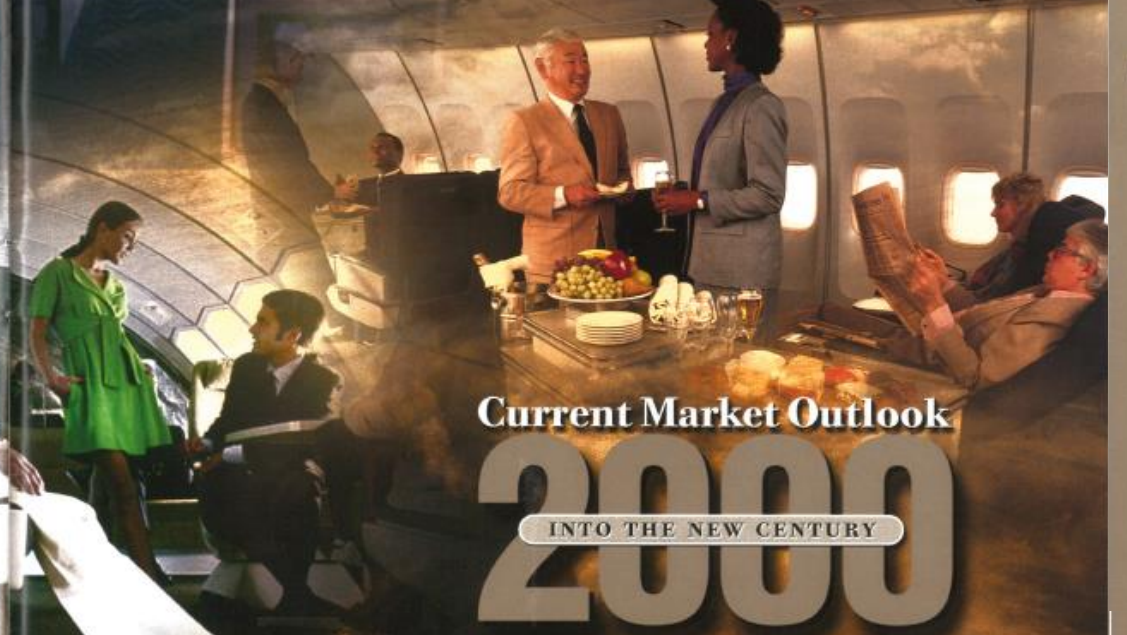


Superior market coverage, exceptional value

PARIS AIR SHOW 2017



The Experience. For luxury and economy passengers alike, the air travel environment has changed significantly over the decades.



Current Market Outlook

2000

INTO THE NEW CENTURY