

# Corporate finance boeing assignment

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A good case to see how a company future assets valuation may be impacted by investment strategies into research development; The many operates on five segments, it specializes In manufacturing of commercial aircraft but also In military aircraft, helicopters (Apache, the Chinook, and the Osprey) as well as satellites, launch system and rockets with Its Boeing Integrated Defense Systems division. Boeing’s products are completed by a portfolio of services.

Major customers are private but also public including the US Department of Defense and NASA. Additionally, Boeing provides airplane financing and leasing services to both commercial and military customers. (Diversification of incomes) Boeing operates in 90 countries; Its headquarters Is located In Chicago, Illinois. Its two largest plants are located In Wichita, Kansas and Everett, near Seattle where It was created in 191 6 by William E Boeing.

Boeing, 201 3) Today, the company employed 171 700 employees, (hugely unionized labor force), the actual CEO is W James Mac Nunnery. According to Yahoo finance, in 201 2, the firm ranks third in sales of military equipment on the global market. It is the second maker of large commercial jets behind Airbus and the second defense contractor behind Lockheed Martin” (finance, 2013) It’s a public listed company traded on the New York Stock Exchange It’s a component of Dow Jones and S&P 500. The company stock ticker symbol is BAA.

According to the income statement of last year the company generated revenue worth 68 735 billion US\$, operating income was 5, 54 billion SIS\$, net Profit was around 4 Billion SIS\$ for a total assets of 79. 986\$ and a total equity of 3. 6\$ (Boeing annual report)l . However, last quarter results showed an increase in cost revenue and a decrease In operating profit In contrast to

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the last quarter of 2011. Finance, 2013) Main competitors In the Industry are: Embrace, Airbus (DADS), and Bombardier. In 2012, the Industry was estimated to have a value of \$711 billion, an increase of 65. 4% since 2007. (PRIG, 2012).

According to Dolomite industry report outlook:” The commercial aircraft sector is likely to enter a prolonged up cycle in production in 2012 as a result of increasing demand for leisure and business travel, particularly In the Asia Pacific region, while the global defense market Is expected to experience flat or declining growth due to anticipated decreases In military spending, ironically In the united States and Europe”. “ The growth In the commercial aircraft industry is expected to be driven by continued production and development of next- generation aircraft programs that aim to address increasing fuel costs” (Dolomite, 2013).

A pretty good outlook considering Boeing’s R&D strategy and the development of its Dreamlike, the aircraft is to be the most fulfillment airliner and the world’s first major airliner to use composite materials. I will analyze the firm current corporate valuation based on three financial methods that I thought were teeth), plus Income statement, (Financial statement analysis), 2) Earnings and cash flow based methods &Dividend valuation model.