01 Sep 2026 19:08:42 ET | 11 pages

US Aerospace & Defense

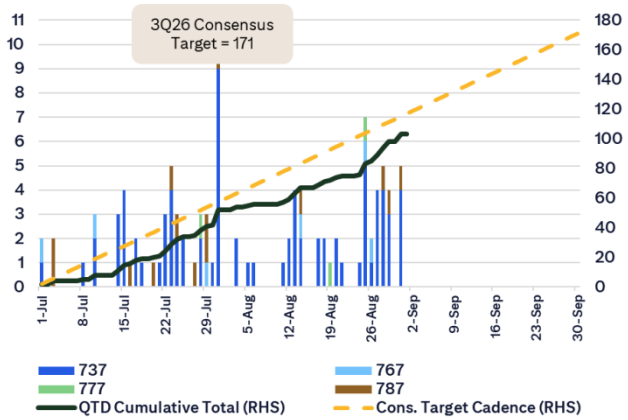
Chart of the Day: BA September Delivery 'Catch Up' Inflecting

CITI'S TAKE

In contrast to recent weakness in the stock, BA deliveries have begun a sharp seasonal uplift into September. Recall that BA deliveries started 3Q26 off noticeably weak vs. consensus expectations (see *BA Deliveries Starting 3Q26 Off Soft, But This Shouldn't Be A Surprise*). To be fair, this pattern is consistent with typical 3Q26 seasonality and was something we flagged even earlier in the summer (see *Boeing Delivery ... 3Q26 Already a Watch Item*). The good news is that very recent data indicates that the September 'catch up' has begun, with a particularly visible improvement in 737 deliveries of late. QTD deliveries are still underperforming consensus - but, if recent momentum continues, then BA may quickly find itself back on track to meet 3Q26 consensus. As we've highlighted, our view on BA is much bigger picture than a short-term view on deliveries, but deliveries are (unsurprisingly) a critical KPI for turnaround-cadence-focused investors.

John Godyn[AC]
Bradley Eyster
Jeremy E Jason

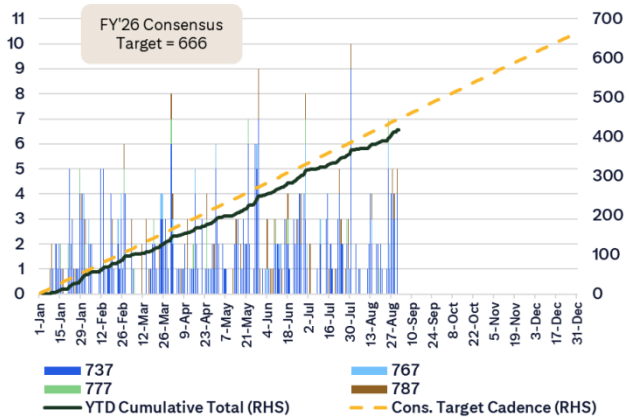
Figure 1. BCA Deliveries - 3Q26



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Source: Citi Research, Research Innovation Lab, Company Reports, Aero Analysis Partners

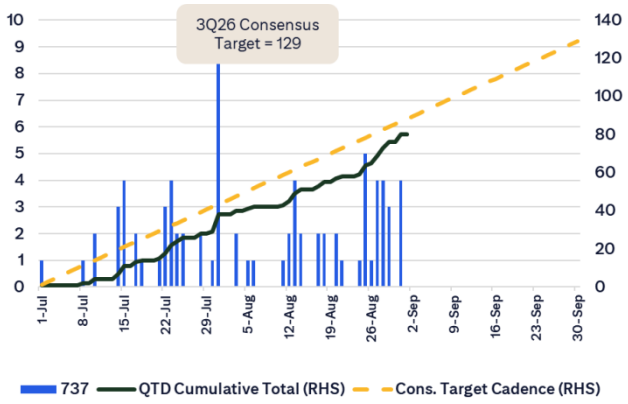
Figure 2. BCA Deliveries - 2026 YTD



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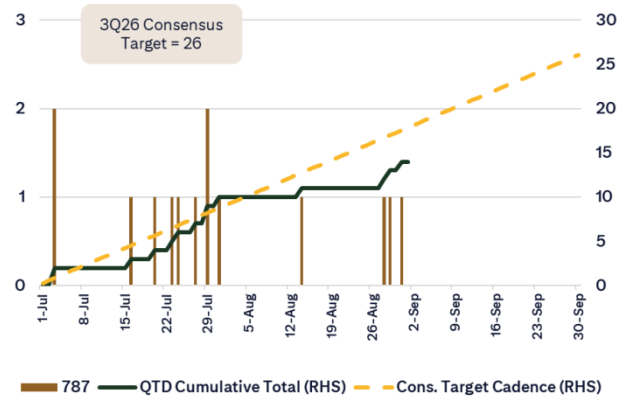
Figure 3. Boeing 737 Deliveries - 3Q26



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Figure 4. Boeing 787 Deliveries - 3Q26



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Boeing Company

(BA.N; US$205.66; 1; 01 Sep 26; 16:00)

Valuation

We derive our $260 YE26 Base Case Price Target for BA using the average of multiple valuation methodologies but primarily anchor our valuation work by applying a ~4.5% NTM FCF Yield on 2030 FCF of $15-20B and discounting back to YE26. These multiples are justified using historical valuation ranges in conjunction with trading relationships to fundamental factors such as margins, returns, growth and earnings momentum.

Risks

Risks for BA not achieving our price target include but are not limited to: continued delays on certifying key aircraft programs; emergence of quality issues amidst a cultural transformation emphasizing quality and safety integrity; inability to turn around execution performance on fixed-price contracts; loss of market share from competition; new supply chain disruptions; and geopolitical and macro risks.