



Spirit AeroSystems Initiates Workforce Actions Due to Expected Lower Levels of 737 MAX Production

WICHITA, Kan., January 10, 2020 -- Spirit AeroSystems [NYSE: SPR] today issued a notice under the Worker Adjustment and Retraining Notification Act of layoffs affecting approximately 2,800 employees at its Wichita, Kansas facility. Spirit is taking this action because of the 737 MAX production suspension and ongoing uncertainty regarding the timing of when production will resume and the level of production when it does resume. This decision allows Spirit to begin aligning its cost structure to the production suspension and, after such suspension, what Spirit expects will be production levels lower than Spirit's levels in 2019.

Spirit is a significant supplier on the 737 MAX program, with its workshare accounting for 70 percent of the airplane's structure. This includes the entire fuselage, thrust reversers, engine pylons and wing components. In addition, the MAX represents more than 50 percent of Spirit's annual revenue.

Spirit has not received notice from its customer, Boeing, on how long the production suspension will last or what the production rate will be in the future. Spirit believes that, when production resumes, the levels will be lower than previously expected due, in part, to the customer's need to consume over 100 MAX shipsets currently in storage at Spirit's facilities. In addition, Boeing has several hundred MAX airplanes built but not yet delivered to its customers.

In conjunction with today's actions, Spirit plans to implement smaller workforce reductions later this month for its plants in Tulsa and McAlester, Oklahoma, which also produce components for the MAX. Based on final production rates agreed with Boeing, Spirit may have to take additional workforce actions in the future.

"The difficult decision announced today is a necessary step given the uncertainty related to both the timing for resuming 737 MAX production and the overall production levels that can be expected following the production suspension," said Tom Gentile, Spirit AeroSystems President and CEO. "We are taking these actions to balance the interests of all of our stakeholders as a result of the grounding of the 737 MAX, while also positioning Spirit to meet future demand."

Employees will receive compensation for the applicable 60-day notice period. Spirit's Wichita employees affected by these layoffs will start exiting the company beginning January 22.

Spirit has taken steps to lessen the impact of expected layoffs, transferring some 737 MAX employees to other programs where possible. Additionally, Spirit plans to facilitate job fairs with other aerospace companies to help laid-off employees transition to new jobs.

"Our goal is to support Boeing and a safe return to service of the MAX," added Gentile. "We continue to work with Boeing to develop a new production schedule for 2020 with an eye toward minimizing disruption, maintaining the stability of our production capabilities, and best positioning Spirit for the future. When production levels increase sufficiently in the future, we look forward to recalling employees impacted by today's announcement."

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About Spirit AeroSystems Inc.

Spirit AeroSystems designs and builds aerostructures for both commercial and defense customers. With headquarters in Wichita, Kansas, Spirit operates sites in the U.S., U.K., France and Malaysia. The company's core products include fuselages, pylons, nacelles and wing components for the world's premier aircraft. Spirit AeroSystems focuses on affordable, innovative composite and aluminum manufacturing solutions to support customers around the globe. More information is available at www.SpiritAero.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains "forward-looking statements" that may involve many risks and uncertainties. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "aim," "anticipate," "believe," "could," "continue," "estimate," "expect," "goal," "forecast," "intend," "may," "might," "objective," "outlook," "plan," "predict," "project," "should," "target," "will," "would," and other similar words, or phrases, or the negative thereof, unless the context requires otherwise. These statements reflect management's current views with respect to future events and are subject to risks and uncertainties, both known and unknown. Our actual results may vary materially from those anticipated in forward-looking statements. We caution investors not to place undue reliance on any forward-looking statements. Important factors that could cause actual results to differ materially from those reflected in such forward-looking statements and that should be considered in evaluating our outlook include, without limitation, the timing and conditions surrounding the return to service of the 737 MAX, the length of the production suspension beginning in January 2020, and, thereafter, any continued impacts on our production rate; our reliance on Boeing for a significant portion of our revenues; our ability to execute our growth strategy, including our ability to timely complete and integrate our announced Asco and Bombardier acquisitions; our ability to accurately estimate and manage performance, cost, and revenue under our contracts; economic conditions in the industries and markets in which we operate in the U.S. and globally; our ability to borrow additional funds or refinance debt; and other factors disclosed in our filings with the Securities and Exchange Commission. These factors are not exhaustive and it is not possible for us to predict all factors that could cause actual results to differ materially from those reflected in our forward-looking statements. These factors speak only as of the date hereof, and new factors may emerge or changes to the foregoing factors may occur that could impact our business. Except to the extent required by law, we undertake no obligation to, and expressly disclaim any obligation to, publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.