



BOEING, ADIENT LAUNCH NEW COMPANY TO DESIGN AND BUILD AIRPLANE SEATS

News / Manufacturer



Adient Aerospace will develop, manufacture and sell a portfolio of seating products to airlines and leasing companies

Boeing and Adient announced the formation of Adient Aerospace, a joint venture that will develop, manufacture and sell a portfolio of seating products to airlines and aircraft leasing companies. The seats will be available for installation on new airplanes and as retrofit configurations for aircraft produced by Boeing and other commercial airplane manufacturers.

The joint venture between Boeing, the world's largest aerospace company, and Adient, the global leader in automotive seating, addresses the aviation industry's needs for more capacity in the seating category, superior quality and reliable on-time performance. Adient Aerospace will benefit from the world-class engineering teams and innovative cultures at both companies, as well as shared expertise in managing complex, global supply chains.

"Seats have been a persistent challenge for our customers, the industry and Boeing, and we are taking action to help address constraints in the market. Adient Aerospace will leverage Boeing's industry leadership and deep understanding of customer needs and technical requirements, to provide a superior seating product for airlines and passengers around the world," said Kevin Schemm, senior vice president of Supply Chain Management, Finance & Business Operations and chief financial officer for Boeing Commercial Airplanes. "This joint venture supports Boeing's vertical integration strategy to develop in-house capabilities and depth in key areas to offer better products, grow services and generate higher lifecycle value."

"Adient has a strong set of transferable competencies that will offer a unique opportunity to create value for our company and for Boeing, our shareholders and the broader commercial aircraft market," said Adient chairman and CEO Bruce McDonald. "To enhance the customer experience

for passengers, airlines and commercial airplane manufacturers, we will apply our unmatched expertise for comfort and craftsmanship along with our reputation for operational excellence."

Adient Aerospace's operational headquarters, technology center and initial production plant will be located in Kaiserslautern, Germany, near Frankfurt. The joint venture's initial customer service center will be based in Seattle, Washington. Adient Aerospace aftermarket spare parts distribution will be performed exclusively through Aviall, a wholly owned subsidiary of Boeing.

Adient is the majority stakeholder in the new company (50.01 percent share) and expects the joint venture to be included in its consolidated financial statements. Boeing (as 49.99 percent partner) will receive a proportionate share of the earnings and cash flow. Both will have representation on Adient Aerospace's board of directors.

Industry analysts forecast the commercial aircraft seating market to grow from approximately \$4.5 billion in 2017 to \$6 billion by 2026.

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