

SPIRIT AEROSYSTEMS SIGNED MOA FOR LONG-TERM AGREEMENT WITH BOEING

News / Manufacturer



Spirit AeroSystems announced that it executed a Memorandum of Agreement (MOA) with The Boeing Company that establishes, among other items:

**Pricing terms for certain programs including the Boeing Next Generation 737, Boeing 737 MAX, 767, 777 freighters and 777-9, the Boeing 787 Dreamliner well into the next decade;
Boeing 737 pricing based on production rates above and below current production levels;
Investments for tooling and capital for certain Boeing 737 rate increases;
Joint cost reduction programs for the Boeing 777X and 787 Dreamliner;
Boeing's agreement to provide consent to the Company's acquisition of S.R.I.F. N.V., the parent company of Asco Industries, N.V.; and
The release of liability and claims asserted by both companies related to Boeing 737 disruption activity and other matters.**

Prior agreements between Boeing and Spirit have memorialized a cost reduction program with respect to the Boeing 737 and pricing for the Boeing 747 and 777 models.

"This agreement further strengthens the long-standing partnership between Boeing and Spirit as it removes uncertainty well into the next decade. The agreement establishes pricing and capital investment for a range of potential production rate increases on the 737 program. With the new agreement, we expect price to exceed cost eventually on the 787 program. We are excited to

continue to build on our relationship and look forward to future opportunities with our largest customer," said Spirit President and CEO Tom Gentile. "With this agreement, we maintain our target of 7 to 9 percent conversion of revenue to free cash flow."



31 DECEMBER 2018

ARTICLE LINK:

<https://50skyshades.com/news/manufacturer/spirit-aerosystems-signed-moa-for-long-term-agreement-with-boeing>