Fourth Quarter and Full-Year 2020 Earnings Review

Tom Gentile

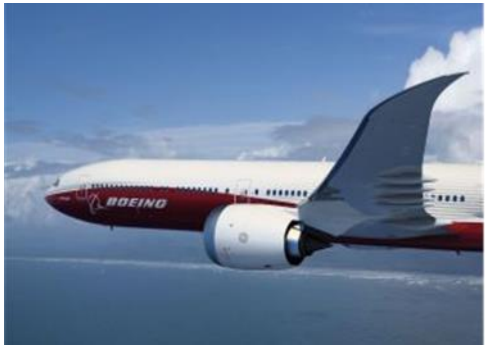
President and Chief Executive Officer

Mark Suchinski

Senior Vice President and Chief Financial Officer

February 23, 2021

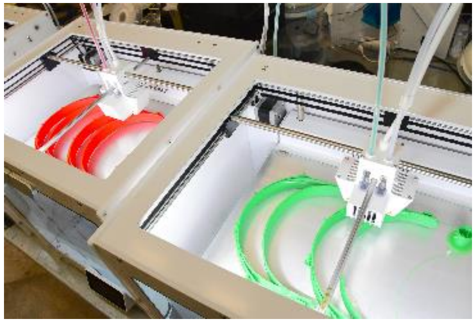
2020 Cost Reduction Actions



- **Implemented cost reduction actions:**
  - Reduction of 8,000 commercial aviation employees
  - Reduced executive pay by 20%
  - Implemented 4-day work weeks for salaried workforce at Wichita, KS facility
  - Initiated multiple furloughs of production employees
  - Reduced purchased services
  - Closing San Antonio, TX and McAlester, OK facilities
- **Total cost reduction actions taken expected to result in annualized $1 billion savings**

SPIRIT AEROSYSTEMS ®

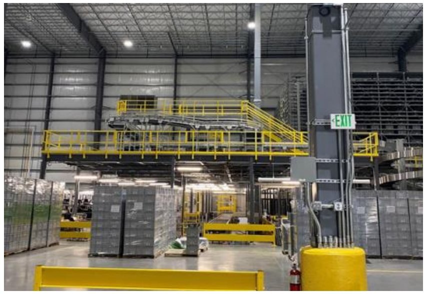
2020 Liquidity Actions



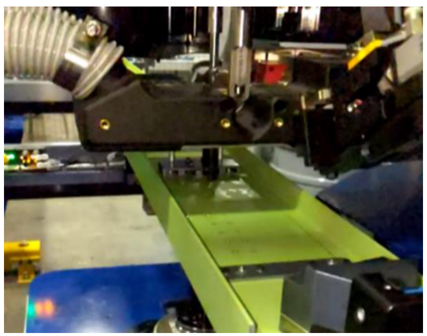
- **Acted to protect and strengthen liquidity:**
  - Reduced cash dividend to $0.01 per share
  - Suspended share repurchase program
  - Reduced capital expenditures by over $120 million
  - Received $225 million advance from Boeing; deferred repayment of $123 million advance from Boeing to 2022
  - Raised $1.2 billion in senior secured second lien notes in April
  - Raised $900 million of first lien senior secured debt in October
  - Negotiated $225 million purchase price discount for the Bombardier asset acquisition

SPIRIT AEROSYSTEMS

Productivity & Efficiency Improvements to Drive Quality



- **Global Digital Logistics Center**
  - Consolidated 500K+ sq. ft. of warehouse into ~150K sq. ft.
- **New automated and semi-automated assembly line for floor beams using Spirit proprietary technologies**
  - Improves the assembly of 737 MAX floor beams
  - Reduces cycle time

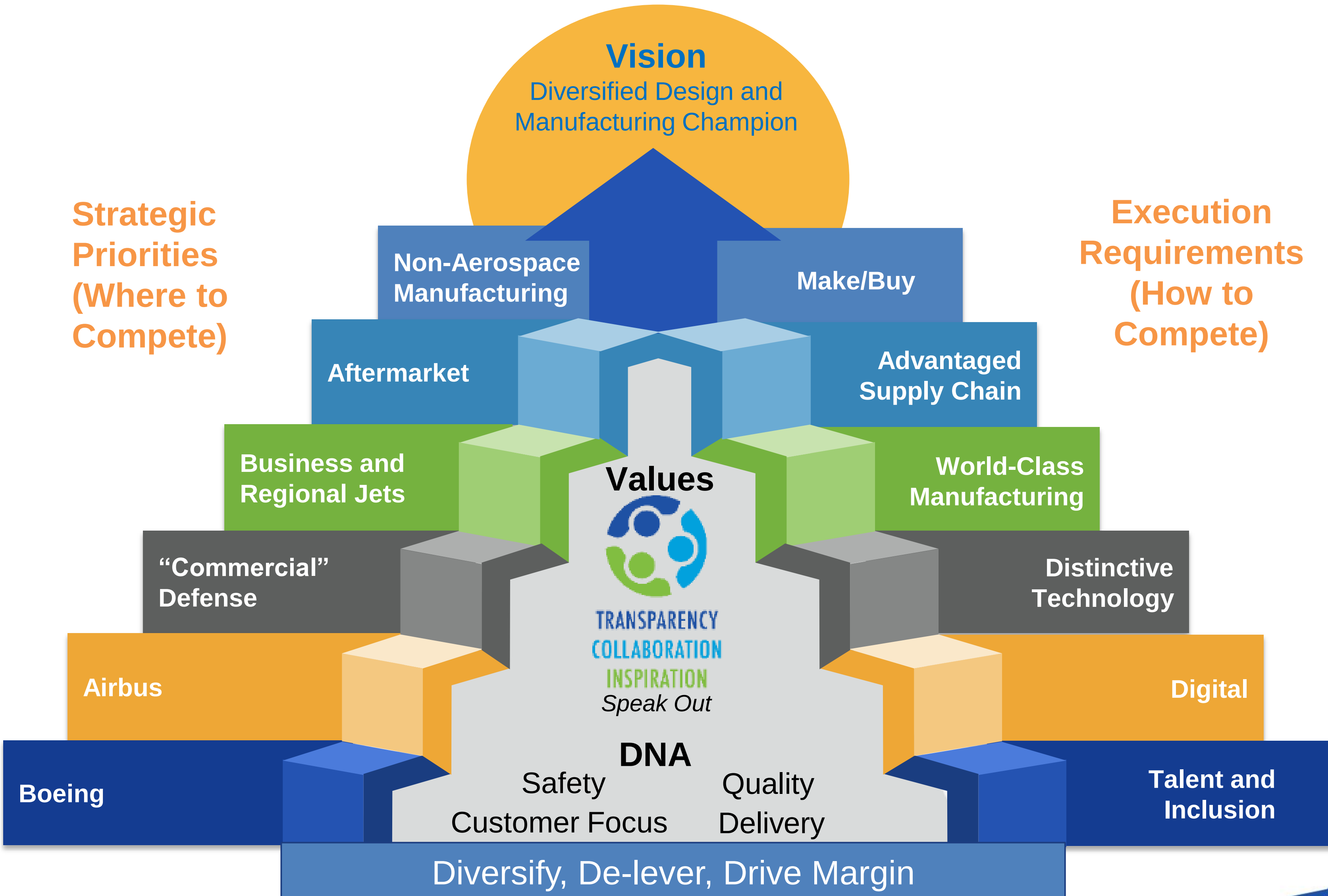


- **Enhanced composite spoiler production line in Prestwick**
  - Highly-automated line expected to reduce shipset cost
- **Accelerated digitization efforts within manufacturing lines to track data and production metrics**
  - Simplifies reporting activities
  - Increased visibility into real-time production progress

- **Improved inspectors' work instructions by transitioning from text-based to digital**
  - Provides graphics, pictures and detailed instructions tied to 3D digital models
- **Reconfigured main 737 MAX factory**
  - Enables more lean and efficient operations
  - Frees up space in main production facility

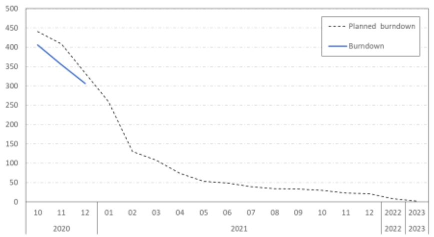
SPIRIT AEROSYSTEMS

Diversified Design and Manufacturing Champion



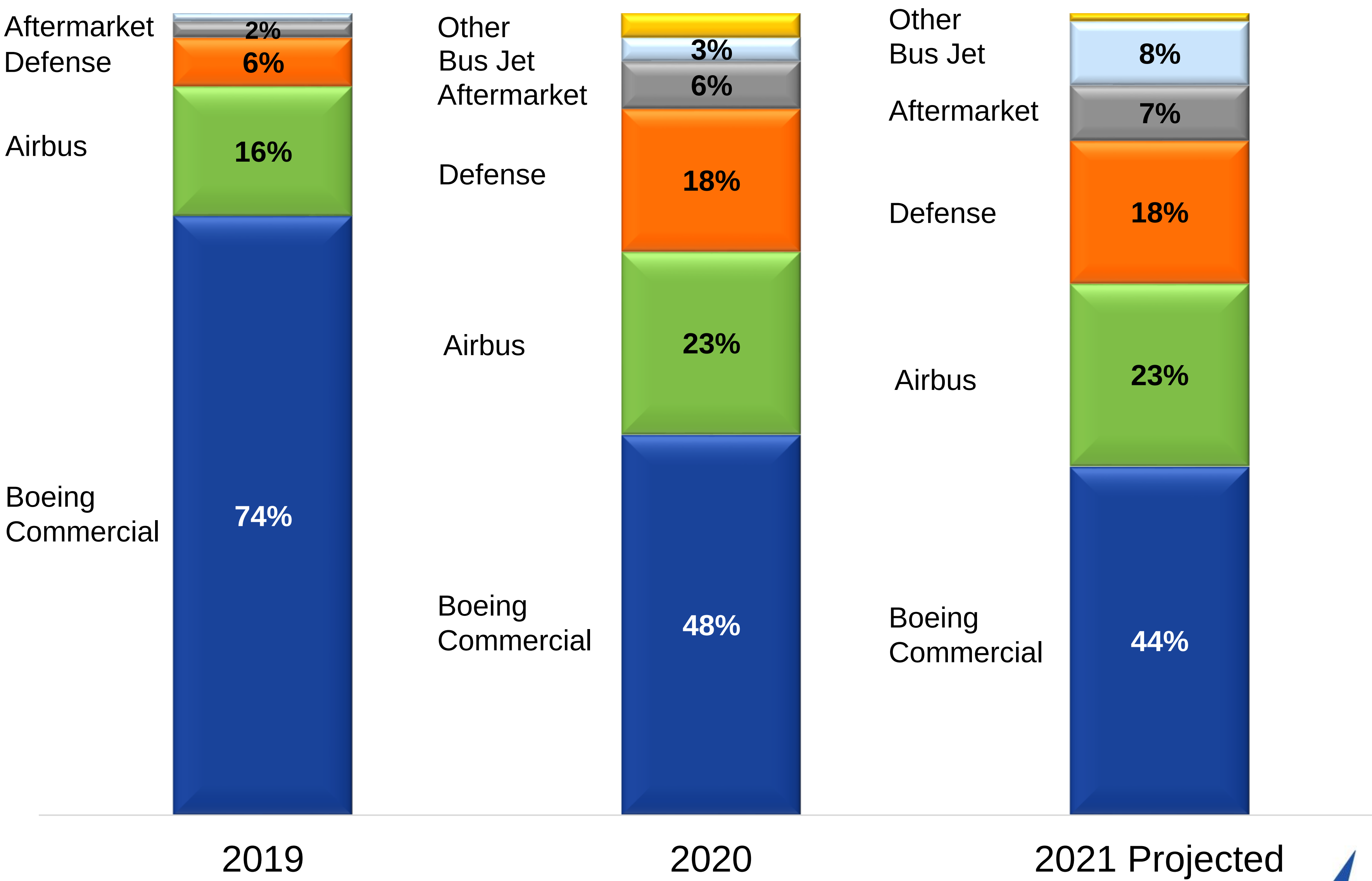
Newly-Acquired Belfast, Casablanca & Dallas Sites

- **Integration**
  - ~65% integration tasks complete
  - Expect ~75% complete by end of 1Q21
- **Fully integrated composite narrowbody wing production capability**
- **Doubles aftermarket business at accretive margins**
  - Targeting $500 million in total Spirit aftermarket revenue by 2025
- **Business jet portfolio expansion at accretive margins**
  - Targeting $500 million in total Spirit business jet revenue by 2023
- **United Kingdom defense opportunities**
  - Team Tempest
  - Spirit Belfast selected as Project Mosquito lead
- **Synergies**
  - Supply chain, make/buy, facilities, purchased services, overhead



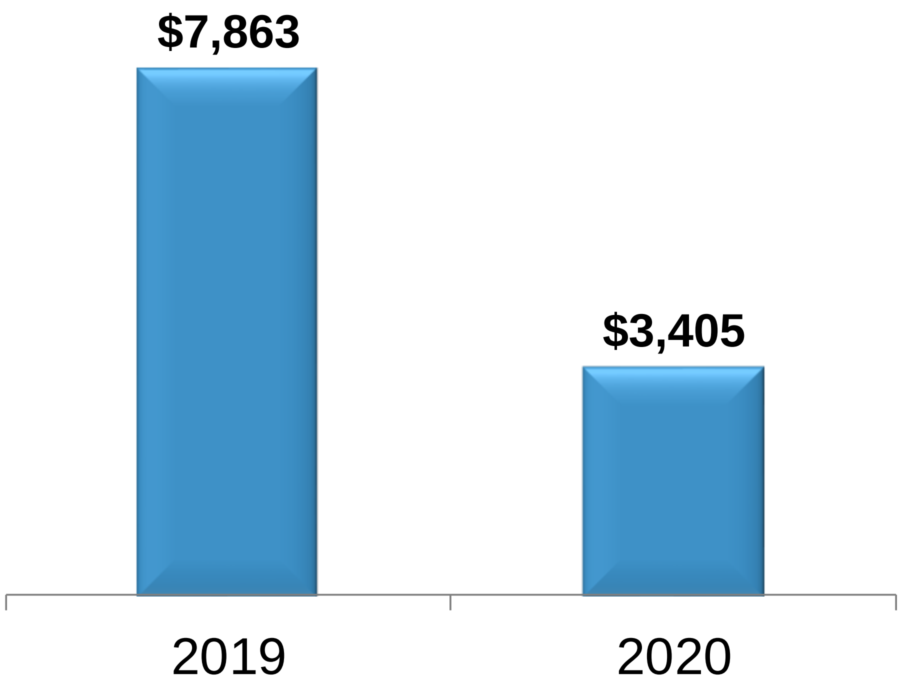
SPIRIT AEROSYSTEMS

Improved Revenue Diversity



Revenue

$ millions



- Lower production on 737 program due to the MAX grounding and impacts of COVID-19
- All commercial production deliveries decreased as a result of COVID-19
- Delivered 71 737 shipsets compared to 606 in 2019
- Overall deliveries of 920 shipsets compared to 1,791 in 2019

Fewer deliveries due to production rate reductions related to 737 MAX grounding & COVID-19 impacts

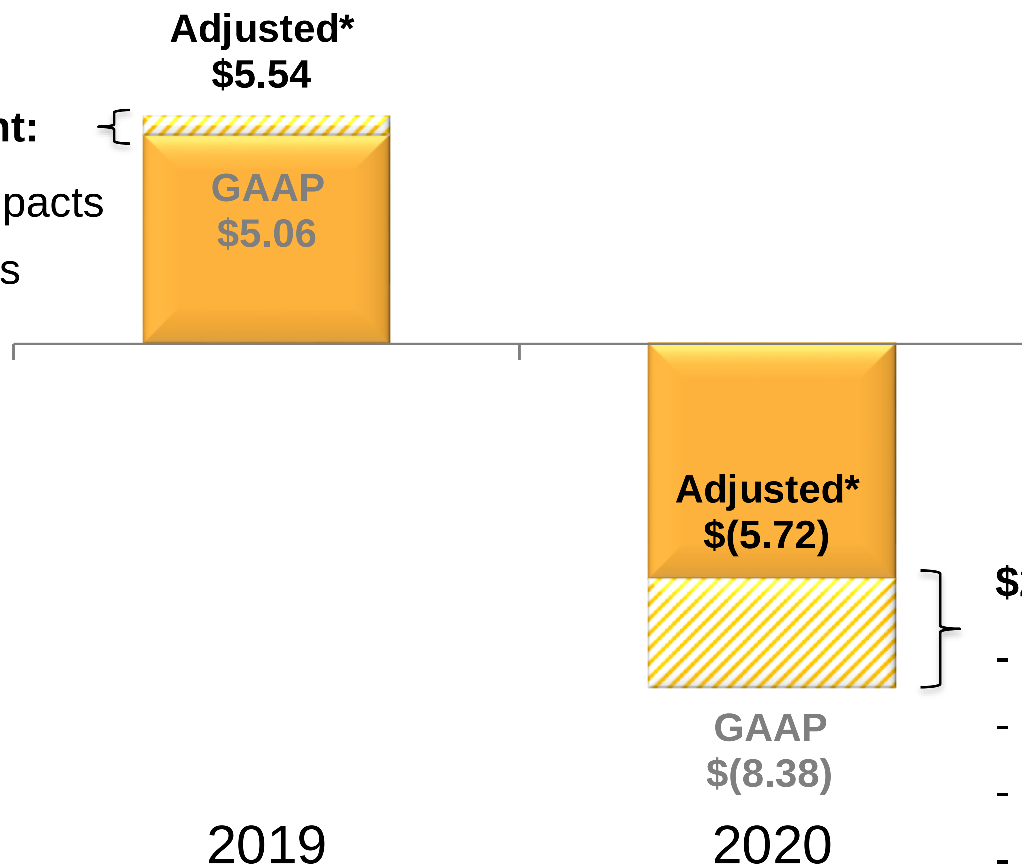
SPIRIT AEROSYSTEMS

Adjusted EPS (fully diluted)*

$ per share

$0.48 adjustment:

- Acquisition impacts
- VRP expenses



$2.66 adjustment:

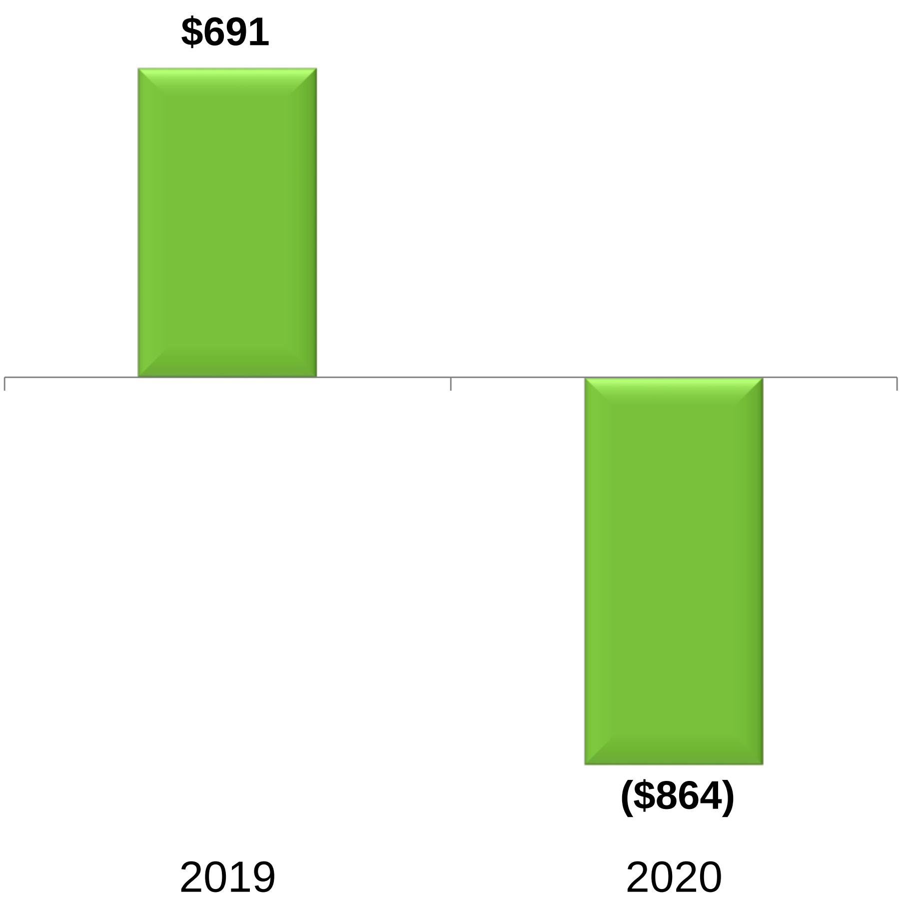
- Acquisition impacts
- Restructuring costs
- VRP expenses
- Deferred Tax Asset Valuation Allowance

Impacted by significant production rate reductions and forward losses resulting from customer rate decreases

*Non-GAAP measure. Definitions, reconciliations, and further disclosures regarding this non-GAAP measure are appended to this document.

Free cash flow*

$ millions

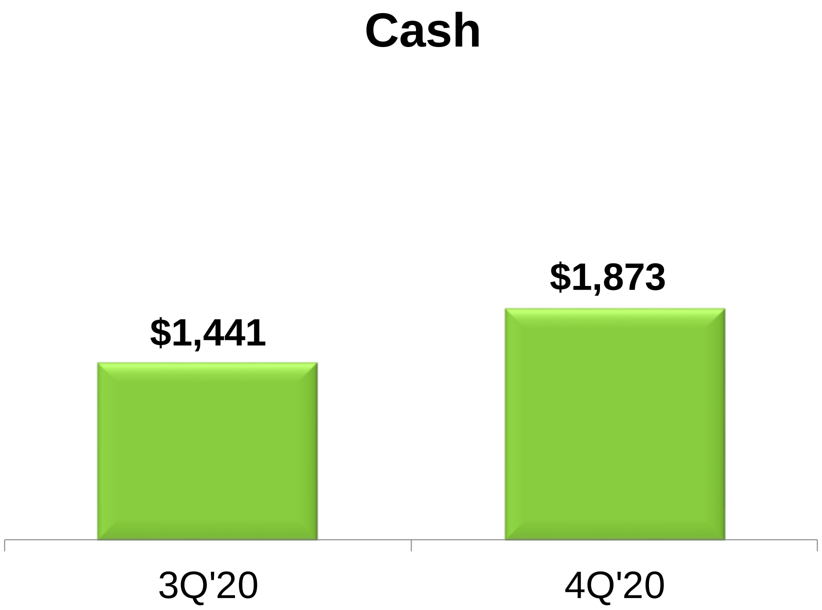


- Significantly less revenue resulting from production rate decreases across all commercial programs
- Negative working capital requirements
- Restructuring expenses for cost-alignment and headcount reductions
- Favorable cash tax in 2020

Impacted by negative working capital requirements

*Non-GAAP measure. Definitions, reconciliations, and further disclosures regarding this non-GAAP measure are appended to this document.

Cash and Debt Balances
$ millions



2H 2020 Liquidity Activity:

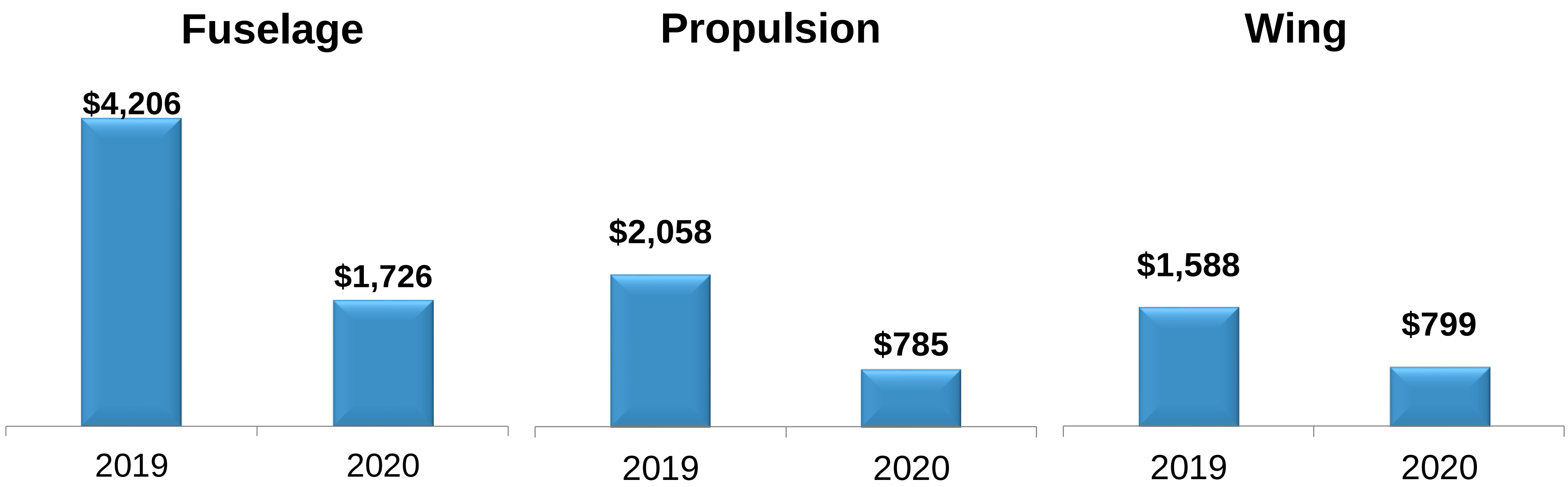
- Raised $900 of first lien senior secured debt; terminated 2018 credit facility
  - New debt of $900 not included in Q3 balances
  - Repayment of term loans under 2018 credit facility of ~$430 reflected in Q3 balances
- Reduced Bombardier purchase price from $500 to $275; paid in Q4

Financing activity increased liquidity and flexibility going into the future

SPIRIT AEROSYSTEMS

Segment Revenue and Operating Margin

$ millions



	Fuselage 2019	Fuselage 2020	Propulsion 2019	Propulsion 2020	Wing 2019	Wing 2020
Operating Margin	**11%**	**(26)%**	**20%**	**(5)%**	**14%**	**(9)%**

Fuselage
- Excess capacity costs of $175
- Restructuring costs of $41
- Forward losses of $274

Propulsion
- Excess capacity costs of $61
- Restructuring costs of $15
- Forward losses of $37

Wing
- Excess capacity costs of $43
- Restructuring costs of $17
- Forward losses of $59

Revenue & Operating Margin significantly impacted by lower production rates & COVID-19

SPIRIT AEROSYSTEMS

Forward-Looking Information

Cautionary Statement Regarding Forward-Looking Statements:

This presentation 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,” “model,” “objective,” “outlook,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” and other similar words, or phrases, or the negative thereof, unless the context requires otherwise. These statements are based on circumstances as of the date on which the statements are made and they 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, but are not limited to, the following:

- the impact of the COVID-19 pandemic on our business and operations, including on the demand for our and our customers' products and services, on trade and transport restrictions, on the global aerospace supply chain, on our ability to retain the skilled work force necessary for production and development, and generally on our ability to effectively manage the impacts of the COVID-19 pandemic on our business operations;
- demand for our products and services and the general effect of economic or geopolitical conditions, or other events, such as pandemics, in the industries and markets in which we operate in the U.S. and globally;
- the timing and conditions surrounding the full worldwide return to service (including receiving the remaining regulatory approvals) of the B737 MAX, future demand for the aircraft, and any residual impacts of the B737 MAX grounding on production rates for the aircraft;
- our reliance on Boeing and Airbus for a significant portion of our revenues;
- the business condition and liquidity of our customers and their ability to satisfy their contractual obligations to the Company;
- the certainty of our backlog, including the ability of customers to cancel or delay orders prior to shipment;
- our ability to accurately estimate and manage performance, cost, margins, and revenue under our contracts, and the potential for additional forward losses on new and maturing programs;
- our accounting estimates for revenue and costs for our contracts and potential changes to those estimates;
- our ability to continue to grow and diversity our business, execute our growth strategy, and secure replacement programs, including our ability to enter into profitable supply arrangements with additional customers;
- the outcome of product warranty or defective product claims and the impact settlement of such claims may have on our accounting assumptions;
- our dependence on our suppliers, as well as the cost and availability of raw materials and purchased components;
- our ability and our suppliers' ability to meet stringent delivery (including quality and timeliness) standards and accommodate changes in the build rates of aircraft;
- our ability to maintain continuing, uninterrupted production at our manufacturing facilities and our suppliers’ facilities;
- competitive conditions in the markets in which we operate, including in-sourcing by commercial aerospace original equipment manufacturers;
- our ability to successfully negotiate, or re-negotiate, future pricing under our supply agreements with Boeing, Airbus and other customers;
- our ability to effectively integrate the acquisition of select assets of Bombardier along with other acquisitions that we pursue, and generate synergies and other cost savings therefrom, while avoiding unexpected costs, charges, expenses, and adverse changes to business relationships and business disruptions;
- the possibility that our cash flows may not be adequate for our additional capital needs;
- any reduction in our credit ratings;
- our ability to access the capital markets to fund our liquidity needs, and the costs and terms of any additional financing;
- our ability to avoid or recover from cyber or other security attacks and other operations disruptions;
- legislative or regulatory actions, both domestic and foreign, impacting our operations, including the effect of changes in tax laws and rates, and our ability to accurately calculate and estimate the effect of such changes;
- our ability to recruit and retain a critical mass of highly skilled employees;
- our relationships with the unions representing many of our employees, including our ability to avoid labor disputes and work stoppages with respect to our union employees;
- spending by the U.S. and other governments on defense;
- pension plan assumptions and future contributions;
- the effectiveness of our internal control over financial reporting;
- the outcome or impact of ongoing or future litigation, arbitration, claims, and regulatory actions or investigations, including our exposure to potential product liability and warranty claims;
- adequacy of our insurance coverage;
- our ability to continue selling certain receivables through our supplier financing programs; and
- the risks of doing business internationally, including fluctuations in foreign currency exchange rates, impositions of tariffs or embargoes, trade restrictions, compliance with foreign laws, and domestic and foreign government policies.

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. As with any projection or forecast, these statements are inherently susceptible to uncertainty and changes in circumstances. 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. You should review carefully the section captioned “Risk Factors” in the Company’s Annual Report on Form 10-K and the Company’s Quarterly Reports on Form 10-Q for a more complete discussion of these and other factors that may affect our business.

Non-GAAP Measure Disclosure

Management believes the non-GAAP (Generally Accepted Accounting Principles) measures used in this report provide investors with important perspectives into the company's ongoing business performance. The company does not intend for the information to be considered in isolation or as a substitute for the related GAAP measure. Other companies may define and calculate the measures differently than we do, limiting the usefulness of the measures for comparison with other companies.

Adjusted Diluted (Loss) Earnings Per Share. To provide additional transparency, we have disclosed non-GAAP adjusted diluted (loss) earnings per share (Adjusted EPS). This metric excludes various items that are not considered to be directly related to our operating performance. Management uses Adjusted EPS as a measure of business performance and we believe this information is useful in providing period-to-period comparisons of our results. The most comparable GAAP measure is diluted earnings per share.

Free Cash Flow. Free Cash Flow is defined as GAAP cash from operating activities (generally referred to herein as "cash from operations"), less capital expenditures for property, plant and equipment. Management believes Free Cash Flow provides investors with an important perspective on the cash available for stockholders, debt repayments including capital leases, and acquisitions after making the capital investments required to support ongoing business operations and long term value creation. Free Cash Flow does not represent the residual cash flow available for discretionary expenditures as it excludes certain mandatory expenditures. The most comparable GAAP measure is cash provided by operating activities. Management uses Free Cash Flow as a measure to assess both business performance and overall liquidity.

Non-GAAP Measure Disclosure

Adjusted EPS

	4th Quarter 2020		4th Quarter 2019		Twelve Months 2020		Twelve Months 2019	
GAAP Diluted (Loss) Earnings Per Share	($2.85)		$0.65		($8.38)		$5.06	
Costs Related to Planned Acquisitions	0.06	***a***	0.17	***b***	0.20	***a***	0.43	***c***
Restructuring Costs	0.04	***d***	-		0.46	***d***	-	
Voluntary Retirement Program	-		(0.03)	***f***	0.55	***e***	0.05	***f***
Deferred Tax Asset Valuation Allowance	1.44	***g***	-		1.45	***g***	-	
Adjusted Diluted (Loss) Earnings Per Share	($1.31)		$0.79		($5.72)		$5.54	
Diluted Shares (in millions)	104.0		104.6		103.9		104.7	

a Represents the three and twelve months ended Q4 2020 transaction costs (included in SG&A)

b Represents the three months ended Q4 2019 Asco acquisition impact of $0.17 per share:
- Gains related to foreign currency fluctuation on Euro account of $0.05 (included in Other expense)
- Transaction costs of $0.22 (included in SG&A)

c Represents the twelve months ended Q4 2019 Asco acquisition impact of $0.43 per share:
- Loss related to foreign currency forward contract of $0.13 (included in Other expense)
- Loss related to foreign currency fluctuation on Euro account of $0.04 (included in Other expense)
- Transaction costs of $0.26 (included in SG&A)

d Represents the three and twelve months ended Q4 2020 restructuring expenses for cost-alignment and headcount reductions (included in Restructuring costs)

e Represents the twelve months ended Q4 2020 retirement incentive expenses resulting from the VRP offered in 2020 (included in Other expense)

f Represents the three and twelve months ended Q4 2019 retirement incentive expenses resulting from the VRP offered in 2019 (included in Other expense)

g Represents the three and twelve months ended Q4 2020 deferred tax asset valuation allowance (included in Income tax provision)

Free Cash Flow
($ in millions)

	4th Quarter 2020	4th Quarter 2019	Twelve Months 2020	Twelve Months 2019
Cash from Operations	($132)	$204	($745)	$923
Capital Expenditures	(49)	(113)	(119)	(232)
Free Cash Flow	($181)	$91	($864)	$691

Non-GAAP Measure Disclosure

Cash from Operations Excluding Interest and Bombardier Acquisition
($ in millions)

	3rd Quarter 2020	4th Quarter 2020
Cash from Operations	($53)	($132)
Addback: Interest Paid on Debt	$8	$80
Addback: Bombardier Consolidated Cash from Operations	-	51
Cash from Operations Excluding Interest and Bombardier	($45)	($1)