



2022 ANNUAL REPORT

SPIRIT AEROSYSTEMS ANNUAL
REPORT AND FORM 10-K

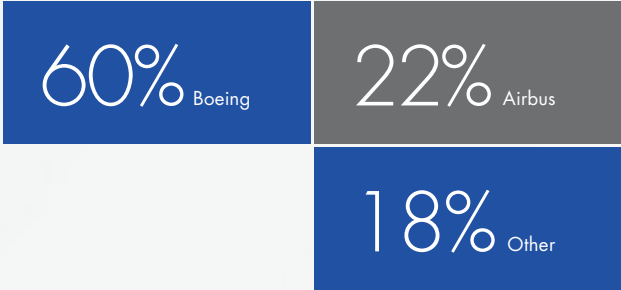


Spirit AeroSystems Holdings, Inc. ("Spirit" or the "Company") is one of the largest independent non-Original Equipment Manufacturer ("OEM") commercial aerostructures designers and manufacturers in the world. We design, engineer, and manufacture large, complex, and highly engineered commercial aerostructures such as fuselages, nacelles (including thrust reversers), struts/pylons, wing structures, and flight control surfaces. In addition to supplying commercial aircraft structures, we also design, engineer, and manufacture structural components for military aircraft and other applications. We operate in three principal segments: **Commercial, Defense & Space, and Aftermarket.**

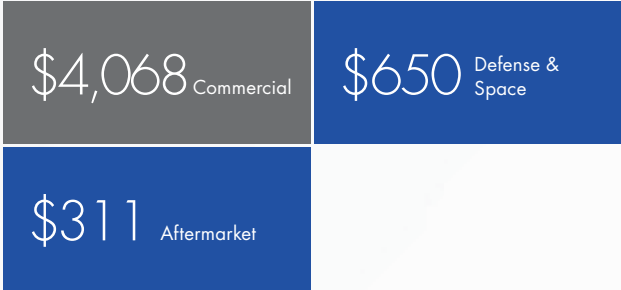
More information is available at www.spiritaero.com

2022 Highlights

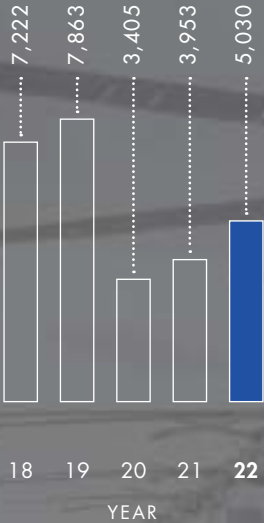
REVENUE BY CUSTOMER
PERCENTAGES



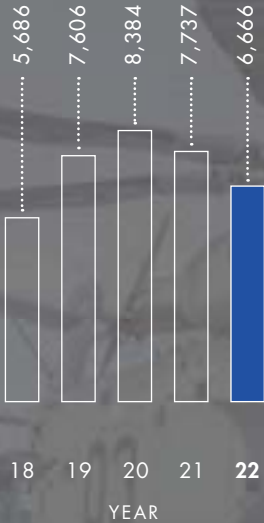
REVENUE BY SEGMENT
IN MILLIONS



REVENUE
\$ IN MILLIONS



TOTAL ASSETS
\$ IN MILLIONS



TOTAL DEBT
\$ IN MILLIONS



TOTAL EQUITY
\$ IN MILLIONS





Letter to Stockholders

Thomas C. Gentile III, President and CEO, Spirit AeroSystems

Air traffic continued to recover in many parts of the world in 2022, although more slowly than expected. Overall global air traffic returned to 70% of 2019 levels, with U.S. domestic traffic back to previous levels, but China and Asia still below 30% of 2019 levels. The strong recovery in U.S. domestic and European air traffic benefitted narrowbody aircraft demand. Spirit AeroSystems overall deliveries in 2022 rose 27% to 1,297 total shipsets. Delivery of 737 shipsets rose 73% to 281 shipsets, A320 deliveries rose 27% to 591 shipsets, and A220 deliveries rose 20% to 60 shipsets. With strong narrowbody deliveries, Spirit's revenue in 2022 rose 27% to \$5 billion.

Yet 2022 was a challenging year for Spirit and the global aerospace industry. Increasing production rates were pressured by labor availability and attrition, supply chain shortages, the Russian invasion of Ukraine, logistics bottlenecks, and the highest levels of inflation in more than 40 years.

In 2022, Spirit successfully hired more than 3,800 employees to support increased production rates. At the same time, we experienced higher levels of attrition among new hires. As a result, we have a workforce today with a shorter tenure that is not yet as proficient as the workforce we had pre-pandemic. We continue to invest in apprenticeships and training across our facilities as we continue to hire to meet production demand. We have also accelerated hiring for higher rates earlier than we have in the past to allow more time for training and on the job experience before executing upcoming production rate breaks.

Our supply chain faces similar challenges, which resulted in higher parts shortages during the year. Suppliers, with stressed balance sheets from the pandemic, struggled to hire employees and buy materials for increasing production rates, causing higher levels of part shortages than expected. Spirit has deployed more than 70 specialists to the field to assist our suppliers to help mitigate the parts shortages. We have leveraged our internal Fabrication team to cover parts shortages and we have moved work between suppliers to level load the supply chain. These higher parts shortages contributed to disruption in Spirit's factories in 2022.

Additionally, inflationary pressure broadly affected us and the industry last year. Spirit faced higher prices for wages in certain markets, as well as increased costs for utilities, freight and shop supplies.

All of these pressures, combined with some execution and quality challenges, contributed to disruption in our factories, resulting in missed deliveries, lower revenues, and cash usage. In 2022, Spirit consumed \$516 million in free cash flow. Getting back to cash flow positive is one of our major priorities for 2023.

Despite these challenges, Spirit continued to make progress in 2022 on a number of fronts.

In September, Aviation Week recognized us with a Laureate Award, highlighting our team's efforts over the past couple of years to prepare Spirit to emerge stronger as the recovery in commercial aviation takes hold.



Specifically, the Laureate Award recognized Spirit's investments in automation, digitization, and lean flow improvements in our factories.

On our balance sheet, we settled early for \$293 million a repayable investment agreement with the U.K. government for support on the A220 wing, and restructured some of our debt to improve our liquidity position. We extended the maturity on our \$594 million Term Loan B, and refinanced \$800 million of loans due in 2023 and 2025, extending the maturity to 2029, while upsizing our debt by \$100 million for additional liquidity cushion.

In 2022, our efforts to diversify continued to gain momentum.

Our Defense & Space business increased its revenue 11% over 2021. One of the highlights of the year was attending the unveiling of the B-21 Raider in December. Spirit is one of seven suppliers named to the B-21 program. Our Defense & Space team also recorded a number of wins during the year that could eventually result

in billions of dollars of revenue for Spirit. One of the wins in 2022 was for the B-52 Commercial Engine Replacement Program, where Spirit will provide engine pylons and nacelles in the first phase of the program. There are currently 76 B-52 aircraft in service with a total of 608 engines. Also, we were selected to support the KC-135 horizontal stabilizer program. Another win in the year was the strategic partnership agreement for the Sierra Space Shooting Star cargo module. In addition to the Shooting Star, Sierra Space and Spirit will work together on accelerating Sierra Space's expanding Dream Chaser family of scalable spaceplanes to market. Finally, we are closely monitoring the protest of the Army's Future Long Range Assault Aircraft award to our partner Bell Helicopter. We look forward to supporting them on this exciting new program.

We have continued to repurpose some of our excess widebody capacity to Defense applications. So far, we have transitioned approximately 1.2 million square feet in Wichita for use by our Defense & Space business.



We closed out the year with the acquisition of the operations of T.E.A.M., a small company in Rhode Island with specialized technologies that complement our advanced composite capabilities. The approximately 80,000 square foot facility and the more than 35 talented employees at the facility bring some unique 3D composite weaving technology and equipment that enhance our portfolio to support hypersonic weapons development as well as other new product development opportunities.

Our Defense & Space business is on track to our target of \$1B in Defense and Space revenue by 2025.

Our Aftermarket businesses experienced revenue growth of 30% over last year with margins approaching 20%. The team continued to build out our strategy to expand our MRO capabilities in key geographic regions.

Across Asia, we established multiple ways to support customers in the region. In April, we signed an agreement with GAMECO to be a Spirit Authorized Repair Center in mainland China. In September, we signed an MOU with Malaysia Airlines Berhad to repair nacelle and flight control surfaces. Then in October, our joint venture with

Evergreen Aviation Technologies in Taiwan opened for business. We signed a partnership with Boeing to provide repair services for the 737 MAX on flight control surfaces, nacelles, and thrust reversers.

We closed out the year with a Memorandum of Understanding with Joramco, the engineering arm of Dubai Aerospace Enterprise, that culminated in an agreement on March 1 for Joramco to be a Spirit Authorized Repair Center. We continue to target \$500M of revenue for our Aftermarket business with margins in excess of 20% by 2025.

As we enter 2023, the team at Spirit is focusing on three objectives we have termed “the three Rs.”

The first “R” is **realizing** the production rate increases across all of our programs, while maintaining high expectations for safety and quality. The production targets for all of our major programs are increasing in 2023, and our teams are focused on resolving disruption in our factories and achieving delivery targets. Both Boeing and Airbus are targeting significant increases in narrowbody production rates for the 737 MAX, A320, and A220.



The second “R” is **reducing** structural costs in order to improve profitability and generate improved cash flow. We have assigned a senior executive and a team of leaders to our Cost Optimization project focused on three areas: Operations, Infrastructure, and Supply Chain. As part of the focus on infrastructure, we committed to removing 1,000 indirect positions from our staffing plans in 2023 to improve efficiencies.

After nearly four years of crisis management, the third “R”, is to **re-energize** our workforce to prepare for a new period of aviation growth.

There are many opportunities ahead of us in 2023 and beyond.

- Domestic air travel is recovering fastest following the pandemic, which favors narrowbody aircraft. 85% of Spirit’s backlog is narrowbody aircraft.
- Boeing is not expected to develop a new aircraft before the middle of the next decade, which is good news for Spirit since the 737 MAX is our largest program.
- China has begun permitting airlines to operate the 737 MAX again, which is very positive news for the program and offers upside as airlines bring stored 737 MAX aircraft out of storage, take deliveries, and then eventually place new orders.
- Boeing is starting a fourth 737 MAX production line at its Everett, Wash., facility, which highlights their commitment to increasing rates on the 737 MAX, Spirit’s biggest and most profitable program.
- Organic diversification in Defense & Space and Aftermarket is progressing well.
- We have several good growth opportunities for our Commercial business, including freighters for Airbus and Boeing, eVTOL opportunities, and other component machining opportunities.



With solid execution in 2023, these positive trends in the market will help Spirit remain a leader in the global aerospace industry for decades to come.

Thomas C. Gentile III

Thomas C. Gentile III
President and CEO, Spirit AeroSystems

Board of Directors



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Cyber Initiatives, Texas A&M
University System (Retired)



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Chief Financial Officer of Time
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Operation, GE Aviation (Retired)



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Executive Officer, Aviall, Inc.
(Retired)



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Director, President and Chief
Executive Officer, Spirit
AeroSystems Holdings, Inc.



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AeroSystems Holdings, Inc.;
Chief Executive Officer, Dubai
Aerospace Enterprise Ltd. (Retired)



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And Member of The Board of
Directors of Air Lease Corp.



JAMES R. RAY, JR.
President, Engineered Fastening,
Stanley Black & Decker (Retired)



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Department of Defense (Retired);
Senior Vice President, Commercial
Airplane Programs, The Boeing
Company (Retired)



LAURA H. WRIGHT
Chief Financial Officer,
Southwest Airlines Co.
(Retired)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number 001-33160

SPIRIT AEROSYSTEMS
HOLDINGS, INC.

Delaware
(State or other jurisdiction of
incorporation or organization)

(Exact name of registrant as specified in its charter)
3801 South Oliver
Wichita, Kansas 67210
(Address of principal executive offices and zip code)
Registrant's telephone number, including area code:
(316) 526-9000

20-2436320
(I.R.S. Employer Identification No.)

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE. SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Trading symbol	Name of each exchange on which registered
Class A common stock, par value \$0.01 per share	SPR	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging Growth Company

If an emerging growth company, indicate by check mark whether the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ? Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant, based on the closing price of the class A common stock on June 30, 2022, as reported on the New York Stock Exchange was approximately \$3.1 billion.

As of January 20, 2023, the registrant had outstanding 105,250,292 shares of class A common stock, \$0.01 par value per share.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the 2023 Annual Meeting of Stockholders to be filed not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated herein by reference in Part III of this Annual Report on Form 10-K.



TABLE OF CONTENTS

	<u>Page</u>
PART I	2
ITEM 1. Business	2
ITEM 1A. Risk Factors	11
ITEM 1B. Unresolved Staff Comments	22
ITEM 2. Properties	22
ITEM 3. Legal Proceedings	23
ITEM 4. Mine Safety Disclosures	23
Executive Officers of the Registrant	23
 PART II	 26
ITEM 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	26
ITEM 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	28
ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk	46
ITEM 8. Financial Statements and Supplementary Data	48
ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	108
ITEM 9A. Controls and Procedures	108
ITEM 9B. Other Information	110
ITEM 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	110
 PART III	 111
ITEM 10. Directors, Executive Officers and Corporate Governance	111
ITEM 11. Executive Compensation	111
ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	111
ITEM 13. Certain Relationships and Related Transactions and Director Independence	111
ITEM 14. Principal Accountant Fees and Services	111
 PART IV	 112
ITEM 15. Exhibits, Financial Statement Schedules	112
Signatures	122

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this “Annual Report”) includes “forward-looking statements” that 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 general effect of geopolitical conditions, including Russia’s invasion of Ukraine and the resultant sanctions being imposed in response to the conflict, including any trade and transport restrictions;
- the impact of significant health events, such as pandemics, contagions or other public health emergencies (including the COVID-19 pandemic) or fear of such events, on the demand for our and our customers’ products and services, the industries and markets in which we operate in the U.S. and globally;
- our ability, and our suppliers’ ability, to attract and retain the skilled work force necessary for production and development in an extremely competitive market;
- the effect of economic conditions, including increases in interest rates and inflation, on the demand for our and our customers’ products and services, on the industries and markets in which we operate in the U.S. and globally, and on the global aerospace supply chain;
- 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 The Boeing Company (“Boeing”) and Airbus Group SE and its affiliates (collectively, “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 on short notice, and the potential impact of regulatory approvals of existing and derivative models;
- 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 diversify 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, including increases in energy, freight, and other raw material costs as a result of inflation or continued global inflationary pressures;
- our ability and our suppliers’ ability to meet stringent delivery (including quality and timeliness) standards and accommodate changes in the build rates or model mix of aircraft, including the ability to staff appropriately for current production volumes and anticipated production volume increases;
- 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 insourcing 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 recent acquisitions, along with other acquisitions 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 relationships with the unions representing many of our employees, including our ability to successfully negotiate new agreements, and 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 this Annual Report for a more complete discussion of these and other factors that may affect our business.

PART I

ITEM 1. BUSINESS

OUR COMPANY

Unless the context otherwise indicates or requires, as used in this Annual Report, references to “we,” “us,” “our,” and the “Company” refer to Spirit AeroSystems Holdings, Inc. and its consolidated subsidiaries. References to “Spirit” refer only to our subsidiary, Spirit AeroSystems, Inc., and references to “Spirit Holdings” or “Holdings” refer only to Spirit AeroSystems Holdings, Inc.

The Company, incorporated in Delaware with its headquarters in Wichita, Kansas, is one of the world’s largest non-Original Equipment Manufacturer (“OEM”) manufacturers of aerostructures, serving markets for commercial airplanes, military platforms and business/regional jets. With expertise in aluminum and advanced composite manufacturing solutions, the Company’s core products include fuselages, integrated

wings and wing components, pylons and nacelles. The Company also serves the aftermarket for commercial and military platforms. In addition to commercial aircraft structures, we also design, engineer, and manufacture structural components for military aircraft and other applications. A portion of our defense business is classified by the U.S. Government and cannot be specifically described; however, it is included in our consolidated financial statements. We are a critical partner to our commercial and defense customers due to the broad range of products and services we currently supply to them across the product lifecycle and our leading design and manufacturing capabilities using both metallic and composite materials. For the twelve months ended December 31, 2022, we generated net revenues of \$5,029.6 million and had net loss of \$546.2 million.

OPERATING SEGMENTS AND PRODUCTS

We operate in three principal segments: Commercial, Defense & Space, and Aftermarket. The table below, and following segment information, describes the business of each segment, including facility

locations, key programs, and descriptions of the work performed in each segment.

Segment	Percentage of Net Revenues for the Twelve Months Ended December 31, 2022, 2021, and 2020, respectively	Locations	Programs
Commercial	81%, 79%, and 80%	Wichita, KS; Tulsa, OK; Kinston, NC; Prestwick, Scotland; St.-Nazaire, France; Subang, Malaysia; Casablanca, Morocco; Belfast, Northern Ireland	B737, B747, B767, B777, B787, A220, A320 family, A330, A350 XWB, Learjet 75, Global 5000, Global 6000, Global 7500, Challenger 350, Challenger 650, Rolls-Royce BR725 and BR 710 Nacelles, RB3070, Trent, City Airbus, IAE V2500
Defense & Space	13%, 15%, and 14%	Wichita, KS; Tulsa, OK; Biddeford, ME; Woonsocket, RI; Belfast, Northern Ireland; Prestwick, Scotland	Classified program(s), Sikorsky CH-53K, Bell V-280, Common Hypersonic Glide Body (C-HGB), NASA MSR, NASA Mars 2020, Trident D5, Standard Missile, Patriot Missile, THAAD, B-52, KC-135, Sierra Space Dream Chaser Cargo Module
Aftermarket	6%, 6%, and 6%	Wichita, KS; Tulsa, OK; Dallas, TX; Prestwick, Scotland; Casablanca, Morocco; Belfast, Northern Ireland	Various

Commercial. The Commercial segment includes design and manufacturing of the following for commercial and business/regional jet programs:

- The forward section of the aerostructure, which houses the flight deck, passenger cabin, and cargo area;
- The mid and rear fuselage sections;
- Other structural components of the fuselage, including floor beams;
- Nacelles (including thrust reversers) – aerodynamic structure surrounding engines;

- Struts/pylons – structure that connects the engine to the wing;
- Horizontal and vertical stabilizers;
- Flaps and slats – flight control surfaces;
- Wing structures – framework that consists mainly of spars, ribs, fixed leading edges, stringers, trailing edges, and flap track beams; and
- Fully functional and tested wing systems.

PART I: ITEM 1. BUSINESS

Net revenue in the Commercial segment amounted to \$4,068.4 million, \$3,128.1 million, and \$2,711.3 million in 2022, 2021, and 2020, respectively.

Defense & Space. The Defense & Space segment includes design and manufacturing of the following, primarily for U.S. Government defense programs:

- Fuselage, strut, nacelle, and wing aerostructures: Fabrication, bonding, assembly, testing tooling, processing, engineering analysis, and training;
- Missiles and Hypersonics: Solid rocket motor throats and nozzles, re-entry vehicle thermal protections systems;
- Rotorcraft aerostructures: Forward cockpit and cabin, fuselage; and
- Classified programs.

Net revenue in the Defense & Space segment amounted to \$649.8 million, \$585.0 million, and \$491.3 million in 2022, 2021, and 2020, respectively.

Aftermarket. The Aftermarket segment includes development, production, and marketing of the following:

- Maintenance, Repair and Overhaul (MRO) services related to Commercial and Defense & Space programs;
- Fuselage, strut, nacelle, and wing aerostructures spare parts;
- Repairs for flight control surfaces and nacelles;
- Radome repairs;
- Rotable assets trading and leasing;
- Engineering services;

- Advanced composite repair; and
- Other MRO services.

Net revenue in the Aftermarket segment amounted to \$311.4 million, \$239.9 million, and \$202.2 million in 2022, 2021, and 2020, respectively.

Our largest customer, Boeing, represents a substantial portion of our revenues in the Commercial segment. Our second largest customer, Airbus, also represents a substantial portion of revenues in the Commercial segment. Approximately 65%, 60%, and 64% of Commercial segment net revenues came from the Company's contracts with Boeing for the twelve months ended December 31, 2022, 2021, and 2020, respectively. Approximately 27%, 30%, and 28% of Commercial segment net revenues came from the Company's contracts with Airbus for the twelve months ended December 31, 2022, 2021, and 2020, respectively. A material portion of Defense & Space segment revenue is subject to renegotiation of profits or termination of contracts or subcontracts at the election of the U.S. Government. A substantial portion of our Defense & Space segment revenues are represented by defense business that is classified by the U.S. Government and cannot be specifically described. A significant portion of the Company's Defense & Space segment net revenues came from the Company's contracts with two individual customers for the twelve months ended December 31, 2022, 2021, and 2020, respectively. Approximately 48%, 44%, and 80% of Aftermarket segment net revenues came from our contracts with an individual customer for the twelve months ended December 31, 2022, 2021, and 2020, respectively. Individual customers other than those referred to above do not represent a significant portion of any of our primary segment's revenues and are not expected to in the near future.

OUR MANUFACTURING, ENGINEERING, AND SUPPORT SERVICES

Manufacturing

Our expertise is in designing, engineering, and manufacturing large-scale, complex aerostructures. As of December 31, 2022, we maintain state-of-the-art manufacturing facilities located in Wichita, Kansas; Tulsa, Oklahoma; Kinston, North Carolina; Biddeford, Maine; Woonsocket, Rhode Island; Dallas, Texas; Prestwick, Scotland; Saint-Nazaire, France; Subang, Malaysia; Casablanca, Morocco; and Belfast, Northern Ireland.

Our core manufacturing competencies include:

- composites design and manufacturing processes;
- leading mechanized and automated assembly and fastening techniques;
- large-scale skin fabrication using both metallic and composite materials;
- chemical etching and metal bonding expertise;
- monolithic structures technology; and
- precision metal forming producing complex contoured shapes in sheet metal and extruded aluminum.

Our manufacturing expertise is supported by our state-of-the-art equipment. We have thousands of major pieces of equipment installed in our customized manufacturing facilities. We intend to continue to make the appropriate investments in our facilities to support and maintain our industry-leading manufacturing expertise.

Engineering

The Company is an industry leader in aerospace engineering with access to talent across the globe. The purpose of the engineering organization is to provide support for new and ongoing designs, technology innovation, research and development for customer advancements, and production-related process improvements. We possess a broad base of engineering skills for design, analysis, test, certification, tooling, and support of major fuselage, wing, and propulsion assemblies using both metallic and composite materials. In addition, our regulatory certification expertise helps ensure associated designs and design changes are compliant with applicable regulations.

Our industry-leading engineering capabilities are key strategic factors differentiating us from our competitors across our Commercial, Defense & Space, and Aftermarket divisions.

PART I: ITEM 1. BUSINESS

Spirit AeroSystems Aftermarket Solutions (“SAAS”)

Through SAAS, we provide rotatable assets, spare parts, repair solutions, and engineering services. Our inventory of rotatable assets is available for lease, exchange, and purchase. Additionally, our global repair stations are staffed with technicians specializing in advanced composite repair techniques. We provide MRO services for both

metallic and composite components, either on site or at certified MRO stations. We are equipped with original production manufacturing tooling and specialize in service bulletin maintenance for the Company’s nacelle components.

Product	Description	Aircraft Program
MRO	Certified repair stations that provide complete on-site repair and overhaul; maintains global partnerships to support MRO services	B737, B747, B757, B767, B777, B787, Rolls-Royce BR725, ERJ, CRJ, E4B, A320, A330
Rotable Assets	Maintain a pool of rotatable assets for sale, exchange, and/or lease. Rotable assets refer to parts that can be used many times by repairing them.	B737, B747, B767, B777, Rolls-Royce BR725, ERJ, CRJ, E4B, A320, A330
Engineering Services	Engineering, tooling, and measurement services. On-call field service representatives.	Multiple programs

BUSINESS DEVELOPMENT

The Company’s core products include fuselages, struts/pylons, nacelles, and wing components, and we continue to focus on business growth through the application of core competencies as key strengths, including design for manufacturability, materials utilization expertise, targeted automation, advanced tooling and testing concepts, and determinate assembly to enable cost-effective, highly efficient production. We invest in research and development and new technology to bring the most advanced techniques, manufacturing, and automation to our customers.

The Company applies extensive experience in advanced material systems, manufacturing technologies, and prototyping to continually invent and patent new technologies that improve quality, lower costs, and increase production capabilities. Our business growth is focused on application of these strengths to expand into new addressable commercial, defense, space and transportation markets and customers.

Defense & Space Business

In addition to providing aerostructures for commercial aircraft, we also design, engineer and manufacture structural components for military aircraft. We have been awarded a significant amount of work for Boeing’s P-8 and KC-46 Tanker. The Boeing P-8 and KC-46 Tanker are commercial aircraft modified for military use. Other military programs

for which we provide products and services are the forward cockpit and cabin for the Sikorsky CH-53K Helicopter and development work of the B-21 Raider. In 2022 we were awarded several contracts, including the Nacelle and Pylon for the B-52 Commercial Engine Replacement Program (“CERP”), Horizontal Stabilizer for KC-135, Cargo Module for Sierra Space’s Dream chaser, and BAE Systems next generation aircraft programs. With the acquisition of T.E.A.M., Inc. in November 2022, we expect to expand our ability to develop affordable carbon-carbon solutions for application in a wide range of hypersonics, missile, interceptor, and target programs. We are also under contract to complete the Future Vertical Lift Capability Set III Competitive Demonstration and Risk Reduction efforts. This phase is the competitive Pre-EMD efforts prior to a program of record contract award. Our statement of work is the fuselage structure for the Bell Helicopter V-280 Valor tilt-rotor offering. We have contracts on multiple funded military programs that are classified by the U.S. Government, including the B-21 Raider program, and cannot be specifically described. The operating results of these classified contracts are included in our consolidated financial statements. The business risks associated with classified contracts historically have not differed materially from those of our other U.S. Government contracts. Our internal controls addressing the financial reporting of classified contracts are consistent with our internal controls for our non-classified contracts.

The following table summarizes by product and program what we currently have under contract.

Product	Applicable Segment	Description	Military Program
Fixed Wing Aircraft	Defense & Space	Fabrication, bonding, assembly, testing, tooling, processing, engineering analysis, and training	Various
Nacelle & Pylons	Defense & Space	Fabrication, bonding, assembly, testing, tooling, processing, engineering analysis, and training	B-52
Rotorcraft	Defense & Space	Forward cockpit and cabin, fuselage	Sikorsky CH-53K, Bell V-280
Missiles & Hypersonics	Defense & Space	Solid rocket motor throats and nozzles, Re-entry vehicle thermal protection systems	Trident D5, Standard Missile, Arrow 3, Common Hypersonic Glide Body (C-HGB), NASA MSR, NASA Mars 2020, Patriot Missile, THAAD (Terminal High Altitude Area Defense, an American anti-ballistic missile defense system)

PART I: ITEM 1. BUSINESS

Fabrication Business

Within our Commercial segment, the Company offers customers a wide range of solutions including machining, skin and sheet metal fabrication, and chemical processing. These capabilities are utilized for both internal and external sourcing and include the following:

Fabrication	Description
Machine Fabrication	5-axis machining capabilities: high-speed aluminum fabrication up to 23 feet, seat track machining, and extensive hard metal capabilities 3- and 4-axis machining capabilities: range of hard metal capabilities, multi-spindle machines, and manufactured parts
Sheet Metal Fabrication	Includes stretch and hydro forming, roll, hammer, profiling, gauge reduction of extrusions and aluminum heat treat, as well as subassemblies
Chemical Processing	Includes a range of hard and soft metals with one of the largest automated lines in the industry
Skin Fabrication	Include skin stretch forming up to 1,500 tons, laser scribe, trim and drill, and chemical milling

OUR CUSTOMERS

Our revenues are substantially dependent on Boeing and Airbus. The loss of either of these customers would have a material adverse effect on the Company. For the twelve months ended December 31, 2022, approximately 60% and 22% of our net revenues were generated from sales to Boeing and Airbus, respectively. For the twelve months ended December 31, 2021, approximately 56% and 24% of our net revenues were generated from sales to Boeing and Airbus, respectively. We are currently the sole-source supplier for nearly all the products we sell to Boeing and Airbus.

Boeing

We are the largest independent supplier of aerostructures to Boeing and manufacture aerostructures for every Boeing commercial aircraft currently in production, including the majority of the airframe content for the Boeing B737, and multiple significant structural components of the Boeing B787. We supply these products through long-term supply agreements that cover the life of these programs, including any commercial derivative models. These supply agreements are described in more detail under "Our Relationship with Boeing" below. We believe our relationship with Boeing will allow us to continue to be an integral partner with Boeing in the designing, engineering, and manufacturing of complex aerostructures.

Airbus

We originally became a supplier to Airbus in April 2006 through the acquisition of BAE Aerostructures and subsequently won additional work packages with Airbus. Our business with Airbus increased substantially with the acquisition of Bombardier's aerostructures assets in Belfast and Morocco on October 30, 2020. We are one of the

largest content suppliers of wing systems for the Airbus A320 family and a significant supplier for the Airbus A350 XWB. Under our supply agreement with Airbus for the A320 and A330, we supply products for the life of the aircraft program. For the A350 XWB program, we have long-term requirement contracts with Airbus. In addition, we build the fully integrated wing for the A220 aircraft. We believe we can leverage our relationship with Airbus and our history of delivering high-quality products to further increase our sales to Airbus and continue to partner with Airbus on new programs going forward.

Other Customers

Other customers include Lockheed Martin, Northrop Grumman, Bombardier and Rolls-Royce.

U.S. and International Customer Mix

Although most of our revenues are obtained from sales inside the U.S., we generated \$1,215.1 million, \$1,130.8 million, and \$767.2 million in sales to international customers for the twelve months ended December 31, 2022, 2021, and 2020, respectively, primarily to Airbus. This international revenue is primarily included in the Commercial segment. The portion of international revenue included in the Aftermarket segment, primarily out of our Belfast, Northern Ireland location, represents a significant amount of its segment revenues. Approximately 18% of our long-lived assets based on book value are located in the United Kingdom ("U.K."), with approximately another 4% of our long-lived assets located in countries outside the U.S. and the U.K.

OUR RELATIONSHIP WITH BOEING

A significant portion of Spirit's operations related to Boeing aerostructures was owned and controlled by Boeing until 2005. In 2005, Spirit Holdings became a standalone Delaware company, and commenced operations through the acquisition of Boeing's operations in Wichita, Kansas, Tulsa, Oklahoma, and McAlester, Oklahoma (the "Boeing Acquisition").

In connection with the Boeing Acquisition, we entered into long-term supply agreements under which we are Boeing's exclusive supplier for

substantially all of the products and services previously provided by Boeing's commercial aerostructures manufacturing operations in Wichita, Kansas and Tulsa and McAlester, Oklahoma to Boeing prior to the Boeing Acquisition. These supply agreements include products for Boeing's B737, B747, B767, and B777 commercial aircraft programs, as well as for certain products for Boeing's B787 program. These supply agreements cover the life of these programs, including any commercial derivative models.

PART I: ITEM 1. BUSINESS

Supply Agreement with Boeing for B737, B747, B767, and B777 Programs (“Sustaining Programs”)

Overview. Two documents effectively comprise the Sustaining Programs’ supply contract: (1) the Special Business Provisions (“Sustaining SBP”), which sets forth the specific terms of the Sustaining Programs’ supply arrangement, and (2) the General Terms Agreement (“Sustaining GTA,” and, together with the Sustaining SBP (and any related purchase order or contract), as amended, the “Sustaining Agreement”), which sets forth other general contractual provisions, including provisions relating to termination, events of default, assignment, ordering procedures, inspections, and quality controls.

The Sustaining Agreement is a requirements contract that covers certain products, including fuselages, struts/pylons, and nacelles (including thrust reversers), wings and wing components, as well as tooling, for the Sustaining Programs for the life of these programs, including any commercial derivative models. During the term of the Sustaining Agreement, and absent a default by Spirit, Boeing is obligated to purchase from Spirit all its requirements for products covered by the Sustaining Agreement. Although Boeing is not required to maintain a minimum production rate, Boeing is subject to a maximum production rate above which it must negotiate with us regarding responsibility for recurring and non-recurring expenditures related to any agreed capacity increase. Boeing owns substantially all the Boeing product-specific tooling used in production or inspection of products covered by the Sustaining Agreement.

Pricing. In September 2017, Boeing and Spirit entered into Amendment 30 to the Sustaining SBP that generally established pricing terms for the Sustaining Program models (excluding the B777X) through December 31, 2022 (with certain limited exceptions).

On December 21, 2018, Boeing and Spirit executed a Collective Resolution 2.0 Memorandum of Agreement (the “2018 MOA”). The 2018 MOA established, among other items, pricing for certain programs through December 31, 2030, including the B737NG (including the P8), B737 MAX, B767 (but excluding 767-2C for which pricing is separately established), and the B777 freighters and 777-9 (pricing for the B777 300ER and 200LR was previously established and pricing for the B777-8 is subject to future negotiation). In addition, the 2018 MOA established B737 pricing based on production rates above and below current production levels, investments for tooling and capital for certain B737 rate increases, a joint cost reduction program for the B777X (a joint cost reduction program for the B737 is separately established), and the release of certain liabilities and claims asserted by both parties, including the B737 disruption activity claim. The parties further agreed to reconvene in 2028 to negotiate pricing beyond 2030. Consistent with the 2018 MOA, on January 30, 2019, Boeing and Spirit executed SBP Amendment 40 to implement the December 2018 MOA terms and conditions applicable to the Sustaining Programs.

On February 6, 2020, Boeing and Spirit entered into a Memorandum of Agreement (the “2020 MOA”) extending B737 MAX pricing terms through 2033 and updated payment terms.

Advances on the B737 Program. On April 12, 2019, Boeing and the Company executed a Memorandum of Agreement (the “2019 MOA”). Under the 2019 MOA, the Company received an advance payment from Boeing in the amount of \$123 million during the third quarter of 2019. The 2020 MOA provided that the \$123 million advance would be repaid by offset against the purchase price for year 2022 shipset deliveries. In the twelve months ended December 31, 2022 the \$123 million of advance payments received from Boeing were repaid and there was no balance due as of December 31, 2022.

Termination of Airplane Program. If Boeing decides not to initiate or continue production of a Sustaining Program model or commercial derivative because it determines there is insufficient business basis for proceeding, Boeing may terminate such model or derivative, including any order therefore, by written notice to Spirit. In the event of such a termination, Boeing would be liable to Spirit for any orders issued prior to the date of the termination notice and may also be liable for certain termination costs.

Events of Default and Remedies. Events of default under the Sustaining Agreement include Spirit’s failure to deliver products when and as required, and failure to maintain a required system of quality assurance, among other things. Certain events of default may allow Boeing to cancel orders under or terminate the Sustaining Agreement.

Intellectual Property. All technical work product and works of authorship produced by or for Spirit with respect to any work performed by or for Spirit pursuant to the Sustaining Agreement are the exclusive property of Boeing. All inventions conceived by or for Spirit with respect to any work performed by or for Spirit pursuant to the Sustaining Agreement and any patents claiming such inventions are the exclusive property of Spirit, except that Boeing will own any such inventions that Boeing reasonably believes are applicable to the B787 Program, and Boeing may seek patent protection for such B787 inventions or hold them as trade secrets; provided that, if Boeing does not seek patent protection, Spirit may do so.

B787 Supply Agreement with Boeing (“B787 Program”)

Overview. Two documents effectively comprise the B787 Program supply contract: (1) the Special Business Provisions (“787 SBP”), which sets forth the specific terms of the B787 Program’s supply arrangement and (2) the General Terms Agreement (“787 GTA” and, together with 787 SBP and (any related purchase order or contract), as amended, the “B787 Agreement”), which sets forth other general contractual provisions, including provisions relating to termination, events of default, assignment, ordering procedures, inspections, and quality controls. The B787 Agreement is a requirements contract pursuant to which Spirit is Boeing’s exclusive supplier for the forward fuselage, fixed, and movable leading wing edges, engine pylons, and related tooling for the B787.

Pricing. In September 2017, Boeing and Spirit entered into Amendment 25 to the B787 Agreement that established pricing terms for the B787-8, -9, and -10 models through line unit 1405 and provided that Boeing and Spirit would negotiate follow-on pricing for line units 1406 and beyond beginning 24 months prior to the scheduled delivery date for line unit 1405. The amendment also implemented updated payment terms, among other things.

In December 2018, Boeing and Spirit executed the 2018 MOA, which also established, among other things, pricing for the B787 for line unit 1004 through line unit 2205, and agreed to establish a joint cost reduction program for the B787. Consistent with the 2018 MOA, on January 30, 2019, Boeing and Spirit executed Amendment 28 to the B787 Agreement to implement the 2018 MOA terms and conditions applicable to the B787 Program.

Advance Payments. Boeing has made advance payments to Spirit under the B787 Agreement, which are required to be repaid to Boeing by way of offsets against the purchase price for future shipset deliveries. Advance repayments were scheduled to be spread evenly over the remainder of the first 1,000 B787 shipsets delivered to

PART I: ITEM 1. BUSINESS

Boeing, except that pursuant to an amendment to the B787 Agreement entered into in April 2014, advance repayments were suspended from April 1, 2014 through March 31, 2015, and any repayments that otherwise would have become due during such 12-month period will be made by offset against the purchase price for shipset 1,001 through 1,120. Repayments resumed in 2015. The 2018 MOA also provided for the suspension of advance repayments with respect to the B787 beginning with line number 818; to resume at a lower rate of \$450,319 per shipset at line number 1135 and continue through line number 1605.

In the event Boeing does not take delivery of a sufficient number of shipsets to repay the full amount of advances prior to the termination of the B787 Program or the B787 Agreement, any advances not then repaid will be applied against any outstanding payments then due by Boeing to us, and any remaining balance will be repaid in annual installments of \$27 million due on December 15th of each year until the advance payments have been fully recovered by Boeing. Accordingly, portions of the advance repayment liability are included as current and long-term liabilities in our balance sheet. As of December 31, 2022, the amount of advance payments received by us from Boeing and not yet repaid was \$205.4 million.

Termination of Airplane Program. If Boeing decides not to continue production of the B787 Program because it determines, after consultation with Spirit, that there is an insufficient business basis for proceeding, Boeing may terminate the B787 Program, including any orders, by written notice to Spirit. In the event of such a termination, Boeing will be liable to Spirit for costs incurred in connection with any orders issued prior to the date of the termination notice and may also be liable for certain termination costs and for compensation for any

INTELLECTUAL PROPERTY

We have several patents pertaining to our processes and products. No individual patent or group of patents is of material importance. We also rely on trade secrets, confidentiality agreements, unpatented

COMPETITION

Although we are one of the largest independent non-OEM aerostructures suppliers based on annual revenues, with an estimated 16% share of the global non-OEM aerostructures market, this market remains highly competitive and fragmented. Our primary competition currently comes from work performed internally by OEMs or other tier-one suppliers, and new direct competitors have emerged and may continue to emerge in the tier-one supplier market. The Company continues to focus on design and manufacturing processes and tools, and cost reduction initiatives. The Company intends to compete by strengthening capabilities and capacity, such as by optimizing parts fabricated and assembled by the Company versus parts outsourced from the supply chain. The Company also intends to compete by strategically targeting organic and inorganic opportunities that enhance and deliver on our strategy. Additionally, we compete by developing technologies and processes that leverage the Company's unique knowledge and capabilities to create value for our customers.

EXPECTED BACKLOG

As of December 31, 2022, our expected backlog associated with large commercial aircraft, business and regional jets, and military equipment deliveries, calculated based on contractual and historical

tools, raw materials or work-in-process requested by Boeing in connection with the termination.

Events of Default and Remedies. Events of default under the B787 Agreement include Spirit's failure to deliver products when and as required, and failure to maintain a required system of quality assurance, among other things. Certain events of default may allow Boeing to cancel orders under or terminate the B787 Agreement.

Intellectual Property. The B787 Agreement established three classifications for patented invention and proprietary information: (1) intellectual property developed by Spirit during activity under the B787 Agreement ("Spirit IP"); (2) intellectual property developed jointly by Boeing and Spirit during that activity ("Joint IP"); and (3) all other intellectual property developed during activity under the B787 Agreement ("Boeing IP").

Boeing may use Spirit IP for work on the B787 Program and Spirit must license it to third parties for work on such program. Each party is free to use Joint IP in connection with work on the B787 Program and other Boeing programs, but each must obtain the consent of the other to use it for other purposes. Spirit is entitled to use Boeing IP for the B787 Program, and may require Boeing to license it to subcontractors for the same purpose.

The foregoing descriptions of the various agreements between Spirit and Boeing do not purport to be complete and are qualified in their entirety by reference to the full text of each agreement as filed with the SEC, subject to certain omissions of confidential portions pursuant to requests for confidential treatment filed separately with the SEC. Please see Item 15 to this Annual Report.

knowledge, creative products development, and continuing technological advancement to maintain our competitive position.

In commercial aerostructures, our principal competitors among OEMs include Boeing and Airbus (including its wholly-owned subsidiaries Airbus Atlantic and Premium Aerotec GmbH).

Our principal competitors among non-OEM tier-1 aerostructures suppliers include Aernnova, GKN Aerospace, Kawasaki Heavy Industries, Inc., Mitsubishi Heavy Industries, Safran Nacelles, Sonaca, Airbus Atlantic, Airbus Aerostructures, Triumph Group, Inc. ("Triumph"), Leonardo, Turkish Aerospace Industries, Inc. ("TAI"), and Latecoere S.A.

The Company continues to build a larger presence in the defense aerostructures market. The Company's competition in defense aerostructures includes Boeing, Lockheed Martin, Northrop Grumman, Raytheon United Technologies, Leonardo, GKN, Triumph, BAE Systems, Korea Aerospace Industries, and TAI.

product prices and expected delivery volumes, was approximately \$37.1 billion, an increase of \$2.5 billion from our corresponding estimate as of December 31, 2021. The increase is primarily driven by

PART I: ITEM 1. BUSINESS

increases to the expected backlog of the B737 MAX and B787 programs. A significant majority of our backlog is on programs in our Commercial segment. The B737 MAX program backlog is approximately 58% of our total backlog. The A320 program backlog is approximately 11% of our total backlog. Backlog is calculated based on Boeing's and Airbus' announced backlog on our supply agreements (which are based on orders from customers), and the number of units the Company is under contract to produce on our fixed quantity contracts. The number of units may be subject to cancellation or delay by the customer prior to shipment, depending on contractual terms. For example, our contract with Boeing for the B737 MAX program is a

SUPPLIERS AND MATERIALS

The principal raw materials used in our manufacturing operations are aluminum, titanium, steel, and carbon fiber. We also purchase metallic parts, non-metallic parts, and machined components. In addition, we procure subassemblies from various manufacturers that are used in the final aerospace assembly. From time to time, we also review our make-versus-buy strategy to determine whether it would be beneficial to us and/or our customers to outsource work that we currently produce in-house or vice versa.

We have long-standing relationships with hundreds of manufacturing suppliers. Our strategy is to enter into long-term contracts with suppliers

RESEARCH AND DEVELOPMENT

We believe that a world-class research and development focus helps maintain our position as an advanced supplier to our OEM customers' new product development teams and expand our position in emerging markets. As a result, our research and development spend was \$50.4 million for the year ended December 31, 2022, \$53.3 million for the year ended December 31, 2021, and \$38.8 million for the year ended December 31, 2020. Through our research, we strive to develop unique intellectual property and technologies that will improve our products and our customers' products and, at the same time, position us to win work on new products. Our development efforts focus on improving manufacturing processes on our current work and developing new capability and affordable, industrialized technology targeting growth focused initiatives. It also serves as an ongoing process that helps develop ways to reduce production costs and streamline manufacturing processes.

Our research and development is geared toward the design and manufacturing processes for our three business segments and aimed at

REGULATORY MATTERS

Environmental. Our operations and facilities are subject to various environmental, health, and safety laws and regulations, including federal, state, local, and foreign government requirements governing, among other matters, the emission, discharge, handling, and disposal of regulated materials, the investigation and remediation of contaminated sites, and permits required in connection with our operations. We continually monitor our operations and facilities to ensure compliance with these laws and regulations; however, management cannot provide assurance that future changes in such laws or the enforcement thereof, or the nature of our operations will not require us to make significant additional expenditures to ensure continued compliance. Further, we could incur substantial costs,

requirements contract, and Boeing can reduce the purchase volume at any time. The level of unfilled orders at any given date during the year may be materially affected by the timing of our receipt of firm orders and additional airplane orders, and the speed with which those orders are filled. Accordingly, our expected backlog as of December 31, 2022 may not necessarily represent the actual amount of deliveries or sales for any future period. For additional information on backlog, please see Item 1A. "Risk Factors – Risks Related to Our Industry and Overall Business – Our backlog is subject to change, potentially with short notice."

to secure competitive pricing. Our exposure to rising costs of raw material is limited to some extent through leveraging relationships with our OEM customers' high-volume contracts.

We continue to seek and develop sourcing opportunities in North America, Europe, and Asia to achieve a competitive global cost structure. Over 25 countries are represented in our international network of suppliers.

For additional information on our suppliers, please see Item 1A. "Risk Factors – Risks Related to Our Industry and Overall Business" and "Risk Factors – Risks Related to Our Operations".

enabling Spirit to utilize commercial scale and expertise to translate best practices to our growing defense and aftermarket businesses. We maintain seven Distinctive Capability areas (performance architectures, material optimization, product development tools, lean metallics, ultra-competitive composites, affordable tooling, and accelerated learning curves) that guide our research and development strategy to enable growth and sustainability. We are currently focused on research in areas such as advanced metallic joining, low-cost composites, thermoplastics, new material systems, efficient structures, systems integration, advanced design and computational analysis methods, and model-based digital transformation. We collaborate with universities, research facilities, and technology partners in our research and development.

For additional information on research and development, please see Item 1A. "Risk Factors – Risks Related to Our Operations – Our success depends in part on the success of our research and development initiatives."

including costs to reduce air emissions, clean-up costs, fines and sanctions, and third-party property damage, or personal injury claims as a result of violations of or liabilities under environmental laws, relevant common law or the environmental permits required for our operations. It is reasonably possible that costs incurred to ensure continued environmental compliance could have a material impact on our results of operations, capital expenditures, financial condition, competitive condition, or cash flows if additional work requirements or more stringent clean-up standards are imposed by regulators, new areas of soil, air, and groundwater contamination are discovered, and/or expansions of work scope are prompted by the results of investigations.

PART I: ITEM 1. BUSINESS

Government Contracts. Companies engaged in supplying defense-related equipment and services to U.S. Government agencies, either directly or by subcontract, are subject to business risks specific to the defense industry. These risks include the ability of the U.S. Government to unilaterally terminate existing contracts, suspend, or debar us from receiving new prime contracts or subcontracts, reduce the value of existing contracts, audit our contract-related costs and fees, including allocated indirect costs, and control and potentially prohibit the export of our products, among other things. If a contract was terminated for convenience, we could recover the costs we have incurred or committed, settlement expenses, and profit on the work completed prior to termination. However, if the termination is a result of our failure to perform, we may be liable for excess costs incurred by the prime contractor in procuring undelivered items from another source. In addition, failure to follow the requirements of the National Industrial Security Program Operating Manual (“NISPOM”) or any other applicable U.S. Government industrial security regulations could, among other things, result in termination of our facility securities clearances (each a “FCL”), which in turn would preclude us from being awarded classified contracts or, under certain circumstances, performing on our existing classified contracts.

Commercial Aircraft. The commercial aircraft component industry is highly regulated by the Federal Aviation Administration (the “FAA”), the European Aviation Safety Agency (“EASA”), and other agencies throughout the world. The military aircraft component industry is governed by military quality specifications. We, and the components

we manufacture, are required to be certified by one or more of these entities or agencies, and, in some cases, by individual OEMs, to engineer and service parts and components used in specific aircraft models. In addition, the FAA requires that various maintenance routines be performed on aircraft components. We believe that we currently satisfy or exceed these maintenance standards in our repair and overhaul services.

Export Control. The technical data and components used in the design and production of our products, as well as many of the products and technical data we export, either as individual items or as components incorporated into aircraft, are subject to compliance with U.S. export control laws. Collaborative agreements that we may have with foreign persons, including manufacturers or suppliers, are also subject to U.S. export control laws.

Health and Safety. Our operations are also subject to a variety of worker and community safety laws. The Occupational Safety and Health Act (“OSHA”) mandates general requirements for safe workplaces for all employees. In addition, OSHA provides special procedures and measures for the handling of certain hazardous and toxic substances. Our management believes that our operations are in material compliance with OSHA’s health and safety requirements.

For additional information on regulatory matters, please see Item 1A. “Risk Factors – Risks Related to Our Governmental and Global Activities”

HUMAN CAPITAL

Employees. Our people are our greatest asset, and we recognize that our ability to attract, develop, motivate and retain a skilled and diverse team is critical to our success. Leadership is committed to creating a culture of responsibility and achievement that supports our employees’ growth and development. We encourage our employees to embrace diversity and give back to the communities where we do business. By allowing employees to thrive, the Company creates a stronger and more dedicated team.

At December 31, 2022, we had approximately 18,235 employees: 12,735 located in our six U.S. facilities, 3,200 located in our Belfast facilities, 1,000 located at our Prestwick facility, 950 located in our Malaysia facility, 250 located in our Morocco facility, and 100 located in our France facility. Of the employees located in our six U.S. facilities noted above, 11,000 were located in Wichita, Kansas; 850 were located in Tulsa Oklahoma; 450 were located in Kinston, North Carolina; 300 were located in Biddeford, Maine; 100 were located in Dallas, Texas and 35 were located in Woonsocket, Rhode Island.

Values. The Company operates according to three key values that are designed to help it meet commitments to all stakeholders – employees, customers, suppliers, investors and communities. These values are:

- Transparency – Being open, honest and respectful with communication; sharing ideas and building trust by making intentions clear;
- Collaboration – Aligning actions with others; working together to achieve the best outcomes; and
- Inspiration – Encouraging the best from others; leading by example to ensure innovation is a component of success.

The values are enabled through the foundation of Trust and Speak Out: Asking thoughtful questions to enhance understanding; encouraging

active listening and considering diverse perspectives; and sharing ideas to reach better decisions and achieve better outcomes.

Adopting and incorporating the Company’s values into day-to-day tasks and activities enables the Company to be a trusted partner. We believe practicing transparency, collaboration and inspiration – individually and collectively – supports the Company’s efforts to be customer focused, provide on-time delivery, and maintain and improve quality and safety for all.

Code of Business Conduct. The Company is committed to the highest ethical standards and to complying with all laws and regulations applicable to the Company’s business. To support and articulate its commitment and responsibility in this regard, the Company has adopted the Code of Business Conduct (the “Code”). The Code addresses a number of topics, including the Foreign Corrupt Practices Act, conflicts of interest, safeguarding assets, insider trading, and general adherence to laws and regulations. All directors and employees, including executive officers, must comply with the Code. The Code is available on the Company’s website at <https://investor.spiritaero.com/corporate-governance/govdocs/>.

Diversity, Equity and Inclusion. The Company is committed to creating a world class workforce and is actively working to build an equitable and inclusive culture where all employees’ diverse skills and talents are valued. The Company values the full range of differences, perspectives and abilities that our employees bring to the workplace. We strive to create an environment where all employees feel welcomed and have a sense of belonging.

The Company is committed to diversity, equity and inclusion not only because it is the right thing to do, but because greater diversity in an equitable and inclusive work environment results in greater innovation and growth. We believe that combining diverse perspectives helps the

PART I: ITEM 1. BUSINESS

Company find new ways to solve problems and innovate for the future. The Company:

- Aims to attract, retain and develop a diverse workforce;
- Strives to integrate equitable and inclusive business practices and capabilities;
- Recognizes and respects the diversity of the marketplace; and
- Works and partners with vendors from a diverse supplier base.

Talent Management. The attraction, retention and development of employees is a critical success factor in meeting the Company's strategy. We seek to provide our employees opportunities for growth through formal and informal development programs that include: training, coaching and mentoring, networking, skills and experience and career planning. Spirit strives to create a culture of empowerment, engagement and performance through our core values. We have a

Labor Relations and Collective Bargaining Agreements

Our principal U.S. collective bargaining agreements were with the following unions as of December 31, 2022:

Union	Percent of our U.S. Employees Represented	Status of the Agreements with Major Union
The International Association of Machinists and Aerospace Workers (IAM)	57%	We have two major agreements – one expires in June 2023 and one expires in November 2027. (Approximately 55% of U.S. employees are represented by the agreement that will expire in June 2023)
The Society of Professional Engineering Employees in Aerospace (SPEEA)	20%	We have two major agreements – one expires in December 2024 and one expires in January 2026.
The International Union, Automobile, Aerospace and Agricultural Implement Workers of America (UAW)	5%	We have one major agreement expiring in December 2025.
The International Brotherhood of Electrical Workers (IBEW)	1%	We have one major agreement expiring in September 2023.

Represented employees noted above were located across our Wichita, Kansas, Tulsa, Oklahoma, and Kinston, North Carolina facilities. U.S. employees located at our Dallas, Texas, Biddeford, Maine, and Woonsocket, Rhode Island locations are not represented.

Approximately 91% of our Prestwick employees are part of the collective bargaining group represented by one union, Unite (Amicus Section). In 2013, the Company negotiated two separate ten-year pay agreements with the Manual Staff bargaining and the Monthly Staff bargaining groups of the Unite union. These agreements cover basic pay and variable at risk pay, while other employee terms and conditions generally remain the same from year to year until both parties agree to change them. In the first quarter of 2021, the Company negotiated and agreed with Unite, a three-year extension to the pay agreements which are effective from January 2023 to December 2025. The elements of the contract extension remain the same as those in the ten-year agreements.

AVAILABLE INFORMATION

Our Internet address is <http://www.spiritaero.com>. The content on our website is available for information purposes only. It should not be relied upon for investment purposes, nor is it incorporated by reference into this Annual Report.

robust talent and succession planning process and have established specialized programs to support the development of our talent pipeline for critical roles throughout the company. Our management and salaried retention rate was 94% in 2022.

Health and Safety. The Company takes steps to comply in all material respects with applicable legal, regulatory and other requirements related to preventing pollution, injury and ill health, and employs industry-leading, technologically sound and economically feasible control mechanisms, procedures and processes. In addition, the Company provides training, education, safety monitoring and auditing, health-awareness programs, and ergonomic support in the Company's offices and factories. We are committed to the safety and health of our employees and work to eliminate injuries and accidents. We evaluate safety performance through multiple indicators, including OSHA recordable injury rates and lost-time incidents.

In the U.K. (Belfast), approximately 84% of the employees are part of the collective group represented by the Trade Unions. Unite the Union is the largest representing approximately 94% of such employees, with General, Municipal, Boilermakers making up the balance. The current agreement covers the period from January 2020 to December 2023.

In France, our employees are represented by CFTC ("Confédération Française des Travailleurs Chrétiens" or "French Confederation of Christian Workers") and FO ("Force Ouvrière" or "Labor Force"). The Company negotiates yearly on compensation and once every four years on issues related to gender equality and work-life balance. The next election to determine union representation will occur in July 2023.

In Morocco, approximately 65% of our employees are represented by Union Marocain du Travail ("UMT"). We negotiated a three year agreement with UMT that expires in December 2025.

None of our Malaysia employees are currently represented by a union.

We consider our relationships with our employees to be satisfactory.

We make available through our Internet website, under the heading "Investor Relations," our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements, and amendments to those reports after we electronically file such

PART I: ITEM 1. BUSINESS

materials with the SEC. Copies of our key corporate governance documents, including Spirit Holdings' Bylaws, The Corporate Governance Guidelines, the Code, the Related Person Transaction Policy, the Finance Code of Professional Conduct, and charters for our Audit Committee, Risk Committee, Compensation Committee, and Corporate Governance and Nominating Committee are also available on our website.

ITEM 1A. RISK FACTORS

An investment in our securities involves risks and uncertainties. The risks and uncertainties set forth below are those that we believe may materially and adversely affect us, our future business or results of operations, our industry, or investments in our securities. Additional risks and uncertainties that we are unaware of or that we deem immaterial may also materially and adversely affect us, our future business or results of operations, or investments in our securities. The risks speak only as of the date hereof, and new risks may emerge or changes to the foregoing risks may occur that could impact our business. The following is a summary of risks that we deem material, which are described in further detail below:

- Risks Related to Our Industry and Overall Business
 - Our business, financial results, and prospects are dependent on global economic and geopolitical conditions and global aviation demand.
 - Our business depends largely on sales of components for a single aircraft program, the B737 MAX, which has had significant reductions in production rate, including suspensions, relating to the B737 MAX grounding and the COVID-19 pandemic. Additional suspensions or reductions in, or increases in, the B737 MAX production rate may create financial and disruption risks for the Company and its suppliers on the program, which, may in turn, affect the Company's ability to comply with contractual obligations.
 - Because we depend on Boeing and Airbus, as our largest customers, our business will be negatively affected if either Boeing or Airbus reduces the number of products it purchases from us or if either experiences business difficulties or breaches its obligations to us.
 - Our backlog is subject to change, potentially with short notice.
 - Our business depends, in part, on securing work for replacement programs.
 - We operate in a very competitive business environment.
 - Our commercial business is cyclical and sensitive to commercial airlines' profitability.
 - Our business and results of operations have been, and could in the future be, adversely impacted, possibly materially, by pandemics and other public health emergencies, or the fear thereof.
 - Our business and results of operations could be adversely affected by disruptions in the global economy caused by Russia's invasion of Ukraine and related sanctions and other developments.
- Risks Related to Our Operations
 - Our business depends on our ability to maintain a healthy supply chain, meet production rate requirements, and timely delivery of products that meet or exceed stringent quality standards.
- Our operations depend on our ability to maintain continuing, uninterrupted production at our manufacturing facilities and our suppliers' facilities.
- Interruptions in deliveries of or increased prices for components or raw materials used in our products could delay production and/or materially adversely affect our business.
- Our success depends in part on the success of our research and development initiatives.
- Our operations could be negatively impacted by service interruptions, data corruption or misuse, cyber attacks, network security breaches or Privacy Regulation (defined below) violations.
- Significant regulatory, operational, and other risks are posed by climate change and the transition to a "low-carbon" economy in response to climate change.
- Risks Related to Our Growth Strategy
 - Our acquisitions, joint ventures and strategic alliances expose us to risks, including the risk that we may not be able to successfully integrate these businesses or achieve expected operating synergies.
 - We face risks as we work to successfully execute on new or maturing programs.
- Risks Related to Legal and Regulatory Matters
 - Prolonged periods of inflation where we do not have adequate inflation protections in our customer contracts could have a material adverse effect on our results of operations.
 - The outcome of legal proceedings and government inquiries and investigations involving our business is unpredictable, and an adverse decision in any such matter could have a material effect on our business.
 - We do not own most of the program-specific intellectual property and tooling used in our business.
 - Our business could be materially adversely affected by product warranty obligations or defective product claims.
 - The profitability of certain programs depends significantly on the assumptions surrounding satisfactory settlement of customer claims and assertions.
- Risks Related to Our Governmental and Global Activities
 - Our global footprint subjects us to the risks of doing business in foreign countries.
 - Our business is subject to regulation in the U.S. and internationally.
 - The U.S. Government is a significant customer of certain of our customers and we and they are subject to specific U.S. Government contracting rules and regulations.

The SEC maintains an Internet site at <http://www.sec.gov> that contains reports, proxy information statement, and other information regarding issuers that file electronically with the SEC. Our filed Annual and Quarterly Reports, Current Reports, Proxy Statement and other reports previously filed with the SEC are available through the SEC's website.

PART I: ITEM 1A. RISK FACTORS

- Risks Related to Employment Matters
 - In order to be successful, we must attract, retain, train, motivate, develop and transition key employees, and failure to do so could harm our business.
 - We could be required to make future contributions to our defined benefit pension and post-retirement benefit plans and our costs may substantially increase in connection with such plans as a result of adverse changes in interest rates and the capital markets, changes in actuarial assumptions and legislative or other regulatory actions.
 - Increases in labor costs, potential labor disputes, and work stoppages at our facilities or the facilities of our suppliers or customers could materially adversely affect our financial performance.
- Risks Related to Our Debt, Liquidity, Financial Estimates and Taxes
 - Declines in our financial condition or expected performance or reductions in our credit ratings could limit the Company's ability to obtain future financing, increase its borrowing, adversely affect the market price of its securities, or otherwise impair its business, financial condition, and results of operations.
- Our debt could adversely affect our financial condition and our ability to operate our business due to significant restrictions in our Credit Agreement, which could also adversely affect our operating flexibility and put us at a competitive disadvantage.
- We use estimates in accounting for revenue and costs for our contracts. Changes in our estimates could adversely affect our future financial performance.
- We may not be able to generate sufficient taxable income to fully realize our deferred tax assets.
- Risks Related to Our Common Stock
 - We cannot assure you that we will declare and pay cash dividends on our Common Stock at historical levels or at all.
 - Spirit Holdings' certificate of incorporation, bylaws and our supply agreements with Boeing contain provisions that could discourage others from acquiring us and may prevent attempts by our stockholders to replace or remove our current management.

RISKS RELATED TO OUR INDUSTRY AND OVERALL BUSINESS

Our business, financial results, and prospects are dependent on global economic and geopolitical conditions and global aviation demand.

The commercial airline industry is impacted by the strength of the global economy and geopolitical events around the world. A protracted economic slump or recession, increases in interest rates and inflation and adverse credit market conditions, or possible exogenous shocks, such as the conflict between Russia and Ukraine, political unrest, terrorist attacks or pandemics, contagions and other health emergencies (including the COVID-19 pandemic), or the fear of any of the foregoing occurring, have in the past caused, and could in the future cause, precipitous declines in air traffic, in turn causing airlines to cancel or delay the purchase of additional new aircraft. The cancellation or delay of new aircraft purchases has in the past resulted in, and could in the future result in, a deterioration of commercial airplane backlogs and a decrease in demand for our commercial aircraft products, which has in the past materially adversely affected, and could in the future materially adversely affect, our business, financial condition, and results of operations.

We largely support commercial aerostructures customers, and our financial results and prospects are almost entirely dependent on global commercial aviation demand and the resulting production rates of our customers. Due to the discretionary nature of air travel, the airline industry is particularly sensitive to changes in economic conditions, or the expectation thereof, and to pandemics, contagions or other health emergencies or the fear of such events. In addition, during periods of unfavorable or volatile economic conditions in the global economy, demand for air travel can be significantly impacted as business and leisure travelers choose not to travel, seek alternative forms of transportation for short trips or conduct business through videoconferencing. Our customers, including Boeing and Airbus, have in the past decreased production rates across many programs due to decreased demand for aviation, including as a result of the COVID-19 pandemic, and may in the future continue to adjust production rates or suspend production, potentially without early warning and within a short time horizon. Suspensions in our production rates or prolonged reductions to rates have in the past resulted in, and could in the future result in, significant challenges and negative impacts on our business, operations and financial performance.

We are pursuing growth opportunities in a number of newly developed and emerging markets. These investments expose us to heightened risks of economic, geopolitical, or other events, including governmental

takeover (nationalization) of our manufacturing facilities or intellectual property, restrictive exchange or import controls, disruption of operations as a result of systemic political or economic instability, outbreak of war or expansion of hostilities, and acts of terrorism, each of which could have a substantial adverse effect on our financial condition and results of operations. Further, the U.S. Government, other governments, and international organizations could impose additional sanctions that could restrict us from doing business directly or indirectly in or with certain countries or parties, which could include affiliates.

Our business depends largely on sales of components for a single aircraft program, the B737 MAX, which has had significant reductions in production rate, including suspensions, relating to the B737 MAX grounding and the COVID-19 pandemic. Additional suspensions or reductions in, or increases in, the B737 MAX production rate may create financial and disruption risks for the Company and its suppliers on the program, which, may in turn, affect the Company's ability to comply with contractual obligations.

For the twelve months ended December 31, 2022, 2021, and 2020 approximately 45%, 35%, and 19% of our net revenues, respectively, were generated from sales of components to Boeing for the B737 aircraft, as compared to 53% for the twelve months ended December 31, 2019, which was the most recent period to exclude impacts from the MAX grounding and the global pandemic crises. While we have entered into long-term supply agreements with Boeing to continue to provide components for the B737 for the life of the aircraft program, including commercial and military P-8 derivatives, Boeing does not have any obligation to purchase components from us for any replacement for the B737 that is not a commercial derivative model as defined by the Sustaining Agreement. The contract is a requirements contract, and Boeing can reduce the purchase volume at any time.

In March 2019, the B737 MAX fleet was grounded in the U.S. and internationally following the accidents involving two B737 MAX aircraft. At Boeing's direction, Spirit suspended all B737 MAX production beginning on January 1, 2020. Subsequently, there were a number of changes to production rates as a result of the grounding and COVID-19 impacts. These production changes created significant disruption for the Company and its B737 MAX suppliers.

PART I: ITEM 1A. RISK FACTORS

Boeing's deliveries of the B737 MAX resumed in December 2020, but the rate at which deliveries will continue and continued impacts of the grounding remain uncertain. We regularly make significant assumptions with respect to the B737 program regarding the number of units to be delivered each year, the period during which those units are likely to be produced, and the units' expected sales prices, production costs, program tooling and other non-recurring costs, and routine warranty costs. In addition, we regularly make assumptions regarding estimated costs expected to be incurred until resuming a normal production rate consistent with 2019 production levels to determine which costs should be (i) included in program inventory and (ii) expensed when incurred as abnormal production costs. Any changes in these estimates and/or assumptions with respect to the B737 program could have a material adverse impact on our financial position, results of operations, and/or cash flows.

If production levels for the B737 MAX program are reduced beyond current expectations due to depressed demand or otherwise, or if we have difficulties in managing our cost structure to take into account changes in production schedules or to accommodate a ramp-up in production, our liquidity position may worsen absent our ability to procure additional financing, we may trigger an event of default under our credit facilities, and our business, financial condition, results of operations and cash flows could be materially adversely impacted.

Because we depend on Boeing and Airbus, as our largest customers, our business will be negatively affected if either Boeing or Airbus reduces the number of products it purchases from us or if either experiences business difficulties or breaches its obligations to us.

Boeing is our largest customer, and Airbus is our second-largest customer. For the twelve months ended December 31, 2022, approximately 60% and 22% of our net revenues were generated from sales to Boeing and Airbus, respectively. Although part of our strategy is to diversify our customer base, we cannot assure that we will be successful in doing so. Even if we are successful in obtaining new customers, we expect that Boeing and Airbus will continue to account for a substantial portion of our sales. Our contracts with Boeing and Airbus are requirements contracts that do not require specific minimum purchase volumes, and either Boeing or Airbus can reduce its purchase volume at any time. If either of these customers reduces the requirements under our agreements (as Boeing did in 2019, 2020, and 2021 due to the B737 MAX grounding and the COVID-19 pandemic and other customers did in 2020 and 2021 due to the COVID-19 pandemic), terminates the agreements or portions of them (due to our breach), a termination for convenience (which is a provision included in most of the contracts, or otherwise), experiences a major disruption in its business (such as a strike, work stoppage, slowdown, or a supply chain problem) or experiences a deterioration in its business, financial condition, access to credit, or liquidity, our business, financial condition, and results of operations could be materially adversely affected. Any monetary damages we receive from Airbus or Boeing as a result of a contractual termination may not be sufficient to cover our actual damages.

Our backlog is subject to change, potentially with short notice.

From time to time, we disclose our expected backlog associated with large commercial aircraft, business and regional jets, and military equipment deliveries, calculated based on contractual and historical product prices and expected delivery volumes. Impacts from global events have in the past caused, and may in the future cause, our backlog to deteriorate due to order cancellations or delays, potentially with short notice. Backlog is calculated based on Boeing's and Airbus' announced backlog on our supply agreements (which are based on orders from customers) and the number of units the Company is under contract to produce on our fixed quantity contracts. Accordingly, we rely on latest available information from Boeing and Airbus to calculate

our backlog, which may not reflect expected cancellations. The number of units may be subject to cancellation or delay by the customer prior to shipment, depending on contract terms. For example, our contract with Boeing for the B737 MAX program is a requirements contract, and Boeing can reduce the purchase volume at any time. The level of unfilled orders at any date during the year may be materially affected by the timing of our receipt of firm orders and additional airplane orders, and the speed with which those orders are filled. Accordingly, our expected backlog does not necessarily represent the actual amount of deliveries or sales for any future period.

Our business depends, in part, on securing work for replacement programs.

While we have entered into long-term supply agreements with respect to the Sustaining Programs, Boeing does not have any obligation to purchase components from us for any subsequent variant of these aircrafts that is not a commercial derivative as defined by the Sustaining Agreement. If we are unable to obtain significant aerostructures supply business for any variant of these aircrafts for which we provide significant content, such as the B737 MAX, our business, financial condition, and results of operations could be materially adversely affected.

We operate in a very competitive business environment.

As the Company seeks to further diversify its program portfolio and product offerings and expand its customer base, we face substantial competition from both OEMs and non-OEM aerostructures suppliers. OEMs may choose not to outsource production of aerostructures due to, among other things, their own direct labor and other overhead considerations and capacity utilization at their own facilities. Consequently, traditional factors affecting competition, such as price and quality of service, may not be significant determinants when OEMs decide whether to produce a part in-house or to outsource.

Some of our non-OEM competitors have greater resources than we do and may be able to adapt more quickly to new or emerging technologies and changes in customer requirements, or devote greater resources to the promotion and sale of their products than we can. Consolidation of or partnerships among our competitors could also increase their financial resources, market penetration and purchasing power. Providers of aerostructures have traditionally competed on the basis of cost, technology, quality, and service. We believe that developing and maintaining a competitive advantage will require continued investment in product development, engineering, supply-chain management, and sales and marketing, and we may not have enough resources to make such investments.

It is very difficult for new aerostructures suppliers to compete against incumbent suppliers for work under an existing contract, because the OEM and the supplier typically spend significant amounts of time and capital on design, manufacture, testing, and certification of tooling and other equipment. A supplier change would require further testing and certification and the expensive movement of existing tooling or the development of new tooling, and would likely result in production delays and additional costs to both the OEM and the new supplier. These high switching costs may make it more difficult for us to bid competitively against existing suppliers and less likely that an OEM will be willing to switch suppliers during the life of an aircraft program, which could materially adversely affect our ability to obtain new work on existing aircraft programs.

Our commercial business is cyclical and sensitive to commercial airlines' profitability.

Our customers' business, and therefore our own, is directly affected by the financial condition of commercial airlines and other economic factors, including global economic conditions and geopolitical

PART I: ITEM 1A. RISK FACTORS

considerations that affect the demand for air transportation. Specifically, our commercial business is dependent on the demand from passenger airlines and cargo carriers for the production of new aircraft. Accordingly, demand for our commercial products is tied to the worldwide airline industry's ability to finance the purchase of new aircraft and the industry's forecasted demand for seats, flights, routes, and cargo capacity. Availability of financing to non-U.S. customers depends in part on the continued operations of the U.S. Export-Import Bank. Additionally, the size and age of the worldwide commercial aircraft fleet affects the demand for new aircraft and, consequently, for our products. Such factors, in conjunction with evolving economic conditions, cause the market in which we operate to be cyclical to varying degrees, thereby affecting our business and operating results.

Our business and results of operations have been, and could in the future be, adversely impacted, possibly materially, by pandemics and other public health emergencies, or the fear thereof.

Pandemics, including the COVID-19 pandemic, and other public health emergencies, or the fear thereof, have in the past negatively affected, and may in the future negatively affect, our business and results of operations. Factors that have in the past impacted, and may in the future impact, our business and results of operations include: the severity, extent, and duration of the pandemic or public health emergency and its impact on the aircraft industry and aviation demand; any production suspensions or reductions relating to the pandemic or public health emergency; the effectiveness of vaccines and treatments; government health and protection policies, including travel restrictions and bans, bans on public gatherings, and closures of non-essential businesses; vaccination requirements, including any potential impacts on our ability to retain and recruit the workforce required to meet production requirements; economic stimulus efforts; economic recessions; any inability of significant portions of our workforce to work effectively, including because of illness, remote work, quarantines, social distancing, government actions or other restrictions; potential lawsuits or regulatory actions due to spread of the pandemic or other public health emergency in the workplace; our ability to maintain our compliance practices and procedures, financial reporting processes and related controls, and to manage any complex accounting issues; any impacts on our vendors and outsourced

RISKS RELATED TO OUR OPERATIONS

Our business depends on our ability to maintain a healthy supply chain, meet production rate requirements, and timely deliver products that meet or exceed stringent quality standards.

Our business depends on our ability to maintain a healthy supply chain, achieve planned production rate targets, and meet or exceed stringent delivery, performance and reliability standards. The supply chain for large commercial aerostructures is complex and involves hundreds of suppliers and their employees from all over the world.

Operational issues, including delays or defects in supplier components, have resulted and could continue to result in significant out-of-sequence work and increased production costs, as well as delayed deliveries to customers. Our suppliers' failure to provide parts that meet our technical specifications has adversely affected and could continue to adversely affect production schedules and contract profitability. We have not always been able to find and in the future we may not be able to find acceptable alternatives, and any such alternatives in some cases have resulted and could continue to result in increased costs for us and possible forward losses on certain contracts. Even if acceptable alternatives are found, the process of locating and securing such alternatives has been and may continue to be disruptive to our business, including our ability to execute any factory recovery plans, and might lead to termination of our supply agreements with our customers.

business processes and their process and controls documentation; potential failure or reduced capacity of third parties on which the Company relies, including suppliers, lenders, and other business partners, to meet the Company's obligations and needs; the impact on our contracts with our customers and suppliers, including force majeure provisions; the impact on the financial markets, including volatility in the financial markets; the availability and cost of credit to the Company; and supply chain disruptions and increased costs for transportation and raw materials.

The COVID-19 pandemic created significant disruptions that have in the past adversely affected, and could in the future adversely affect, our business, financial condition, liquidity and results of operations. The extent to which the COVID-19 pandemic will negatively affect our businesses, financial condition, liquidity and results of operations will depend on, among other things, future developments, including any resurgence of cases, the emergence of new variants of the virus and the effectiveness of vaccines and treatments over the long term and against new variants, which are highly uncertain and cannot be predicted.

Our business and results of operations could be adversely affected by disruptions in the global economy caused by Russia's invasion of Ukraine and related sanctions and other developments.

The war between Russia and Ukraine has negatively affected, and may continue to negatively affect, the global economy. Governments around the world have imposed economic sanctions and export controls on certain industry sectors and parties in Russia and other jurisdictions, and Russia has responded with its own restrictions against investors and countries outside Russia and adopted additional measures aimed at non-Russia owned businesses. Businesses in the U.S. and globally have experienced shortages in materials and increased costs for transportation, energy and raw materials due in part to the negative effects of the war on the global economy. The escalation or continuation of the war between Russia and Ukraine or other hostilities has resulted in, and could continue to result in, among other things, supply chain disruptions, further increased risk of cyber attacks, higher inflation and market volatility. The extent and duration of the war, sanctions and resulting market disruptions are impossible to predict, and our business and results of operations could be adversely affected.

Our suppliers continue to encounter financial difficulty due to the pandemic and residual effects of the B737 MAX grounding. Absent financial support, suppliers may not be able to meet commitments under their agreements with us. If any suppliers fail to supply critical parts and we are not able to secure timely and adequate replacements, we may breach our obligations to our customers. As a result of a breach, customers generally may terminate their agreements or proceed against us for damages and our business, financial condition, results of operations and cash flows could be materially adversely impacted.

Additionally, the Company's ability to meet production rate increases is dependent upon several factors, including expansion and alignment of its production facilities, tooling, and equipment; improved efficiencies in its production line; on-time delivery of component parts from the Company's suppliers; adequate supply and costs of skilled labor; and implementation of customer customizations upon demand. From time-to-time the Company has experienced, and may continue to experience, quality or delivery timing disruptions. This includes common carrier disruptions and other disruptions that affect manufacturing lines, any of which could have a material adverse impact on the Company's ability to meet commitments to its customers and on its future financial results.

PART I: ITEM 1A. RISK FACTORS

In some cases, in order to meet these increases in production rates, we have made and will need to make in the future significant capital expenditures to expand our capacity and improve our performance or find alternative solutions such as outsourcing some of our existing work to free up additional capacity. While some of these expenditures will be reimbursed by our customers, we could be required to bear a significant portion of the costs. In addition, the increases in production rates could cause disruptions in our manufacturing lines, which could materially adversely impact our ability to meet our commitments to our customers, and have a resulting adverse effect on our financial condition and results of operations.

Our operations depend on our ability to maintain continuing, uninterrupted production at our manufacturing facilities and our suppliers' facilities.

Our manufacturing facilities or our suppliers' manufacturing facilities could be damaged or disrupted by a natural disaster, war, terrorist activity, interruption of utilities, public health crises (such as the COVID-19 pandemic), or sustained mechanical failure. Although we have obtained property damage and business interruption insurance where we deem appropriate, a sustained mechanical failure of a key piece of equipment, major catastrophe (such as a fire, flood, tornado, hurricane, major snow storm, or other natural disaster), war, or terrorist activities in any of the areas where we or our suppliers conduct operations could result in a prolonged interruption of all or a substantial portion of our business. Any disruption resulting from these events could cause significant delays in shipments of products and the loss of sales and customers. We may not have insurance to adequately compensate us for any of these events. A large portion of our operations takes place at one facility in Wichita, Kansas, and any significant damage or disruption to this facility in particular would materially adversely affect our ability to service our customers. Additionally, while any insurance proceeds may cover certain business interruption expenses, certain deductibles and limitations will apply and no assurance can be made that all recovery costs will be covered.

Interruptions in deliveries of or increased prices for components or raw materials used in our products could delay production and/or materially adversely affect our business.

We are highly dependent on the availability of essential materials and purchased components from our suppliers, some of which are available only from a sole source or limited sources. Our dependency upon regular deliveries from particular suppliers of components and raw materials means that interruptions or stoppages in such deliveries could materially adversely affect our operations until arrangements with alternate suppliers, to the extent alternate suppliers exist, could be made. If any of our suppliers were unable or were to refuse to deliver materials to us for an extended period of time, or if we were unable to negotiate acceptable terms for the supply of materials with these or alternative suppliers, our business could suffer and be materially affected.

Our continued supply of materials is subject to a number of risks including:

- the destruction of or damage to our suppliers' equipment, facilities or their distribution infrastructure;
- global economic conditions, embargoes, force majeure events, domestic or international acts of hostility, terrorism, war, pandemic, or other events impacting our suppliers' ability to perform;
- a work stoppage or strike by our suppliers' employees;
- the failure of our suppliers to provide materials of the requisite quality or in compliance with specifications;
- the failure of our suppliers to satisfy U.S. and international import and export control laws;
- the failure of our suppliers to meet regulatory standards;

- the failure, shortage, or delay in the delivery of raw materials to our suppliers;
- imposition of tariffs and similar import limitations on us or our suppliers; and
- contractual amendments and disputes with our suppliers.

In addition, our profitability is affected by the prices of the components and raw materials, such as titanium, aluminum, steel, and carbon fiber, used in the manufacturing of our products. These prices may fluctuate based on factors beyond our control, including world oil prices, changes in supply and demand, general economic conditions, labor costs, competition, import duties, tariffs, the availability and cost of freight, the availability and cost of utilities, currency exchange rates, hostilities in jurisdictions that affect raw materials and, in some cases, government regulation. Although our supply agreements with Boeing and Airbus allow us to pass on to our customers certain unusual increases in component and raw material costs in limited situations, we may not be fully compensated by the customers for the entirety of any such increased costs.

Our success depends in part on the success of our research and development initiatives.

In order for us to remain competitive, we have expended and will need to continue to expend significant capital to research and develop technologies, purchase new equipment and machines, and train our employees in the new methods of production and service. Our expenditures on our research and development efforts may not create any new sales opportunities or increases in productivity that are commensurate with the level of resources invested.

We are in the process of developing specific technologies and capabilities in pursuit of new business and in anticipation of customers going forward with new programs. If any such programs do not go forward or are not successful, or if we are unable to generate sufficient new business, we may be unable to recover the costs incurred in anticipation of such programs or business and our profitability and revenues may be materially adversely affected.

While the Company intends to continue committing financial resources and effort to the development of innovative new technologies, a strain on the Company's liquidity, such as the strain caused by the B737 MAX grounding and COVID-19 impacts, have in the past reduced and may in the future reduce the Company's ability to expend capital to develop such technologies.

Our operations could be negatively impacted by service interruptions, data corruption or misuse, cyber attacks, network security breaches or Privacy Regulation (defined below) violations.

We rely on information technology networks and systems to manage and support a variety of business activities, including procurement and supply chain, engineering support, and manufacturing. These networks and systems, some of which are managed by third-parties, are susceptible to damage, disruptions, or shutdowns due to failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, computer viruses, attacks by computer hackers or insiders, telecommunication failures, user errors, or catastrophic events. If these networks and systems suffer severe damage, disruption, or shutdown and our business continuity plans do not effectively resolve the issues in a timely manner, our manufacturing process could be disrupted, resulting in late deliveries or even no deliveries if there is a total shutdown. This could have a material adverse effect on our reputation and we could face financial losses.

Further, we routinely experience cyber security threats and attempts to gain access to sensitive information, as do our customers, suppliers, and other third parties with which we work. We have established threat detection, monitoring, and mitigation processes and procedures and

PART I: ITEM 1A. RISK FACTORS

are continually exploring ways to improve these processes and procedures. However, the scope and impact of any future incident cannot be predicted and we cannot provide assurance that these processes and procedures will be sufficient to prevent cyber security threats from materializing. If threats do materialize, we could experience significant financial or information losses and/or reputational harm. If we are unable to protect sensitive or confidential information from these threats, our customers or governmental authorities could question the adequacy of our threat mitigation and detection processes and procedures and, as a result, our present and future business could be negatively impacted.

Data privacy regulations, including but not limited to the General Data Protection Regulation (EU), Data Protection Act 2018 (UK), Law No. 09-08 (Morocco), and Personal Data Protection Act 2010 (Malaysia) (collectively, "Privacy Regulations"), impose a range of compliance obligations applicable to the collection, use, retention, security, processing, and transfer of personally identifiable information. Violations of the Privacy Regulations may result in significant fines and sanctions. Any failure, or perceived failure, by us to comply with the Privacy Regulations, or any other privacy, data protection, information security, or consumer protection-related privacy laws and regulations could result in financial losses and have an adverse effect on our reputation.

Significant regulatory, operational, and other risks are posed by climate change and the transition to a "low-carbon" economy in response to climate change.

Increased public awareness and concern over climate change have led to new and proposed legislative and regulatory initiatives internationally, in the U.S. and regionally, and may lead to additional legislation in the future. New or revised laws and regulations, or stricter interpretations of existing laws, in this area could directly and indirectly affect the Company, its customers, or its suppliers by increasing production costs, affecting customer preferences or otherwise impacting operations. Compliance with any new or more stringent laws or

regulations, or stricter interpretations of existing laws, could require additional expenditures by the Company and could have an adverse effect on our business, financial condition, and results of operations. While the transition to a "low-carbon" economy may take place over decades, we are also subject to the risk that, over time, the existing products which provide much of our current revenue may be replaced with "lower-carbon" products the Company does not currently manufacture and which may take a significant amount of time for the Company to develop and manufacture. In addition, demand for the Company's existing products may decrease as there is no guarantee that the Company will ultimately win substantially similar work content on new aircraft platforms. Additionally, transition to an entirely "low-carbon" portfolio may require material investments by the Company.

In addition, climate change is impacting the severity and frequency of natural disasters, including tornados, floods and hurricanes, and other severe weather events, which have in the past and could in the future disrupt our operations and adversely affect our business in a particular region or globally, as well as the activities of our suppliers and customers. Any of these events could result in temporary or long-term disruption of our operations, including as a result of physical damage to, or complete or partial closure of, one or more of our facilities, or have an impact on the operations of our suppliers or customers. If we are unable to restart operations quickly at key locations, find alternative suppliers or quickly repair damage, we could be late in delivering, or be unable to deliver, products to our customers, which could result in damage to our reputation, business and prospects, any of which could have an adverse effect on our results of operations and financial condition.

Existing insurance arrangements may not provide full protection for the costs that may arise from any climate change-related events, and recurring extreme weather events have in the past increased and could in the future continue to increase the cost of insurance, or could reduce the availability of insurance. The risks associated with climate change continue to evolve, and we expect that climate change-related risks may increase over time.

RISKS RELATED TO OUR GROWTH STRATEGY

Our acquisitions, joint ventures and strategic alliances expose us to risks, including the risk that we may not be able to successfully integrate these businesses or achieve expected operating synergies.

As part of our business strategy, we from time-to-time have merged with or acquired businesses and/or formed joint ventures and strategic alliances and may continue to do so in the future. Combining our businesses may be more difficult, costly, or time consuming than expected. In addition, events outside of our control, including changes in regulation and laws as well as economic trends, could adversely affect our ability to realize the expected benefits from an acquisition. The success of our acquisitions will depend on, among other things, our ability to realize the anticipated benefits and cost savings from combining our and the acquired businesses in a manner that facilitates growth opportunities and realizes anticipated synergies and cost savings. The anticipated benefits and cost savings from acquisitions, as well as from joint ventures and strategic alliances, may not be realized fully or at all, or may take longer to realize than expected or could have other adverse effects that we do not currently foresee. Further, the integration of acquired companies and managing relationships with joint venture partners involve a number of risks, including, but not limited to the diversion of management's attention to the integration or oversight of operations, difficulties in the assimilation or cooperation of different cultures and practices, reliance on sellers under transition services agreements or partners under joint venture or alliance agreements, as well as in the assimilation of geographically dispersed operations and personnel, difficulties in the integration of departments, systems (including accounting, production, IT, and other critical systems), technologies, books

and records and procedures, as well as in maintaining uniform standards, controls (including internal accounting controls), procedures, and policies and compliance with the Foreign Corrupt Practices Act, the U.K. Bribery Act and other applicable anti-bribery laws.

We face risks as we work to successfully execute on new or maturing programs.

New or maturing programs with new technologies typically carry risks associated with design responsibility, development of new production tools, hiring and training of qualified personnel, increased capital and funding commitments, ability to meet customer specifications, delivery schedules, unique contractual requirements, supplier performance, ability of the customer to meet its contractual obligations to us, and our ability to accurately estimate costs associated with such programs. In addition, any new or maturing aircraft program may not generate sufficient demand or may experience technological problems or significant delays in the regulatory certification or manufacturing and delivery schedule. If we were unable to perform our obligations under new or maturing programs to a customer's satisfaction or manufacture products at our estimated costs, if we were unable to successfully perform under revised design and manufacturing plans or successfully resolve claims and assertions, or if a new or maturing program in which we had made a significant investment were to be terminated or experienced weak demand, delays or technological problems, our business, financial condition, and results of operations could be materially adversely affected. Some of these risks have affected our maturing programs to the extent that we have recorded significant

PART I: ITEM 1A. RISK FACTORS

forward losses and maintain certain of our maturing programs at zero or low margins due to our inability to overcome the effects of these risks, which have been greatly exacerbated, and may continue to be impacted, by significantly reduced production volumes, either now or in the future. We continue to face similar risks as well as the potential for default, quality problems, or inability to meet weight requirements and these could result in continued zero or low margins or additional forward losses, and the risk of having to write-off additional inventory if it were deemed to be unrecoverable over the life of the program. In addition, beginning new work on existing programs also carries risks associated with the transfer of technology, knowledge, and tooling.

RISKS RELATED TO LEGAL AND REGULATORY MATTERS

Prolonged periods of inflation where we do not have adequate inflation protections in our customer contracts could have a material adverse effect on our results of operations.

A majority of our sales are conducted pursuant to long-term contracts that set fixed unit prices. Certain, but not all, of these contracts provide for price adjustments for inflation or abnormal escalation. Although we have attempted to minimize the effect of inflation on our business through contractual protections, the presence of longer pricing periods within our contracts increases the likelihood that there will be sustained or higher than anticipated increases in costs of labor or material. Prolonged global inflationary pressures have impacted energy, freight, raw material and other costs in addition to increased interest costs and labor costs. As described above, in certain situations, we have the ability to recover certain abnormal inflationary impacts through our contractual agreements with our customers, however, we anticipate that we will experience reduced levels of profitability related to inflationary impacts until such time as the rate of inflation subsides to normal historical levels. Furthermore, if one of the raw materials on which we are dependent (e.g., aluminum, titanium, or composite material) were to experience an isolated price increase without inflationary impacts on the broader economy, we may not be entitled to inflation protection under certain of our contracts. If our contractual protections do not adequately protect us in the context of substantial cost increases, it could have a material adverse effect on our results of operations.

The outcome of legal proceedings and government inquiries and investigations involving our business is unpredictable, and an adverse decision in any such matter could have a material effect on our financial position and results of operations.

We are involved in a number of legal proceedings including the proceedings disclosed in Note 22 to the Consolidated Financial Statements, *Commitments, Contingencies and Guarantees*. These claims may divert financial and management resources that would otherwise be used to benefit our operations. No assurances can be given that the results of these matters will be favorable to us. An adverse resolution of any of these lawsuits could have a material impact on our financial position and results of operations. In addition, we are sometimes subject to government inquiries and investigations of our business due, among other things, to the heavily regulated nature of our industry and our participation in government programs. Any such inquiry or investigation could potentially result in an adverse ruling against us, which could have a material impact on our financial position and operating. If we are unsuccessful in any action related to this matter, we may be required to pay a significant amount of monetary damages that may be in excess of our insurance coverage.

We do not own most of the program specific intellectual property and tooling used in our business.

Our business depends on using certain intellectual property and tooling that we have rights to use under license grants from our customers. If these licenses are terminated due to a default or otherwise, our

In order to perform on new or maturing programs we may be required to construct or acquire new facilities requiring additional up-front investment costs. In the case of significant program delays and/or program cancellations, we could be required to bear certain unrecoverable construction and maintenance costs and incur potential impairment charges for the new facilities. Also, we may need to expend additional resources to determine an alternate revenue-generating use for the facilities. Likewise, significant delays in the construction or acquisition of a plant site could impact production schedules.

business may be materially affected. In addition, we license some of the intellectual property needed for performance under some of our supply contracts from our customers under those supply agreements. We must honor our contractual commitments to our customers related to intellectual property and comply with infringement laws governing our use of intellectual property. In the event we obtain new business from new or existing customers, we will need to pay particular attention to these contractual commitments and any other restrictions on our use of intellectual property to make sure that we will not be using intellectual property improperly in the performance of such new business. In the event we use any such intellectual property improperly, we could be subject to an infringement or misappropriation claim by the owner or licensee of such intellectual property.

In the future, our entry into new markets may be facilitated by obtaining additional license grants from our customers. If we are unable to negotiate additional license rights on acceptable terms (or at all) from these customers, our ability to enter new markets may be restricted.

Our business could be materially adversely affected by product warranty obligations or defective product claims.

We are exposed to liabilities that are unique to the products and services we provide. Our operations expose us to potential rework obligations, liabilities for warranty or other claims with respect to aircraft components that have been designed, manufactured, or serviced by us or our suppliers. We maintain insurance for certain risks, but the amount of our insurance coverage may not cover all claims or liabilities and we may be forced to bear substantial costs. Material obligations in excess of our insurance coverage (or other third-party indemnification) could have a material adverse effect on our business, financial condition, and results of operations.

In addition, if our products are found to be defective and lacking in quality, or if one of our products causes an accident, our reputation could be damaged and our ability to retain and attract customers could be materially adversely affected.

The profitability of certain programs depends significantly on the assumptions surrounding satisfactory settlement of customer claims and assertions.

For certain of our programs, we regularly commence work or incorporate customer requested changes prior to negotiating pricing terms for engineering work or the product that has been modified. We typically have the contractual right to negotiate pricing for customer directed changes. In those cases, we assert to our customers our contractual rights to obtain the additional revenue or cost reimbursement we expect to receive upon finalizing pricing terms. An expected recovery value of these assertions is incorporated into our contract profitability estimates. Our inability to recover these expected values, among other factors, could result in the recognition of a forward loss on these programs and could have a material adverse effect on our results of operations.

RISKS RELATED TO OUR GOVERNMENTAL AND GLOBAL ACTIVITIES

Our global footprint subjects us to the risks of doing business in foreign countries.

We have activities and operations globally (through wholly owned indirect or direct subsidiaries and joint ventures), including in the United Kingdom, France, Malaysia, Morocco, China and Taiwan. In addition, we derive a significant portion of our revenues from sales by Boeing and Airbus to customers outside the U.S. and, for the twelve months ended December 31, 2022, direct sales to our non-U.S. customers accounted for approximately 24% of our net revenues. We expect that our and our customers' international sales will continue to account for a significant portion of our net revenues for the foreseeable future. As a result, we are subject to risks of doing business internationally, including:

- changes in regulatory requirements applicable to our industry and business, including without limitation, changes in tariffs (imposed or threatened) on imports, including tariffs imposed in a retaliatory manner on U.S. exports, embargoes, export controls, and other trade restrictions or barriers;
- changes in the political, economic, legal, tax and social conditions in the countries we do business in;
- changes in policies and initiatives including with respect to foreign exchange, foreign investment, and government industrial cooperation requirements;
- the ability to secure clearances, approvals or licenses, including any requirements mandated by the U.S. Commerce Department, to maintain the ability to provide product or services to certain countries or customers;
- compliance with foreign labor laws, which generally provide for increased notice, severance and consultation requirements compared to U.S. laws; difficulties enforcing intellectual property and contractual rights in certain jurisdictions; the complexity and necessity of using foreign representatives and consultants;
- uncertainties and restrictions concerning the availability of funding credit or guarantees;
- potential or actual withdrawal or modification of international trade agreements;
- modifications to sanctions imposed on other countries; changes to immigration policies that may present risks to companies that rely on foreign employees or contractors;
- compliance with antitrust and competition regulations;
- differences in business practices;
- the difficulty of management and operation of an enterprise spread over various countries;
- compliance with a variety of foreign laws, as well as U.S. laws affecting the activities of U.S. companies abroad, including the Foreign Corrupt Practices Act, the U.K. Bribery Act and other applicable anti-bribery laws; and
- economic and geopolitical developments and conditions, including domestic or international hostilities, acts of terrorism or war and governmental reactions, inflation, trade relationships, and military and political alliances.

While these factors and the effect of these factors are difficult to predict, adverse developments in one or more of these areas could materially adversely affect our business, financial condition, and results of operations in the future.

Our business is subject to regulation in the U.S. and internationally.

The manufacturing of our products is subject to numerous federal, state, and foreign governmental regulations including related to environmental, health and safety laws and regulations. The number of laws and regulations that are being enacted or proposed by various

governmental bodies and authorities are increasing. Compliance with these regulations is difficult and expensive. If we fail to adhere, or are alleged to have failed to adhere, to any applicable federal, state, or foreign laws or regulations, or if such laws or regulations negatively affect sales of our products, our business, prospects, results of operations, financial condition, or cash flows may be adversely affected by penalties or sanctions or reputational degradation. In addition, our future results could be adversely affected by changes in applicable federal, state, and foreign laws and regulations, or the interpretation or enforcement thereof.

Our operations involve the use of large amounts of hazardous substances and regulated materials and generate many types of wastes, including emissions of hexavalent chromium and volatile organic compounds, and certain chlorinated and brominated hydrocarbon solvents, greenhouse gases such as carbon dioxide. Spills and releases of these materials may subject us to clean-up liability for remediation and claims of alleged personal injury, property damage, and damage to natural resources, and we may become obligated to reduce our emissions of hexavalent chromium, volatile organic compounds and/or greenhouse gases. We cannot give any assurance that the aggregate amount of future remediation costs and other environmental liabilities will not be material.

The Company's chemical milling and vapor degreasing processes use various regulated substances that are identified as TSCA (Toxic Substances Control Act) initial chemicals evaluated in risk assessments prescribed by the Lautenberg Chemical Safety Act in the U.S., and therefore may be subject to additional regulations in the near future. The Company is investigating the use of alternative solvents and processes, including control technologies which may require material expenditures, however this business will remain dependent on the availability, use and cost of these materials for the immediate future. To the extent these alternative solutions are not viable, or any enacted regulation does not provide an exception, there could be material capital expenditures required to comply with elimination of the chemicals used in our current processes.

In connection with prior acquisitions, we may be indemnified or insured, subject to certain contractual limitations and conditions, for certain clean-up costs and other losses, liabilities, expenses, and claims related to existing environmental conditions on the acquired properties. If indemnification or insurance is not sufficient to cover any potential environmental liability, we may be required to make material expenditures.

In the future, contamination may be discovered at or emanating from our facilities or at off-site locations where we send waste. The remediation of such newly discovered contamination, related claims for personal injury or damages, or the enactment of new laws or a stricter interpretation of existing laws, may require us to make additional expenditures, some of which could be material. See Item 1. "Business – Regulatory Matters."

As a manufacturer and exporter of defense and dual-use technical data and commodities, we are subject to U.S. laws and regulations governing international trade and exports, including, but not limited to, the International Traffic in Arms Regulations, administered by the U.S. Department of State, and the Export Administration Regulations, administered by the U.S. Department of Commerce. Collaborative agreements that we may have with foreign persons, including manufacturers and suppliers, are also subject to U.S. export control laws. In addition, we are subject to trade sanctions against embargoed countries, which are administered by the Office of Foreign Assets Control within the U.S. Department of the Treasury. A determination that we have failed to comply with one or more of these export controls or trade sanctions could result in civil or criminal penalties, including the imposition of fines upon us as well as the denial of export privileges

PART I: ITEM 1A. RISK FACTORS

and debarment from participation in U.S. government contracts. Additionally, restrictions may be placed on the export of technical data and goods in the future as a result of changing geopolitical conditions. Any one or more of such sanctions could have a material adverse effect on our business, financial condition, and results of operations.

The U.S. Government is a significant customer of certain of our customers and we and they are subject to specific U.S. Government contracting rules and regulations.

We provide aerostructures to defense aircraft manufacturers. Our defense customers' businesses, and by extension, our business, is affected by the U.S. Government's continued commitment to programs under contract with our customers. Contracts with the U.S. Government generally permit the government to terminate contracts partially or completely, with or without cause, at any time. An unexpected termination of a significant government contract, a reduction in expenditures by the U.S. Government for aircraft using our products, lower margins resulting from increasingly competitive procurement policies, a reduction in the volume of contracts awarded to us, or substantial cost overruns could materially reduce our cash flow and results of operations. We bear the potential risk that the U.S. Government may unilaterally suspend our defense customers or us from new contracts pending the resolution of alleged violations of procurement laws or regulations.

Decline in the U.S. defense budget or change of defense strategies or funding priorities (as a result of political environment, macroeconomic conditions and the ability of the U.S. Government to enact legislation or otherwise) may reduce demand for our defense customers' aircraft or lead to competitive procurement conditions, which may reduce our defense business sales or margins. Further, changes in U.S. Government procurement policies, regulations, initiatives and requirements may adversely impact our ability to grow our defense business.

RISKS RELATED TO EMPLOYMENT MATTERS

In order to be successful, we must attract, retain, train, motivate, develop and transition key employees, and failure to do so could harm our business.

In order to be successful, we must attract, retain, train, motivate, develop, and transition qualified executives and other key employees, including those in managerial, manufacturing, and engineering positions. Competition for experienced employees in the aerospace industry, and particularly in Wichita, Kansas, where the majority of our manufacturing and executive offices are located, is intense. The failure to successfully hire executives and key employees or to implement succession plans for executives and key employees, or the loss of any executives and key employees, could have a significant impact on our operations. Further, changes in our management team may be disruptive to our business and any failure to successfully transition and assimilate key new hires or promoted employees could adversely affect our business and results of operations.

In addition, the Company's operations and strategy require that we employ a critical mass of highly skilled employees with industry experience and engineering, technical, or mechanical skills. As the Company experiences an increase in retirements, the level of skill replacing our experienced workers is being impacted due to the availability of skilled labor in the market and low unemployment rates. Our inability to attract and retain skilled employees may adversely impact our ability to meet our customers' expectations, the cost and schedule of development projects, and the cost and efficiency of existing operations.

We could be required to make future contributions to our defined benefit pension and post-retirement benefit plans and our costs may

The FAA prescribes standards and qualification requirements for aerostructures, including virtually all commercial airline and general aviation products, and licenses component repair stations within the U.S. Comparable agencies, such as the EASA in Europe, regulate these matters in other countries. If we fail to qualify for or obtain a required license for one of our products or services or lose a qualification or license previously granted, the sale of the subject product or service would be prohibited by law until such license is obtained or renewed and our business, financial condition, and results of operations could be materially adversely affected. In addition, designing new products to meet existing regulatory requirements and retrofitting installed products to comply with new regulatory requirements can be expensive and time consuming.

A FCL is required for a company to be awarded and perform on classified contracts for the Department of Defense ("DOD") and certain other agencies of the U.S. Government. If we were to violate the terms and requirements of the NISPOM or any other applicable U.S. Government industrial security regulations, we could lose our FCLs. We cannot give any assurance that we will be able to maintain our FCLs. If for some reason our FCLs are invalidated or terminated, we may not be able to continue to perform under our classified contracts in effect at that time, and we would not be able to enter into new classified contracts, which could adversely affect our revenues.

Under applicable federal regulations for defense contractors, we are required to comply with the Cybersecurity Maturity Model Certification ("CMMC") program in the next several years and other similar cybersecurity requirements. Compliance with the CMMC is costly and complex. To the extent that we are unable to comply with the CMMC or other requirements, we may be unable to maintain or grow our business with the DOD or its prime customers.

substantially increase in connection with such plans as a result of adverse changes in interest rates and the capital markets, changes in actuarial assumptions and legislative or other regulatory actions.

Our estimates of liabilities and expenses for pensions and other post-retirement benefits incorporate significant assumptions including the rate used to discount the future estimated liability, the long-term rate of return on plan assets, and several assumptions relating to the employee workforce (salary increases, medical costs, retirement age, and mortality). A dramatic decrease in the fair value of our plan assets resulting from movements in the financial markets or a decrease in discount rates may cause the status of our plans to go from an over-funded status to an under-funded status and result in cash funding requirements to meet any minimum required funding levels. Our results of operations, liquidity, or shareholders' equity in a particular period could be affected by a decline in the rate of return on plan assets, the rate used to discount the future estimated liability, or changes in employee workforce assumptions.

As part of the Bombardier Acquisition, the Company acquired Short Brothers plc ("Shorts"), which sponsors the Shorts Pension, a defined benefit pension plan that is closed to new participants. The Shorts Pension closed to the future accrual of additional benefits for current participants at the end of 2021.

Following future valuations of the Shorts Pension's assets and liabilities or following future discussions with the Shorts Pension's trustee, the annual funding obligation and/or the arrangements to ensure adequate funding for the Shorts Pension may change. The future valuations under the Shorts Pension are affected by a number of

PART I: ITEM 1A. RISK FACTORS

assumptions and factors, including legislative or other regulatory changes; assumptions regarding interest rates, currency rates, inflation, mortality, and retirement rates; the investment strategy and performance of the Shorts Pension's assets; and actions by the U.K. Pensions Regulator. Recent volatile economic conditions have increased the risk that the funding requirements increase following the next triennial valuation. The U.K. Pensions Regulator also has powers under the Pensions Act 2004 to impose a contribution notice or a financial support direction on Shorts (and other persons connected with the Company or Shorts) if, in the case of a contribution notice, the U.K. Pensions Regulator reasonably believes such person has been party to an act, or deliberate failure to act, intended to avoid pension liabilities or that is materially detrimental to the pension plan, or, in the case of a financial support direction, if a plan employer is a service company or insufficiently resourced and the Pensions Regulator considers it is reasonable to act against such a person. A significant increase in the funding requirements for Shorts Pension could result in the imposition of additional financial contributions to the Shorts Pension and, if such required contributions are significant, could have a material adverse effect on Shorts or our business, financial condition, and results of operations.

Increases in labor costs, potential labor disputes, and work stoppages at our facilities or the facilities of our suppliers or customers could materially adversely affect our financial performance.

Our financial performance is affected by the availability of qualified personnel and the cost of labor. A majority of our workforce is represented by unions. If we were unable to renew major labor agreements at expiration, or if our workers were to engage in a strike, work stoppage, or other slowdown, we could experience a significant disruption of our operations, which could cause us to be unable to deliver products to our customers on a timely basis and could result in a breach of our supply agreements. This could result in a loss of business and an increase in our operating expenses, which could have a material adverse effect on our business, financial condition, and results of operations. In addition, our non-unionized labor force may become subject to labor union organizing efforts, which could cause us to incur additional labor costs and increase the related risks that we now face.

Due to the receipt of occasional government incentives, we have certain commitments to keep our programs in their current locations. This may prevent us from being able to offer our products at prices that are competitive in the marketplace and could have a material adverse effect on our ability to generate new business.

In addition, many aircraft manufacturers, airlines, and aerospace suppliers have unionized work forces. Any strikes, work stoppages, or slowdowns experienced by aircraft manufacturers, airlines, or aerospace suppliers could reduce our customers' demand for additional aircraft structures or prevent us from completing production of our aircraft structures.

RISKS RELATED TO OUR DEBT, LIQUIDITY, FINANCIAL ESTIMATES AND TAXES

Declines in our financial condition or expected performance or reductions in our credit ratings could limit the Company's ability to obtain future financing, increase its borrowing, adversely affect the market price of its securities, or otherwise impair its business, financial condition, and results of operations.

Our business requires significant capital. A decline in our financial condition or expected performance for any reason could limit our ability to access the credit and capital markets, increase our borrowing costs, and/or affect the market price of our securities. There can be no assurance that we will be able to access the capital or credit markets or, if we do have such access, that it will be on favorable terms.

As of December 31, 2022 our corporate credit ratings were B by Standard & Poor's Global Ratings, and B2 by Moody's Investors Service, Inc. These ratings and our current credit condition affects, among other things, our ability to access new capital. Negative changes to these ratings have in the past resulted in, and may in the future result in, more stringent covenants and higher interest rates under the terms of any new debt.

The ratings reflect, among other things, the agencies' assessment of our ability to pay interest and principal on our debt securities and credit agreements. A rating is not a recommendation to purchase, sell, or hold securities. Each rating is subject to revision or withdrawal at any time by the assigning rating organization. Each rating agency has its own methodology for assigning ratings and, accordingly, each rating should be considered independently of all other ratings. Lower ratings would typically result in higher interest costs of debt securities when they are sold, could make it more difficult to issue future debt securities, could require us to provide creditors with more restrictive covenants, which would limit our flexibility and ability to pay dividends and may require us to pledge additional collateral under our credit facility. Any downgrade in our credit ratings could have a material adverse effect on our business or financial condition.

Limitations on our ability to access the capital or credit markets, unfavorable terms or general reductions in liquidity may adversely and materially impact our business, financial condition, and results of operations.

Our debt could adversely affect our financial condition and our ability to operate our business due to significant restrictions in our Credit Agreement, which could also adversely affect our operating flexibility and put us at a competitive disadvantage.

As of December 31, 2022, we had total debt of \$3,868.6 million. In addition to our debt, as of December 31, 2022, we had \$13.9 million of letters of credit and letters of guarantee outstanding.

Our significant indebtedness could adversely affect our business, results of operations and financial condition in a number of ways by, among other things:

- making it more difficult for us to satisfy our obligations with respect to our debt;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, strategic acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our financial flexibility in planning for and reacting to changes in the industry in which we compete;
- having a material adverse effect on us if we fail to comply with the covenants in the Credit Agreement or in the indentures governing our long-term bonds or in the instruments governing our other debt; and
- increasing our cost of borrowing.

The terms of our Credit Agreement impose significant restrictions on us, and subject to certain exceptions, limit our ability, among other things, to:

- incur additional debt or issue preferred stock with certain terms;
- pay dividends or make distributions to our stockholders over certain amounts;
- repurchase or redeem our capital stock;

PART I: ITEM 1A. RISK FACTORS

- make investments;
- incur liens;
- enter into transactions with our stockholders and affiliates;
- sell certain assets;
- acquire the assets of, or merge or consolidate with, other companies;
- incur restrictions on the ability of our subsidiaries to make distributions or transfer assets to us; and
- enter into strategic transactions.

We cannot assure you that we will be able to maintain compliance with the covenants in the agreements governing our indebtedness in the future or, if we fail to do so, that we will be able to obtain waivers from the lenders and/or amend the covenants. Additionally, the terms of any future indebtedness we may incur could include more restrictive covenants. If we incur additional debt, the risks related to our high level of debt could intensify.

In addition, if we are unable to generate sufficient cash flow to service our debt and meet our other commitments, we may need to refinance all or a portion of our debt, sell material assets or operations, or raise additional debt or equity capital. We cannot provide assurance that we could affect any of these actions on a timely basis, on commercially reasonable terms or at all, or that these actions would be sufficient to meet our capital requirements. In addition, the terms of our existing or future debt agreements may restrict us from effecting certain or any of these alternatives.

We use estimates in accounting for revenue and cost for our contracts. Changes in our estimates could adversely affect our future financial performance.

The Company recognizes revenue using the principles of Accounting Standards Codification ("ASC") Topic 606, Revenue from contracts with customers ("ASC 606"), and estimates revenue and cost for contracts that span a period of multiple years. This method of accounting requires judgment on a number of underlying assumptions to develop our estimates such as favorable trends in volume, learning curve efficiencies, and future pricing from suppliers that reduce our production costs. However, several factors may cause the costs we incur in fulfilling these

RISKS RELATED TO OUR COMMON STOCK

We cannot assure you that we will declare and pay cash dividends on our Common Stock at historical levels or at all.

In 2020, the Company announced that its Board of Directors, or Board, reduced its quarterly dividend to a penny per share to preserve liquidity, and in the fourth quarter of 2022, the Board decided to suspend the Company's quarterly cash dividend. We cannot assure you that we will resume declaring and paying cash dividends on our Common Stock at historical levels or at all. The Board regularly evaluates the Company's capital allocation strategy and dividend policy. Any future determination to pay dividends will be at the discretion of our Board and will depend upon, among other factors, our results of operations, financial condition, capital requirements and contractual restrictions, including the requirements of financing agreements to which we may be a party. No assurance can be given that cash dividends will be declared and paid at historical levels or at all.

Spirit Holdings' certificate of incorporation, by-laws and our supply agreements with Boeing contain provisions that could discourage others from acquiring us and may prevent attempts by our stockholders to replace or remove our current management.

contracts to vary substantially from our original estimates such as technical problems, delivery reductions, materials shortages, supplier difficulties, realization targets, existence and execution of factory recovery plans caused by these factors, and other factors. Other than certain increases in raw material costs that can generally be passed on to our customers, in most instances we must fully absorb cost overruns. Due to the significant length of time over which some revenue streams are generated, the variability of future period estimated revenue and cost may be adversely affected if circumstances or underlying assumptions change. Our estimated costs have exceeded our estimated revenues under a fixed-price contract in the past, and we have been required to recognize a forward loss on the affected program, which has had a material adverse effect on our results of operations, and this could recur in the future. The risk particularly applies to products such as the B787, A220, and A350, in that our performance at the contracted price depends on our being able to achieve production cost reductions as we gain production efficiencies. Further production rate changes or claims relating to inspection and rework requests may result in additional incremental forward loss charges.

Further, some of our long-term supply agreements, such as the Sustaining Agreement and the B787 Agreement, provide for the re-negotiation of established pricing terms at specified times in the future. If such negotiations result in costs that exceed our revenue under a fixed-price contract, or operating margins that are lower than our current margins, we may need to recognize a forward loss on the affected program, which could have a material adverse effect on our results of operations.

Additionally, variability of future period estimated revenue and cost may result in recording additional valuation allowances against future deferred tax assets, which could adversely affect our future financial performance.

We may not be able to generate sufficient taxable income to fully realize our deferred tax assets.

At December 31, 2022, we have recognized a valuation allowance against nearly all of our net deferred tax assets. Changes that are adverse to the Company could result in the need to record additional deferred tax asset valuation allowances resulting in a charge to results of operations and a decrease to total stockholders' equity.

Provisions of Spirit Holdings' certificate of incorporation and by-laws may discourage, delay, or prevent a merger or acquisition that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace or remove our current Board. These provisions include:

- advance notice requirements for nominations for election to the Board or for proposing matters that can be acted on by stockholders at stockholder meetings; and
- the authority of the Board to issue, without stockholder approval, up to 10 million shares of preferred stock with such terms as the Board may determine.

In addition, our supply agreements with Boeing include provisions giving Boeing the ability to terminate the agreements in the event any of certain disqualified persons acquire a majority of Spirit's direct or indirect voting power or all or substantially all of Spirit's assets. See Item 1. "Business – Our Relationship with Boeing."

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. SIGNIFICANT PROPERTIES

The location, primary use, approximate square footage and ownership status of our principal properties as of December 31, 2022 are set forth below:

Location	Primary Use	Approximate Square Footage	Owned/Leased
United States			
Wichita, Kansas ⁽¹⁾	Primary Manufacturing Facility/Offices/Warehouse	12.7 million	Owned/Leased
Tulsa, Oklahoma	Manufacturing Facility	1.7 million	Leased
Kinston, North Carolina	Primary Manufacturing/Office/Warehouse	851,000	Leased
Dallas, Texas	Manufacturing	199,000	Leased
Biddeford, Maine	Manufacturing	189,000	Owned/Leased
Woonsocket, Rhode Island	Manufacturing	78,000	Owned/Leased
United Kingdom			
Prestwick, Scotland	Manufacturing Facility	1.0 million	Owned
Belfast, Northern Ireland	Manufacturing Facility/Offices	3.1 million	Owned/Leased
Malaysia			
Subang, Malaysia	Manufacturing	386,000	Owned/Leased
France			
Saint-Nazaire, France	Primary Manufacturing/Office	75,000	Leased
Africa			
Casablanca, Morocco	Primary Manufacturing	312,000	Owned

⁽¹⁾88% of the Wichita facility is owned.

Our physical assets consist of 20.6 million square feet of building space located on 1,498 acres in 11 facilities. Production across our Commercial, Defense & Space, and Aftermarket segments is located in our primary manufacturing facility located in Wichita, Kansas. Additional Commercial segment work is produced at our Tulsa, Oklahoma; Kinston, North Carolina; Saint Nazaire, France; Prestwick, Scotland; Belfast, Northern Ireland; Subang, Malaysia and Casablanca, Morocco facilities. Additional Defense & Space work is produced at our Tulsa, Oklahoma; Biddeford, Maine; Woonsocket, Rhode Island; Prestwick, Scotland and Belfast, Northern Ireland facilities. Additional Aftermarket segment work is produced at our Tulsa, Oklahoma; Kinston, North Carolina; Dallas, Texas; Prestwick, Scotland; Belfast, Northern Ireland and Casablanca, Morocco facilities.

The Wichita facility, which includes the Company's corporate offices, is comprised of 650 acres, 8.0 million square feet of manufacturing space, 1.8 million square feet of offices and laboratories for the engineering and design group and 2.9 million square feet for support functions and warehouses. The Wichita site has access to transportation by rail, road, and air via the runways of McConnell Air Force Base.

The Tulsa facility consists of 1.7 million square feet of building space set on 147 acres. The Tulsa plant is located five miles from an international shipping port (Port of Catoosa) and is located next to the Tulsa International Airport.

The Wichita and Tulsa manufacturing facilities have significant scale to accommodate the very large structures that are manufactured there, including, in Wichita, entire fuselages. These two U.S. facilities are in close proximity, with approximately 175 miles between Wichita and Tulsa.

The Kinston, North Carolina facility supports the manufacturing of composite panels and wing components. The primary manufacturing site and off-site leased spaces total 318 acres and 851,000 square feet. In addition to the primary manufacturing facility, this includes three additional buildings leased from the North Carolina Global Transpark Authority: a 27,800 square foot warehouse/office supporting receiving needs, a 26,400 square foot warehouse providing tooling storage, and a 121,000 square foot manufacturing facility supporting light manufacturing.

The Dallas, Texas operation is in three leased buildings totaling 199,000 square feet with proximity to the Dallas/Fort Worth logistical

PART I: ITEM 2. SIGNIFICANT PROPERTIES

hub and is within seven miles of the Dallas Love Field Airport. This is a world class MRO/CRO facility that specializes in nacelle and flight control surfaces. The facility has FAA/EASA Part 145 & Part 21G certificates and services customers across the Americas.

The Biddeford, Maine site was purchased in 2020 and consists of 189,000 square feet at two locations on 22 total acres. The primary function of these sites is carbon/carbon composite and thermal protection system manufacturing. An existing short term warehouse lease of 4,000 square feet was terminated in February 2022 and a replacement long term warehouse lease of 6,000 square feet commenced during that same month.

The Woonsocket, Rhode Island site was acquired in late November 2022. The subsidiary, Spirit AeroSystems Textiles, LLC ("Spirit Textiles"), operates out of two locations within the city totaling 47,000 square feet in one owned building on 4 acres and 31,000 square feet in one leased building, producing carbon/carbon composite parts through fiber reinforcement technology.

The Prestwick facility consists of 1.0 million square feet of building space, comprised of 497,000 square feet of manufacturing space, 291,000 square feet of office and lab space, and 215,000 square feet of warehouse/support space. This facility is set on 93 acres. The Prestwick plant is located within close proximity to the motorway network that provides access between England and continental Europe. It is also easily accessible by air (at Prestwick International Airport) or by sea. A portion of the Prestwick facility is leased to the Regional Aircraft division of BAE Systems and certain other tenants.

The Belfast, Northern Ireland facility consists of seven sites on 203 acres within 12 miles of the main factory at Queens Island totaling 3.1 million square feet. All buildings are Spirit owned, but two sites are on leased acreage. The operations conducted at these sites include machined parts, auto-rieving and major aerostructures final assembly; fabrication and wing assembly for the A220; composite fabrication for multi-programs; sheet metal fabrication, metal bonding, chem-milling, composite parts manufacturing, and panel fabrication and assembly; nacelle production and MRO repair for multi-programs; and engineering services.

The Malaysian manufacturing plant is located at the Malaysia International Aerospace Center in Subang. The 386,000 square foot leased facility is set on 45 acres and is centrally located with easy access to Kuala Lumpur, as well as nearby ports and airports. The facility assembles composite panels for wing components and sub-structures for fuselage.

The Saint-Nazaire, France is set on 9 acres and totals 75,000 square feet. This facility receives center fuselage frame sections for the Airbus A350 XWB from the facility in Kinston, North Carolina. Sections designed and manufactured in North Carolina are shipped across the Atlantic, received in Saint-Nazaire, and assembled before being transported to Airbus.

The Casablanca, Morocco site is set on 7 acres and totals 312,000 square feet with access to the Moroccan aeronautical hub, with the Mohammed V Airport being within two miles of the site. Operations in Casablanca include CRJ nacelle and flight commands, mid-fuselage work on the A220, nacelle work on the A320neo, and mid-fuselage work on the C350.

ITEM 3. LEGAL PROCEEDINGS

Information concerning the litigation and other legal proceedings in which the Company is involved may be found in Note 22 to the Consolidated Financial Statements, *Commitments, Contingencies and Guarantees*, under the sub-heading "Litigation" in this Annual Report and that information is hereby incorporated by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

Listed below are the names, ages, positions held, and biographies of all executive officers of Spirit Holdings. Executive officers hold office until their successors are appointed, or until their death, retirement, resignation, or removal.

Tom Gentile III, 58. Mr. Gentile became President and Chief Executive Officer on August 1, 2016. From April 2016 to July 2016, Mr. Gentile served as Executive Vice President and Chief Operating Officer. From 2014 to April 2016, Mr. Gentile served as President and Chief Operating Officer of GE Capital where he oversaw GE Capital's global operations, IT, and capital planning and served on its board of directors. Mr. Gentile had been employed by GE since 1998, and prior to his most recent position with GE, held the position of President and CEO of GE Healthcare's Healthcare Systems division from 2011 until 2014 and the position of President and CEO of GE Aviation Services from 2008 until 2011. Mr. Gentile received his Bachelor of

Arts degree in economics and Master of Business Administration degree from Harvard University, and also studied International Relations at the London School of Economics.

Mark Suchinski, 56. Mr. Suchinski became Senior Vice President and Chief Financial Officer on January 29, 2020. In this role he is responsible for the overall financial management of the Company, its financial reporting and transparency, and multiple corporate functions including Controllershship and Treasury. He also has responsibility for Contracts, Investor Relations, Strategy, and Mergers and Acquisitions. Mr. Suchinski has been with Spirit since 2006, and most recently, Mr. Suchinski served as Spirit's Vice President, Quality, from August 2019 to January 2020 and as Spirit's Vice President, Boeing 787 Program, from February 2018 to August 2019. Prior to that, Mr. Suchinski served as Spirit Holdings' and Spirit's Vice President, Controller and Principal Accounting Officer from February 2014 to

PART I: ITEM 4. MINE SAFETY DISCLOSURES

February 2018. Prior to February 2014, he held the following roles at Spirit: October 2013 to February 23, 2014 – Vice President, Treasurer and Financial Planning; August 2012 to October 2013 – Vice President, Finance and Treasurer; from July 2010 to August 2012, Vice President, Financial Planning & Analysis and Corporate Contracts; from January 2009 to July 2010, Controller – Fuselage Segment; and from September 2006 to January 2009, Controller – Aerostructures Segment. Prior to joining Spirit in 2006, he was at Home Products International, where he held the position of Corporate Controller from 2000 to 2004 and the position of Vice President and Chief Accounting Officer from 2004 to 2006. Prior to that, he held financial leadership positions of controller and senior finance manager at other companies. He also spent three years in public accounting. Mr. Suchinski received his Bachelor of Science degree in Accounting from DePaul University.

Sean Black, 52. Mr. Black became Senior Vice President, Engineering and R&T on June 1, 2022. Mr. Black joined Spirit AeroSystems in 2016. During his tenure at Spirit, he has held leadership roles as Vice President of Commercial Engineering across all Boeing, Airbus and Rolls Royce programs from January 2021 through May 2022, and as Vice President of Research and Development from September 2016 to January 2021. Mr. Black has over 25 years' experience in the defense and aerospace industries. He started his career in the UK as a Research Engineer at BAE SYSTEMS Advanced Technology Centre and then as Engineering Manager for BAE SYSTEMS Aerostructures business unit. Mr. Black transferred to Airbus with the launch of the A350XWB program where he held a variety of leadership roles both in Europe and the United States spanning the full development lifecycle. Prior to his industrial career he held a Lectureship in Mechanical Engineering at the University of Dundee (Scotland). Mr. Black earned a Bachelor's degree in Mechanical Engineering from the Dundee Institute of Technology (Scotland) and a Doctor of Philosophy in the field of Superabrasives from Liverpool John Moores University, England.

William (Bill) Brown, 60. Mr. Brown became Senior Vice President, Quality and Ops Engineering on June 1, 2022. Previously, Mr. Brown served as Senior Vice President, Boeing Programs from 2018 to 2022 and as Senior Vice President and General Manager, Oklahoma Operations, Business and Regional Jets and Global Customer Support from 2014 to 2018. Mr. Brown assumed responsibility of Oklahoma Operations in December 2014 and responsibility of Business and Regional Jets in September 2017. Mr. Brown joined Spirit and Spirit Holdings' in May 2014 as Senior Vice President, Global Customer Support and Services. Previously, Mr. Brown served as Executive Vice President for Global Operations and President for Global Customer Service and Support at Beechcraft from 2007 to May 2014. Prior to joining Beechcraft, Mr. Brown served as President and General Manager of AAR Aircraft Services in Oklahoma and held senior-level positions with Independence Air, Avborne Inc. and Midwest Airlines. Mr. Brown received his Bachelor of Science degree in Aviation Management from Oklahoma State University and his Masters of Business Administration degree from Colorado State University. He also holds an A&P license and is a commercial instrument pilot.

Duane Hawkins, 64. Mr. Hawkins is Executive Vice President of Spirit Holdings' and President, Defense and Space Division of Spirit AeroSystems, Inc., and has served in that role since October 2021. In his role, he leads Spirit's business in the military and space sectors. Prior to that, beginning in October 2018, Mr. Hawkins was Senior Vice President of Defense and Fabrication. Previously, from July 2015 to October 2018, he served as Senior Vice President and General Manager of Boeing, Defense, Business and Regional Jet Programs and Global Customer Support. From July 2013 to June 2015, Mr. Hawkins served as Senior Vice President, Operations. In that position, he had responsibility and oversight for Defense, Supply Chain Management, Fabrication, Global Quality, and Operations, including global footprint, Manufacturing Engineering, Industrial Engineering, and Tooling. Prior to joining Spirit, Mr. Hawkins held several positions at

Raytheon Missile Systems between 2002-2013. Mr. Hawkins served as Vice President, Deputy Air Warfare Systems; Vice President, Deputy Land Combat Systems; and Vice President, Deputy Supply Chain Management and Standard Missile Program Director. From 1994 to 2001, Mr. Hawkins was President of Defense Research Inc. ("DRI"), and from 1993 to 1994 he was Vice President, Engineering at DRI. He was factory manager for Hughes Missile Systems/ General Dynamics from 1991 to 1993, and Chief of Manufacturing Engineering for General Dynamics Missile Systems from 1988 to 1991. Mr. Hawkins holds a Bachelor of Science degree in manufacturing/industrial engineering from Brigham Young University and a Master in Business Administration degree from Regis University. On January 18, 2023 the Company announced that Mr. Hawkins will retire from his role as Executive Vice President and President, Defense and Space Division of Spirit Holdings and Spirit on March 31, 2023 and will be succeeded by Mark Miklos.

Kailash Krishnaswamy, 45. Mr. Krishnaswamy became Senior Vice President of Aftermarket Services in October 2021 and leads Spirit's aftermarket business. Prior to this role, Mr. Krishnaswamy served as Vice President of Mergers and Acquisitions ("M&A"), and China Operations from March 2017 to October 2021. Mr. Krishnaswamy joined Spirit in March 2017 from United Technologies Corporation (UTC) where he was a senior director in Corporate M&A from November 2015 to March 2017. In that role, he was responsible for companywide business and financial strategies including digital transformation, additive manufacturing, capital markets alternatives, divestitures and M&A. His first assignment at UTC was to execute the sale of Sikorsky. Prior to UTC, Mr. Krishnaswamy held investment banking positions at Credit Suisse, where he developed and executed M&A transactions in the Aerospace & Defense sector. He began his career at Honeywell Aerospace providing technology strategy, competitive intelligence, intellectual property and innovation portfolio expertise to internal R&D teams. Mr. Krishnaswamy is a graduate of the Indian Institute of Technology, Delhi, has a Master of Business Administration from the University of Chicago Booth School of Business, and earned a Ph.D. in mechanical control systems from the University of Minnesota.

Samantha Marnick, 52. Ms. Marnick has served as Spirit and Spirit Holdings' Executive Vice President and Chief Operating Officer since July 28, 2020 and became President, Commercial Division in October 2021. Ms. Marnick oversees Spirit's global commercial aviation operations, including its programs with Airbus and Boeing, business and regional jets, and emerging markets such as eVtol. In addition, she has leadership of Spirit's supply chain, fabrication, tooling, and facilities organizations. From October 1, 2018 to July 28, 2020, Ms. Marnick served as Spirit and Spirit Holdings' Executive Vice President, Chief Administration Officer and Strategy. From August 2016 to October 1, 2018, Ms. Marnick served as Executive Vice President, Chief Administration Officer. From October 2012 to July 2016, Ms. Marnick served as Senior Vice President, Chief Administration Officer. From January 2011 to September 2012, Ms. Marnick served as Senior Vice President of Corporate Administration and Human Resources. From March 2008 to December 2010, Ms. Marnick served as Vice President, Labor Relations and Workforce Strategy, responsible for labor relations, the global human resource project management office, compensation and benefits, and workforce planning. Ms. Marnick previously served as Director of Communications and Employee Engagement from March 2006 to March 2008. Prior to joining the Company, Ms. Marnick was a senior consultant and Principal for Mercer Human Resource Consulting, holding management positions in both the U.K. and in the U.S. Prior to that, Ms. Marnick worked for Watson Wyatt, the U.K.'s Department of Health and Social Security and The British Wool Marketing Board. Ms. Marnick holds a Master degree in Corporate Communication Strategy and Management from the University of Salford.

PART I: ITEM 4. MINE SAFETY DISCLOSURES

Scott McLarty, 53. Mr. McLarty became Senior Vice President of Airbus Programs in 2018, with the addition of the Regional Business Jets Programs in October 2021 after the acquisition of the Bombardier assets. From December 2011 to November 2018, Mr. McLarty was Vice President with responsibility for the Company's UK and Malaysia business units and was responsible for developing the strategy and driving profitable growth in those regions. From 2006-2011 he held the positions of Global Operations & HR Director for Spirit Europe. Mr. McLarty originally joined the Company in April 2006 as part of the acquisition of the UK BAE Systems' Aerostructures business unit which created Spirit AeroSystems (Europe) Ltd. During his time at BAE Systems Mr. McLarty held various senior positions, latterly as Director of Business Improvement, Planning & Support as well as prior roles in Operations, Project Management, Business Improvement, Supply Chain and HR. Throughout his 35 years in the industry, Mr. McLarty has overseen many customer relationships such as Boeing, Airbus, Hawker, BAE Business Jets, Bombardier, Rolls Royce & UK Military programs. Mr. McLarty is a member of the board of directors at the UK Aerospace Growth Partnership (AGP) and the UK Aerospace, Defense, Space & Security Group (ADS Group). Mr. McLarty also held the position of Vice Chair of the Scottish Government's Enterprise & Strategic Skills Board until its conclusion in 2022. He is a Chartered Fellow of the Institute of Personnel Development (FCIPD) and a Fellow of the Royal Aeronautical Society. Mr. McLarty attended Kilmarnock Technical College from 1986-1990 and the Cranfield University School of Management from 1995-1996.. Mr. McLarty also holds a PPL(H) pilots license.

Mindy McPheeters, 49. Ms. McPheeters became Senior Vice President, General Counsel and Corporate Secretary effective March 11, 2021. Ms. McPheeters has been an attorney for the Company since 2015 and held the title of Vice President of Legal and Compliance, Deputy General Counsel until January 2, 2021, when Ms. McPheeters began serving as Interim General Counsel for Spirit. During her tenure at the Company, Ms. McPheeters has also held positions overseeing various aspects of the legal department including litigation, commercial, employment and compliance. Prior to joining the Company, Ms. McPheeters served as legal counsel for Delta Dental of Kansas and was a partner at the law firm Stinson LLP. Ms. McPheeters earned a

Bachelor of Business Administration in Accounting from Wichita State University and her Juris Doctor degree from The University of Kansas.

Justin Welner, 53. Mr. Welner became Senior Vice President and Chief Administration Officer & Compliance Officer in October 2021. In this role, Mr. Welner oversees a number of functional areas for Spirit, including human resources, corporate affairs, information technology, environmental health & safety, sustainability, compliance, and risk management. Mr. Welner previously served as Vice President of Human Resources, Corporate Affairs, Information Technology, CEO Business Management and Strategy; Vice President, Human Resources, Corporate Communications and Environment, Health and Safety and Security; Vice President of Human Resources, Communications and EHS and Vice President of Labor Relations, Compensation and Benefits. Mr. Welner joined Spirit in 2012 from Bombardier Learjet, where he served as Director of Human Resources, overseeing all human resource functions. He held numerous other leadership roles within Learjet Business Aircraft in Wichita, Kansas, during his nearly 20 years with the company. In 2017, Mr. Welner joined the IAM National Pension Fund and the Board of Trustees as an Employer Trustee. He is a former member of WSU Tech's board of directors, and a former board member of the Make-A-Wish foundation. Mr. Welner earned his Bachelor degree in Business Administration from Washburn University and a Master of Business Administration from Wichita State University.

Alan Young, 58. Mr. Young became Senior Vice President, Fabrication and Chief Procurement Officer, on January 27, 2023. Previously, Mr. Young served as Vice President, Fabrication and Chief Procurement Officer since August 2020, and from September 2016 to August 2020, as Vice President, Operations. From November 2013 to September 2016, Mr. Young served as Vice President and Chief Procurement Officer. Prior to joining Spirit in 2013, Mr. Young held various leadership roles at Bombardier, most recently serving as Vice President, Learjet Operations until November 2013. Mr. Young has over thirty years of experience in the aerospace industry. Mr. Young earned a Bachelor of Science degree in Economics from Queen's University in Belfast N. Ireland and a Master degree in Manufacturing Management from the Ulster University, N. Ireland.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Class A common stock, par value \$0.01 per share ("Common Stock"), trades on the New York Stock Exchange under the symbol "SPR." As of January 20, 2023, there were 2,291 holders of record of Common Stock. The closing price on January 20, 2023 was \$32.32 per share as reported by the NYSE.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table represents securities authorized for issuance under equity compensation plans as of December 31, 2022.

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuances Under the Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a) ⁽⁵⁾⁽⁶⁾	(b)	(c)
Restricted Stock Awards			
Equity compensation plans approved by security holders			
■ Omnibus Incentive Plan of 2014 ⁽¹⁾	1,995,818	N/A	2,583,546
■ Employee Stock Purchase Plan ⁽²⁾	—	N/A	616,953
■ Director Stock Plan ⁽³⁾	10,129	N/A	—
■ Supplemental Executive Retirement Plan ⁽⁴⁾	16,023	N/A	—
Equity compensation plans not approved by security holders	—	—	—
Total	2,021,970	—	3,200,499

⁽¹⁾The Omnibus Incentive Plan of 2014, as amended (the "Omnibus Plan"), provides for the issuance of incentive awards to officers, directors, employees, and consultants in the form of restricted stock, restricted stock units, stock appreciation rights, and other equity compensation.

⁽²⁾The Company maintains the Spirit AeroSystems Holdings, Inc. Employee Stock Purchase Plan (as amended, the "ESPP").

⁽³⁾Under the Spirit AeroSystems Holdings, Inc. Amended and Restated Director Stock Plan (as amended, the "DSP"), two non-employee directors are entitled to receive restricted stock units upon their separation from service. Since 2014, no additional shares have been or will be granted under the DSP.

⁽⁴⁾Under the Spirit AeroSystems Holdings, Inc. Supplement Executive Retirement Plan (as amended, the "SERP"), various phantom stock units are outstanding. Any payment on account of units may be made in cash or shares of Common Stock at the sole discretion of Holdings. The SERP was approved by stockholders before our initial public offering in 2006.

⁽⁵⁾Subject securities are not included in weighted average price consideration as they are issuable for no consideration.

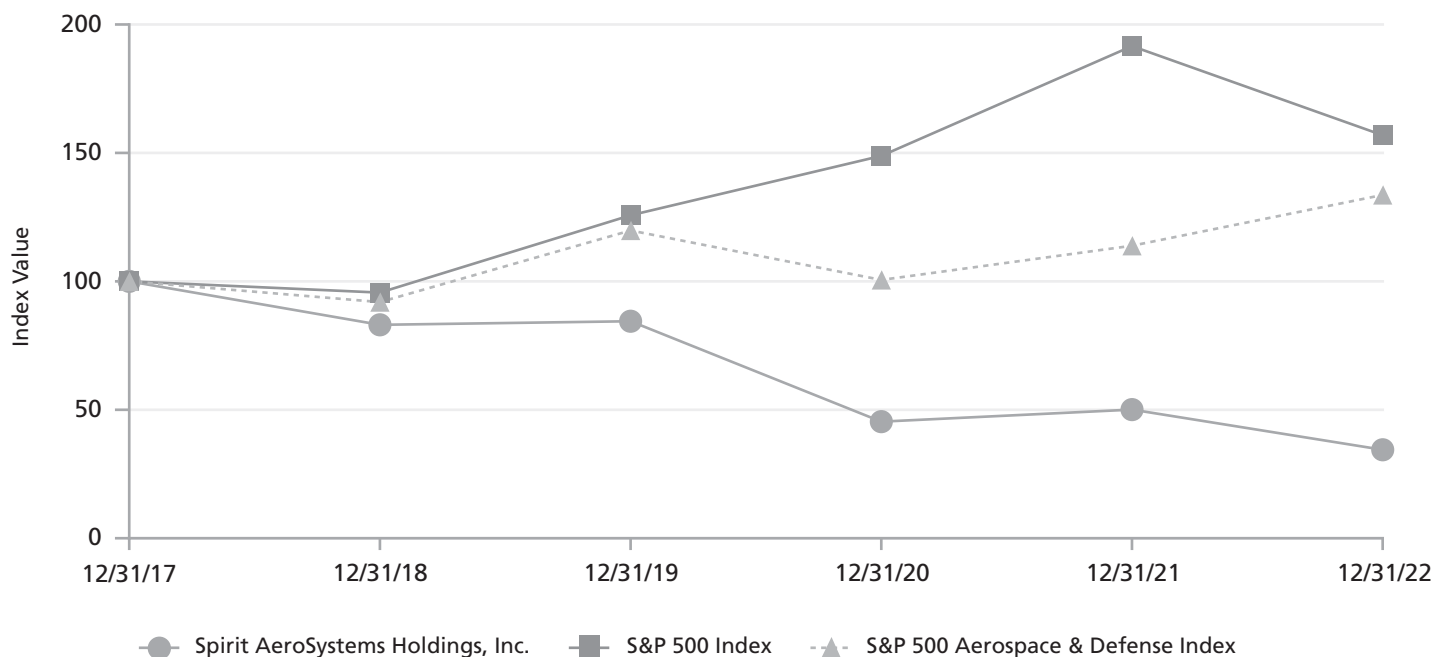
⁽⁶⁾Represents performance-based long-term incentives that may be issued under the Omnibus Plan. For outstanding performance-based awards, the amount shown reflects the additional amount above target to maximum payout. The amount of shares that could be paid out under the performance-based awards ranges from 0-200% based on actual performance. On the initial grant dates for these performance-based awards, the Company grants shares of restricted stock in the amount that would vest if the Company achieves the award target.

PART II: **ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

STOCK PERFORMANCE

The following graph shows a comparison from December 31, 2017 through December 31, 2022 of the cumulative total return of our Common Stock, Standard & Poor’s 500 Stock Index, and the Standard & Poor’s 500 Aerospace & Defense Index. Such returns are based on historical results and are not intended to suggest future performance. We made dividend payments on our Common Stock during the year ended December 31, 2022.

Comparison of Cumulative Five Year Total Returns



INDEXED RETURNS

Company/Index	Years Ending					
	Base Period 12/31/17	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Spirit AeroSystems Holdings, Inc.	100	83.08	84.47	45.38	50.07	34.43
S&P 500 Index	100	95.62	125.72	148.85	191.58	156.88
S&P 500 Aerospace & Defense Index	100	91.93	119.81	100.56	113.86	133.64

DIVIDENDS

On February 6, 2020, the Company announced that its Board of Directors reduced its quarterly dividend to a penny per share to preserve liquidity. On November 3, 2022, the Company announced that the Board had suspended the penny per share dividend. The Board regularly evaluates the Company’s capital allocation strategy and dividend policy. Any future determination to pay dividends will be at the discretion of our Board of Directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements and contractual restrictions, including the requirements of financing agreements to which we may be a party. No assurance can be given that cash dividends will be declared and paid at historical levels or at all.

The Company paid cash dividends of \$0.01 per share of Common Stock in each quarter in 2022. The total amount of dividends paid during 2022 was \$4.2 million.

ISSUER PURCHASES OF EQUITY SECURITIES

The following table provides information about our repurchases during the three months ended December 31, 2022 of our Common Stock that is registered pursuant to Section 12 of the Exchange Act.

PART II: **ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

ISSUER PURCHASES OF EQUITY SECURITIES

Period ⁽¹⁾	Total Number of Shares Purchased ⁽²⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Repurchased Under the Plans or Programs ⁽³⁾
(\$ in millions other than per share amounts)				
September 30, 2022 – November 3, 2022	558	\$ 27.98	—	\$ 925.0
November 4, 2022 – December 1, 2022	4,136	\$ 24.23	—	\$ 925.0
December 2, 2022 – December 31, 2022	1,799	\$ 28.46	—	\$ 925.0
Total	6,493	\$ 25.88	—	\$ 925.0

⁽¹⁾Our fiscal months often differ from the calendar months except for the month of December, as our fiscal year ends on December 31. For example, December 1, 2022 was the last day of our November 2022 fiscal month.

⁽²⁾6,493 shares were transferred to us from employees in satisfaction of tax withholding obligations associated with the vesting of restricted stock awards and restricted stock units under the Omnibus Plan. No purchases were made under our Board-approved share repurchase program, described in footnote (3) below.

⁽³⁾On October 28, 2018, the Board of Directors increased the capacity of our share repurchase program to \$1.0 billion. During the twelve months ended December 31, 2022, the Company repurchased no shares of Common Stock. The total authorization amount remaining under the share repurchase program is \$925.0 million. Share repurchases are currently on hold. The Credit Agreement imposes additional restrictions on the Company’s ability to repurchase shares.

ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and related notes and other financial information appearing in this Annual Report. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report, including information with respect to our plans and strategy for our business and operations, includes forward-looking statements that involve risks and uncertainties. You should review the sections of this Annual Report on Form 10-K captioned “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” for a discussion of important factors that could cause our actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

MANAGEMENT’S FOCUS

For the year ended December 31, 2022, management’s focus was on:

- continued management of the impacts of the COVID-19 pandemic;
- internal and external rate readiness preparedness;
- growth, diversification, and operational execution; and
- safety and quality in the key markets that we serve.

For the year ending December 31, 2023, management’s focus is on:

- realizing production rate increases across all our programs while maintaining a safe workplace and improving quality;
- reducing structural costs in three major areas: operations, supply chain and infrastructure overhead; and
- re-energizing our workforce after four years of managing through the B737MAX grounding and the global pandemic crises to prepare for future growth

GLOBAL ECONOMIC CONDITIONS AND COVID-19

Global economic conditions impact our results of operations. Our business operations depend on, among other things, sufficient OEM orders (without suspension) from airlines and the financial resources of airlines, our suppliers, other companies and individuals.

Energy, freight, raw material and other costs have been impacted by, and may continue to be impacted by, the war in Ukraine. Prolonged global inflationary pressures have also impacted these costs in addition to increased interest costs and labor costs. In certain situations, we have the ability to recover certain abnormal inflationary impacts through contractual agreements with our customers; however, we anticipate that we will experience reduced levels of profitability related

to inflationary impacts until such time as the rate of inflation subsides to normal historical levels. Our associated estimates of such costs, where applicable, use the most recent information available. The economic impact of inflation, together with the impact of increases in interest rates and actions taken to attempt to reduce inflation, may have a significant effect on the global economy, air travel, our supply chain and our customers, and, as a result, on our business.

In addition, Russia’s invasion of Ukraine, the resultant sanctions and other measures imposed by the U.S. and other governments, and other related impacts have resulted in economic and political uncertainty and risks. In response to the Russian invasion of Ukraine, and the

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

associated U.S. sanctions, the Company suspended all sanctioned activities relating to Russia, primarily consisting of sales and service activities. In the twelve months ended December 31, 2022, we recorded an aggregate pre-tax loss of \$29.1 million related to adjustments of certain assets and liabilities associated with sanctioned Russian business activities. The charges are included on the Consolidated Statements of Operations for the twelve months ended December 31, 2022. The suspended activities' impacts to prospective revenues, net income, net assets, cash flow from operations, and the Company's Consolidated Financial Position are not material. Continuation or significant expansion of economic disruption or escalation of the conflict, or other geopolitical events of a similar nature, could have a material adverse effect on orders from our customers, the public's ability or willingness to continue to travel, and/or our results of operations.

During the year ended December 31, 2022, the lingering effects of the COVID-19 pandemic continued to have a significant negative impact on the aviation industry, our customers, and our business globally. Due to the uncertain nature of current conditions around the world, and the capability of conditions to evolve rapidly, we are unable to predict accurately the impact that COVID-19 will have on our business going forward.

We expect that our operating environment will continue to remain dynamic and evolve in 2023. We continue to monitor and evaluate related risks and uncertainties relating to macroeconomic conditions and the COVID-19 pandemic, including the items discussed in Item 1A, "Risk Factors" in this Annual Report on Form 10-K.

B737 Program

The B737 MAX program is a critical program to the Company. For the twelve months ended December 31, 2022, 2021, and 2020 approximately 45%, 35%, and 19% of our net revenues, respectively, were generated from sales of components to Boeing for the B737 aircraft, as compared to 53% for the twelve months ended December 31, 2019, which was the most recent period to exclude impacts from the MAX grounding and the global pandemic crises. While we have entered into long-term supply agreements with Boeing to continue to provide components for the B737 for the life of the aircraft program, including commercial and military P-8 derivatives, Boeing does not have any obligation to purchase components from us for any replacement for the B737 that is not a commercial derivative model as defined by the Special Business Provisions and the General Terms Agreement (collectively, the "Sustaining Agreement") between Spirit and Boeing. The Sustaining Agreement is a requirements contract and Boeing can reduce the purchase volume at any time.

In March 2019, the B737 MAX fleet was grounded in the U.S. and internationally following the 2018 and 2019 accidents involving two B737 MAX aircraft. In November 2020, the FAA issued an order rescinding the grounding of the B737 MAX and published an Airworthiness Directive specifying design changes to be made before the aircraft returned to service. Boeing's deliveries of the B737 MAX resumed in the fourth quarter of 2020. Since November 2020, regulators from Brazil, Canada, the EU, U.K., India, and other countries have taken similar actions to unground the B737 MAX and permit return to service. The Civil Aviation Administration of China, which is the most significant country remaining to allow the B737 MAX to return to service, issued an airworthiness directive in December 2021, directing corrective actions necessary to allow for return to service, and held a special meeting in September 2022 to review the training specifications for the aircraft. In recent months there has been limited passenger flights on the B737 MAX by Chinese carriers, however, no formal timetable has been communicated by the

Civil Aviation Administration of China for formally ungrounding the B737 MAX in China. During the twelve months ended December 31, 2022, Boeing continued to announce orders for the B737 MAX, and air carriers generally continued resuming flights on the aircraft.

We expect that ongoing demand challenges from the B737 MAX grounding will continue to be exacerbated by the COVID-19 pandemic because other programs that mitigate the strain of the lower B737 MAX production rate are producing at lower rates. We expect that domestic air travel demand will continue to improve in the near term with international air travel demand continuing to lag behind. As a result, we expect that the B737 MAX and other narrowbody production rates will recover to pre-pandemic levels before widebody production rates. We expect that air travel demand will continue to improve from 2022 levels, with the overall pace of any recovery of air travel demand dependent on the availability, speed and acceptance of vaccinations, the occurrence and spread of continued COVID-19 mutations, the effectiveness of vaccines on new strains of the COVID-19 virus, and governmental travel restrictions. For additional information, see Item 1A, "Risk Factors".

The 737 MAX 7 and MAX 10 models are currently going through Federal Aviation Administration ("FAA") certification activities. In December 2022, an extension for certification of these two models to December 31, 2024 was granted when the U.S. Congress passed the Fiscal Year 2023 Omnibus Appropriations Bill. If Boeing is unable to achieve certification of these models or the entry into service is inconsistent with current assumptions, future revenues, earnings and cash flows are likely to be adversely impacted.

B787 Program

In the year ended December 31, 2020, production rate decreases from our customer on the B787 program resulted in incremental forward loss charges of \$192.5 million. During the year ended December 31, 2021, the combination of further production rate decreases from our customer and estimated costs of rework and engineering changes resulted in incremental forward loss charges of \$153.5 million. During the year ended December 31, 2022, our estimates for further production rate decreases and build schedule changes, supply chain costs, and other costs, including costs of rework, drove additional forward loss charges of \$93.5 million. Changes to the scope of quality issues and any associated rework may increase or decrease the total estimated loss provision. Additionally, production rate changes, changes in cost assessments, or claims could result in additional incremental forward loss charges. See also Note 22, *Commitments, Contingencies and Guarantees*.

Airbus Programs

In the year ended December 31, 2020, the A350 program recorded forward loss charges of \$147.9 million associated with customer driven production rate changes. During the year ended December 31, 2021, the A350 program recorded forward loss charges of \$55.2 million related to customer driven production rate changes and quality-related costs. The A350 program recorded additional forward loss charges of \$105.7 million for the year ended December 31, 2022. The current year charges include estimated quality-related costs, non-recurring engineering and tooling costs, and additional labor, freight, and other cost requirements driven by parts shortages, production and quality issues, and customer production rate changes. The A220 wing program recorded additional forward losses of \$25 million for the year ended December 31, 2022, primarily related to the bankruptcy of a supplier and associated failure to deliver key parts on the program.

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in accordance with accounting principles generally accepted in the U.S. ("GAAP") requires management to use estimates and assumptions. The results of these estimates form the basis for making judgments that may affect the reported amounts of assets and liabilities, including the impacts of contingent assets and liabilities, and the reported amounts of revenue and expenses during the reporting period. On an ongoing basis, we evaluate our estimates, including those related to inventory, revenue, income taxes, financing obligations, warranties, pensions and other post-retirement benefits, and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Management believes that the quality and reasonableness of our most critical accounting policies enable the fair presentation of our financial position and results of operations. However, the sensitivity of financial statements to these methods, assumptions, and estimates could create materially different results under different conditions or using different assumptions. We believe application of these policies requires difficult, subjective, and complex judgments to estimate the effect of inherent uncertainties. This section should be read in conjunction with Note 3 to the Consolidated Financial Statements, *Summary of Significant Accounting Policies*.

Revenues and Profit Recognition

Revenue is recognized using the principles of ASC 606 ("ASC 606"), *Revenue from contracts with customers*. Revenue is recognized when, or as, control of promised products or services transfers to a customer, and the amount recognized reflects the consideration that the Company expects to receive in exchange for those products or services. See Note 3 to the Consolidated Financial Statements, *Summary of Significant Accounting Policies*, for a further description of revenue recognition under ASC 606. In determining our profits and losses in accordance with this method, we are required to make significant judgments regarding our future costs, variable elements of revenue, the standalone selling price, and other variables. We continually review and update our assumptions based on market trends and our most recent experience. If we make material changes to our assumptions, we may have positive or negative cumulative catch-up adjustments related to revenues previously recognized, and in some cases, we may adjust forward loss reserves. When we experience abnormal production costs such as excess capacity costs the Company expenses the excess costs in the period incurred and reports as segment costs of goods sold. These excess costs (actual and estimated future costs) are excluded from the estimates at completion of our accounting contracts with customers. For a broader description of the various types of risks we face related to new and maturing programs, see Item 1A. "Risk Factors".

Business Combinations and Goodwill

We account for business combinations in accordance with ASC Topic 805, *Business Combinations*. Transaction costs related to business combinations are expensed as incurred. Assets acquired and liabilities assumed are measured and recognized based on their estimated fair values at the acquisition date, any excess of the purchase consideration when compared to the fair value of the net tangible and intangible assets acquired is recorded as goodwill. For material acquisitions, we have engaged independent advisory consultants to assist us with determining the fair value of assets acquired, including goodwill, and liabilities assumed based on established business valuation methodologies. Determining the fair value of assets acquired and liabilities assumed requires significant

judgment, including the amount and timing of expected future cash flows, long-term growth rates and discount rates. In some cases, the Company used discounted cash flow analyses, which were based on our best estimate of future sales, earnings and cash flows after considering such factors as general market conditions, customer budgets, existing firm and future orders, changes in working capital, long term business plans and recent operating performance. Use of different estimates and judgments could yield materially different results. If the initial accounting for the business combination is incomplete by the end of the reporting period in which the acquisition occurs, the business combination is recorded and disclosed on a preliminary basis. Subsequent to the acquisition date, and not later than one year from the acquisition date, adjustments to the initial preliminary recognized amounts are recorded to the extent new information is obtained about the measurement of assets and liabilities that existed as of the date of the acquisition.

The Company assesses goodwill for impairment annually as of the first day of the fourth quarter or more frequently if events or circumstances indicate that the fair value of a reporting unit that includes goodwill may be lower than its carrying value. We test goodwill for impairment by performing a qualitative assessment or quantitative test at the reporting unit level. In performing a qualitative assessment, we evaluate company-specific, market and industry, economic, and other relevant factors that may impact the fair value of our reporting units or the carrying value of the net assets of the respective reporting unit. If we determine that it is more likely than not that the carrying value of the net assets is more than the fair value of the respective reporting unit, then a quantitative test is performed, unless we exercise our option to bypass the qualitative assessment and proceed directly to performing the quantitative goodwill impairment test. Where the quantitative test is used, we compare the carrying value of net assets to the estimated fair value of the respective reporting unit. If the fair value is determined to be less than carrying value, a goodwill impairment loss is recognized for the amount that the carrying amount of the reporting unit, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit.

As of September 29, 2022, the balance of goodwill was \$623.2 million. The goodwill primarily represents the purchase price in excess of the fair value of the net assets acquired and liabilities assumed in connection with the acquisition of Fiber Materials Inc. ("FMI") in the first quarter of 2020, the completion of the acquisition of the outstanding equity of Short Brothers plc ("Shorts") and Bombardier Aerospace North Africa SAS ("BANA"), and substantially all the assets of the maintenance, repair and overhaul business in Dallas, Texas (collectively, the "Bombardier Acquired Businesses"), along with the assumption of certain liabilities of Shorts and BANA (the "Bombardier Acquisition") in the fourth quarter of 2020 and the acquisition of the assets of Applied Aerodynamics, Inc. ("Applied") during the three months ended July 1, 2021. There was no impairment of goodwill for the years ended December 31, 2021 or December 31, 2020. For the year ended December 31, 2022, in accordance with our annual assessment policy, we exercised our option to bypass the qualitative assessment and proceeded directly to performing the quantitative goodwill impairment test as of the beginning of the fourth quarter. Management concluded through the quantitative assessment that the fair value of each of our reporting units exceeded the respective carrying value, and therefore, there was no impairment of the Company's goodwill.

The quantitative goodwill impairment test requires significant use of judgment and assumptions, such as the identification of reporting units, the assignment of assets and liabilities to reporting units, and the determination of fair value of the reporting units. We applied what we

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

believe to be the appropriate valuation methodology for our reporting units to determine the respective fair values, which included a combination of an income approach, derived from discounted cash flows, and a market approach, using the guideline public company method. The principal assumptions utilized in the income approach included management's estimated pro forma financial information, including management's best and most current estimates of the timing and level of production volumes and estimated future margins, long-term growth rates and discount rate. The principal assumptions utilized in the market approach included management's pro forma financial information and selected market multiples. We believe the assumptions and estimates made were reasonable and appropriate. The assumptions were based on our most recent experience, our contractual backlog, and market trends, including projected long-term inflation rate, GDP growth for the U.S. and the long-term growth expectations of the aerospace industry. Margin assumptions include management's best and most current estimates of the potential impacts of continued cost pressures related to inflation and supply chain challenges that have been realized in year 2022, as noted in the *Global Economic Conditions* section above. We determined the discount rate for each of our reporting units using a weighted average cost of capital adjusted for risk factors including risk associated with 737 MAX production growth assumptions, and other industry-specific, market-based and economic factors. Based on the results of our assessment, management believes that the amount of excess fair value over the carrying value of each of our reporting units is sufficient to remain through a range of scenarios that are considered by management to be reasonably likely to occur, however, the variability of the factors used in our assessment depends on a number of conditions, and actual results and forecasts of revenue growth and margins for our reporting units may be impacted by industry, market and business risks and uncertainties including those identified in Item 1A. "Risk Factors". If such factors impact our ability to achieve forecasted revenue growth rates and margins, the fair value of one or more of our reporting units could decrease, which, if significant, may result in an impairment.

Pension

Many of our employees have earned benefits under the defined benefit pension plans. Effective as of December 31, 2005, we had one qualified plan and one nonqualified plan providing supplemental benefits to executives who transferred from a Boeing nonqualified plan to a Spirit plan and elected to keep their benefits in this plan. Both plans are frozen as of the date of the Boeing Acquisition (i.e., no future service benefits are being earned in these plans). The Company intends to fund its qualified pension plan through a trust. Pension assets are placed in trust solely for the benefit of the pension plans' participants and are structured to maintain liquidity that is sufficient to pay benefit obligations. Effective October 1, 2021, the Company spun off a portion of the existing Pension Value Plan ("PVP A"), called PVP B. As part of the PVP B plan termination process, a lump sum offering was provided during 2021 for PVP B participants and the final asset distribution was completed in the first quarter of 2022.

Additionally, in the twelve months ended December 31, 2022 the Company adopted and communicated to participants a plan to terminate the Company's Pension Value Plan A ("PVP A"). During the twelve months ended December 31, 2022, the PVP A plan was amended, providing for an enhancement to benefits the Company is providing to certain U.S. employees in conjunction with the plan termination. The estimated liability impact of this plan amendment, \$73.5 million, was recognized immediately as a non-cash, pre-tax non-operating charge for amortization of prior service costs. The Company recognized additional non-cash, pre-tax non-operating accounting charges of \$34.7 million related to the plan termination, primarily reflecting the accounting for bulk lump-sum payments made in the

fourth quarter of 2022, which resulted in a settlement charge related to the accelerated recognition of the actuarial losses for the PVP A plan that were previously included in the *Accumulated other comprehensive loss* line item in the Stockholders' Equity section of the Company's Balance Sheet.

In 2006, as part of the acquisition of BAE Aerostructures, the Company established a U.K. defined benefit pension plan for those employees based in Prestwick that had pension benefits remaining in BAE Systems' pension plan. Effective December 31, 2013, this Prestwick pension plan was closed and benefits were frozen and thereafter subject only to statutory pension revaluation.

On October 30, 2020, as part of the Bombardier Acquisition, the Company acquired two further defined benefit plans for current and former employees at the Belfast location. As of December 31, 2021, the Company had concluded its consultation and communication with employee and Trade Union representatives on the closure of the largest of the defined benefit plans acquired as part of the Bombardier Acquisition, the Shorts Pension (as defined below). The outcome is that the Shorts Pension was amended and closed to the future accrual of benefits for all employees who are members of the plan, effective December 10, 2021. From December 11, 2021, affected employees will build up future retirement savings in a new defined contribution scheme. For the twelve months ended December 31, 2021, the impact of the closure of the Shorts Pension resulted in a curtailment gain of \$61.0 million. The remaining plan is closed to new hires and the future accrual of benefits, as the final employees accruing service in the plan left Company employment. See Note 17, *Pension and Other Post-Retirement Benefits* for more information. In accordance with legislation, each of the U.K. plans and their assets are managed by independent trustee companies.

Accounting guidance requires an annual measurement of our projected obligation and plan assets. These measurements are based upon several assumptions, including the discount rate and the expected long-term rate of asset return. Future changes in assumptions or differences between actual and expected outcomes can significantly affect our future annual expense, projected benefit obligation and shareholders' equity. The projected benefit obligation and net periodic pension cost are sensitive to discount rates. The projected benefit obligation and net periodic pension cost is sensitive to discount rates. The projected benefit obligation would decrease by \$61.1 million or increase by \$64.6 million if the discount rate increased or decreased by 25 basis points. The 2022 net periodic pension cost would increase by \$4.7 million or decrease by \$5.2 million if the discount rate increased or decreased by 25 basis points at each applicable measurement date. Additionally, net periodic pension cost is also sensitive to changes in the expected long-term rate of asset return. A decrease or increase of 25 basis points in the expected long-term rate of asset return would have increased or decreased 2022 net periodic pension cost by \$8.7 million.

For additional information, see Item 1A. "Risk Factors". We could be required to make future contributions to our defined benefit pension and post-retirement benefit plans as a result of adverse changes in interest rates and the capital markets. Adverse changes in the securities markets or interest rates, changes in actuarial assumptions, and legislative or other regulatory actions could substantially increase the costs of these plans and could result in a requirement to contribute additional funds to the plans.

Income Taxes

Income taxes are accounted for in accordance with Financial Accounting Standards Board ("FASB") authoritative guidance on accounting for income taxes. Deferred income tax assets and liabilities are recognized for the future income tax consequences attributable to

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

differences between the financial statement carrying amounts for existing assets and liabilities and their respective tax bases. Tax rate changes impacting these assets and liabilities are recognized in the period during which the rate change occurs.

Deferred tax assets are periodically evaluated to determine their recoverability and whether or not a valuation allowance is necessary. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized. When determining the amount of net deferred tax assets that are more likely than not to be realized, we assess all available positive and negative evidence. The weight given to the positive and negative evidence is commensurate with the extent to which the evidence may be objectively verified.

This assessment is completed on a taxing jurisdiction and entity filing basis. Based on these criteria and the relative weighting of both the positive and negative evidence available, and in particular the activity surrounding the Company's prior earnings history including the forward losses previously recognized in the U.S. and U.K., management determined that it was necessary to establish a valuation allowance against nearly all of its net U.S. and U.K. deferred tax assets at December 31, 2020. This determination was made as the Company entered into a U.S. cumulative loss position during the first half of 2021, as prior period positive earnings fall outside of the three-year

measurement period. Additionally, all entities of the U.K. operations are in cumulative loss positions after the inclusion of 2022, 2021, and 2020 losses. Once a company anticipates or enters a cumulative three-year loss position, there is a presumption that a company should no longer rely solely on projected future income in determining whether the deferred tax asset is more likely than not to be realized.

We record income tax provision or benefit based on the pre-tax income earned or net loss incurred in each tax jurisdiction and the tax rate applicable to that income or loss. In the ordinary course of business, there are transactions for which the ultimate tax outcome is uncertain. These uncertainties are accounted for in accordance with FASB authoritative guidance on accounting for the uncertainty in income taxes. The final tax outcome for these matters may be different than management's original estimates made in determining the income tax provision. A change to these estimates could impact the effective tax rate and net income or loss in subsequent periods. We use the flow-through accounting method for tax credits. Under this method, tax credits reduce income tax expense. See Note 20 to the Consolidated Financial Statements, *Income Taxes*, for further discussion.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain of our operating data:

	Twelve Months Ended		
	December 31, 2022 ⁽¹⁾	December 31, 2021 ⁽¹⁾⁽²⁾	December 31, 2020 ⁽²⁾
	(\$ in millions)		
Net revenues	\$ 5,029.6	\$ 3,953.0	\$ 3,404.8
Cost of sales	4,981.0	4,070.8	3,845.5
Gross profit (loss)	48.6	(117.8)	(440.7)
Selling, general and administrative	279.2	279.9	237.4
Restructuring cost	0.2	8.2	73.0
Research and development	50.4	53.3	38.8
Loss on disposal of assets	—	—	22.9
Operating loss	(281.2)	(459.2)	(812.8)
Interest expense and financing fee amortization	(244.1)	(242.6)	(195.3)
Other (expense) income, net	(14.1)	146.6	(77.8)
Loss before income taxes and equity in net (loss) income of affiliates	(539.4)	(555.2)	(1,085.9)
Income tax (provision) benefit	(5.2)	17.2	220.2
Loss before equity in net (loss) income of affiliates	(544.6)	(538.0)	(865.7)
Equity in net loss of affiliates	(1.6)	(2.8)	(4.6)
Net loss	\$ (546.2)	\$ (540.8)	\$ (870.3)
Less Noncontrolling interest in earnings of subsidiary	0.5	—	—
Net loss attributable to common shareholders	\$ (545.7)	\$ (540.8)	\$ (870.3)

⁽¹⁾See "Twelve Months Ended December 31, 2022 as Compared to Twelve Months Ended December 31, 2021" for detailed discussion of operating data.

⁽²⁾See "Twelve Months Ended December 31, 2021 as Compared to Twelve Months Ended December 31, 2020" for detailed discussion of operating data.

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Comparative shipset deliveries by model are as follows:

Model	Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
B737	281	162	71
B747	1	6	6
B767	31	34	28
B777	26	23	39
B787	20	37	112
Total Boeing	359	262	256
A220 ⁽¹⁾	60	50	43
A320 Family	591	467	466
A330	27	20	20
A350	48	42	62
Total Airbus	726	579	591
Total Business/Regional Jets	212	181	73
Total	1,297	1,022	920

⁽¹⁾Beginning in 2022, A220 deliveries reflect the number of wing end item deliveries instead of pylon end item deliveries, as previously reported. Year 2021 A220 deliveries have been updated to reflect wing units.

For purposes of measuring production or shipset deliveries for Boeing aircraft in a given period, the term "shipset" refers to sets of structural fuselage components produced or delivered for one aircraft in such period. For purposes of measuring production or shipset deliveries for Airbus A220 aircraft in a given period, the term "shipset" refers to sets of structural wing components produced or delivered for one aircraft in such period. For purposes of measuring production or shipset deliveries for all other Airbus and Business/Regional Jet aircraft in a given period, the term "shipset" refers to all structural aircraft components produced or delivered for one aircraft in such period. Other components that are part of the same aircraft shipsets could be produced or shipped in earlier or later accounting periods than the components used to measure production or shipset deliveries, which may result in slight variations in production or delivery quantities of the various shipset components in any given period.

Net revenues by prime customer are as follows:

Prime Customer	Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
	(\$ in millions)		
Boeing	\$ 3,008.9	\$ 2,206.0	\$ 2,043.8
Airbus	1,098.2	945.6	773.3
Other	922.5	801.4	587.7
Total net revenues	\$ 5,029.6	\$ 3,953.0	\$ 3,404.8

Changes in Estimates

During the twelve months ended December 31, 2022, we recognized unfavorable change in estimates of \$278 million, including forward loss charges of \$250.3 million and unfavorable cumulative catch-up adjustments of \$27.7 million. The forward loss charges were primarily driven by increased cost estimates for production rate decreases and build schedule changes, supply chain costs, costs of rework, and other costs on the B787 program, and additional labor, freight, and other cost requirements driven by parts shortages and production and quality issues, production schedule changes received from our customer, increased freight and utility costs and increased non-recurring engineering and tooling costs on the A350 program. Forward losses were also impacted by technical problems, realization targets, and existence and execution of factory recovery plans caused by the factors listed above and other factors. Additionally, the forward loss charges reflect anticipated production recovery costs related to the bankruptcy of a supplier and associated failure to deliver key parts on the A220 wing program, and, to a lesser extent, increased cost projections on the RB3070, B767, Bombardier Challenger 650, and a partial offset related to the release of a previously recorded forward loss provision that was impacted by the suspension of activities in Russia. Unfavorable cumulative catch-up adjustments were primarily recognized on the B737 MAX and A320 programs. The Boeing B737 MAX program unfavorable cumulative catch-up adjustment reflects increased costs experienced and estimated for production recovery plans, supply chain, raw material, and other costs on the program, driven by production schedule changes, parts shortages, and increased supply chain costs. The A320 program unfavorable cumulative catch-up adjustment was driven

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

by production cost overruns experienced due to operational and supply chain disruptions, and estimates of the impact of production schedule changes, increased material costs, increased freight costs, and increased labor and overhead costs.

During the twelve months ended December 31, 2021, we recognized unfavorable change in estimates of \$246.5 million primarily driven by the impact of reduced production volumes on the B787 and A350 programs and the corresponding amount of fixed overhead absorption applied to lower deliveries, engineering analysis and estimated costs of rework on the B787 program, estimated quality improvement costs on the A350 program, and cost performance on the B767 program. During the twelve months ended December 31, 2020, we recognized unfavorable changes in estimates of \$400.7 million primarily driven by production rate changes on the B787 program from 10 aircraft per month to 5 aircraft per month, production rate changes on the A350 program from 9 aircraft per month to 4 aircraft per month, and rate reductions across all programs due to the COVID-19 pandemic.

Twelve Months Ended December 31, 2022 as Compared to Twelve Months Ended December 31, 2021

Net Revenues. Net revenues for the twelve months ended December 31, 2022 were \$5,029.6 million, an increase of \$1,076.6 million, or 27.2%, compared with net revenues of \$3,953.0 million, for the prior year. The increase in revenue was primarily driven by increased Commercial segment production on the B737 MAX program. The remaining increase was primarily due to greater Commercial segment revenues on A220, A320, business jet and B777 programs, partially offset by a decrease in revenue on the B787 and B747 programs, increased Defense Segment Boeing P-8 production and classified program revenue, and greater Aftermarket Segment sales. Approximately 82% of the Company's net revenues in 2022 came from our two largest customers, Boeing and Airbus.

Deliveries to Boeing increased 97 shipsets to 359 shipsets during the twelve months ended December 31, 2022, compared to 262 shipsets delivered in the prior year. The increase was primarily driven by 119 more B737 MAX deliveries, partially offset by lower deliveries on twin aisle programs, particularly the B787 program, which included 17 fewer deliveries. Deliveries to Airbus increased to 726 shipsets during the twelve months ended December 31, 2022, compared to 579 shipsets delivered in the prior year. The increase of 147 shipsets was primarily driven by 124 more deliveries on the A320 program, and also includes increased shipset deliveries on A220, A330, and A350 programs. Production deliveries of business/regional jet wing and wing components increased to 212 shipsets during the twelve months ended December 31, 2022, compared to 181 shipsets delivered in the prior year.

Gross Profit (Loss). Gross profit for the twelve months ended December 31, 2022 was \$48.6 million, as compared to a gross loss of \$117.8 million for the same period in the prior year, an increase in profit of \$166.4 million. The increase in profit was primarily driven by Commercial segment results, which included profit on the increased B737 MAX production revenue and a lower forward loss charge on the B787 program. The Commercial segment also includes greater profit on the increased B777 sales partially offset by greater forward loss charges on the A350 program and margin deterioration on the A320, A220, and RB3070 programs. Increased gross profit in the Defense Segment was driven by the impact of a lower forward loss charge on the Bell V-280 OTA program, increased profit recognized on the CH53-K program, and profit recognized on the increased Boeing P-8 production revenue. Greater profit in our Aftermarket segment was driven by the increased sales. The variance in profit from the prior year period also includes the impact of the \$29.1 million charge in relation

to the suspension of activities related to customers in Russia, and the impact of lower excess capacity costs that were driven by increased production on the B737 MAX, A220 and A320 programs. In the twelve months ended December 31, 2022, we recognized \$157.3 million of excess capacity production costs driven by production schedule changes on B737 MAX, A220 and A320 programs, \$9.6 million of net workforce adjustments as a result of COVID-19, and (\$29.7) million recognition of the Aviation Manufacturing Jobs Protection Program award which was awarded in the second half of 2021 and was amortized as a reduction to costs of sales through the applicable production period that included the first quarter of the current year, compared to prior year excess capacity cost of \$217.5 million, abnormal costs related to COVID-19 workforce adjustments of \$12.0 million, and (\$32.9) million recognition of the Aviation Manufacturing Jobs Protection Program award. In the twelve months ended December 31, 2022, we recognized \$27.7 million of unfavorable cumulative catch-up adjustments related to periods prior to the twelve months ended December 31, 2022, and \$250.3 million of net forward loss charges. In the twelve months ended December 31, 2021, we recorded \$5.0 million of unfavorable cumulative catch-up adjustments related to periods prior to the twelve months ended December 31, 2021, and \$241.5 million of net forward loss charges.

SG&A and Research and Development. SG&A expense was \$0.7 million lower for the twelve months ended December 31, 2022, as compared to the same period in the prior year, as the comparative impact of a net \$26.6 million charge to SG&A in the prior year period related to a court ruling was partially offset by increased labor and administrative costs. Research and development expense for the twelve months ended December 31, 2022 was \$2.9 million lower as compared to the same period in the prior year.

Restructuring Costs and Disposal of Assets. Restructuring costs were \$8.0 million lower for the twelve months ended December 31, 2022, compared to the same period in the prior year. The variance reflects higher cost-alignment and headcount reduction activity seen in the prior year.

Operating Loss. Operating loss for the twelve months ended December 31, 2022 was \$281.2 million, an improvement of \$178.0 million, compared to operating loss of \$459.2 million for the prior year. The decreased loss includes the impact of greater profit on sales, lower SG&A and R&D expenses, and reduced restructuring costs.

Interest Expense and Financing Fee Amortization. Interest expense and financing fee amortization for the twelve months ended December 31, 2022 increased by \$1.5 million as compared to the prior year. Current year interest expense and financing fee amortization included \$209.5 million of interest and fees paid or accrued in connection with long-term debt and \$14.6 million in amortization of deferred financing costs and original issue discount compared to \$197.4 million of interest and fees paid or accrued in connection with long-term debt and \$8.9 million in amortization of deferred financing costs and original issue discount for the prior year. The increases to debt related interest expense noted above were partially offset by lower interest expense in the current year on the repayable investment agreement with BEIS which was in place in the prior year but fully settled during the current year period (see also Note 23. *Other Income (Expense), Net*).

Other (Expense) Income, net. Other expense for the twelve months ended December 31, 2022 was \$14.1 million, compared to other income of \$146.6 million for the same period in the prior year. The \$160.7 million decrease in other income primarily reflects net pension related expense in the current year period of \$30.2 million versus net pension related income of \$150.1 million in the prior year period. The respective pension income/expense values are separately driven by special accounting impacts related to pension plan

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

termination activities that were respectively undertaken in each period. See also Note 17 *Pension and Other Post-Retirement Benefits*. To a lesser extent, the decrease in other income also reflects a partially offsetting gain in the current period on the settlement of the repayable investment agreement with BEIS (see Note 23. *Other Income (Expense), Net*), relatively higher foreign currency gains in the current year period, and a gain related to the termination of a joint venture agreement in the current year period. Comparatively greater other losses in the current period were recognized related to settlement of hedged foreign currency exchange contracts (see Note 15 *Derivative and Hedging Activities*), increased excise tax related to a pension plan assets reversion in the current period (see

Note 17 *Pension and Other Post-Retirement Benefits*), and increased loss on sale of receivables as compared to the prior year period (see Note 6 *Accounts Receivable and Allowance for Credit Losses*).

Benefit (Provision) for Income Taxes. The income tax expense for the twelve months ended December 31, 2022, was \$5.2 million compared to a benefit of \$17.2 million for the prior year. The 2022 effective tax rate was (1.0%) as compared to 3.1% for 2021. The difference in the effective tax rate recorded for 2022 as compared to 2021 was not substantial, as the effective tax rate was close to zero in each year due to the valuation allowance on deferred taxes coupled with the net operating losses in each period.

Segments. The following table shows segment revenues and operating income for the twelve months ended December 31, 2022, 2021, and 2020:

	Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
	(\$ in millions)		
Segment Revenues			
Commercial	\$ 4,068.4	\$ 3,128.1	\$ 2,711.3
Defense & Space	649.8	585.0	491.3
Aftermarket	311.4	239.9	202.2
	\$ 5,029.6	\$ 3,953.0	\$ 3,404.8
Segment Operating (loss) income⁽¹⁾			
Commercial ⁽²⁾	\$ (82.9)	\$ (220.6)	\$ (620.6)
Defense & Space ⁽³⁾	72.8	44.3	47.0
Aftermarket ⁽⁴⁾	58.5	50.3	37.0
	48.4	(126.0)	(536.6)
Corporate SG&A	(279.2)	(279.9)	(237.4)
Research and development	(50.4)	(53.3)	(38.8)
Total operating (loss) income	\$ (281.2)	\$ (459.2)	\$ (812.8)

⁽¹⁾Inclusive of forward losses, changes in estimate on loss programs and cumulative catch-up adjustments. These changes in estimates for the periods ended December 31, 2022, 2021, and 2020 are further detailed in Note 5, *Changes in Estimates*.

⁽²⁾The twelve months ended December 31, 2022 include the impact of \$24.7 of the total charge, mentioned above, in relation to the suspension of activities in Russia. The twelve months ended December 31, 2022 include excess capacity production costs of \$149.5 related to temporary B737 MAX, A320 and A220 production schedule changes, \$9.6 of temporary workforce adjustment costs as a result of the COVID-19 pandemic net of a U.S. employee retention credit and U.K. government subsidies, and net (\$25.5) of restructuring costs and other costs, including offset of costs related to the Aviation Manufacturing Jobs Protection Program grant ("AMJPP"). The year ended December 31, 2021 includes excess capacity production costs of \$206.7 related to the temporary B737 MAX and A220 production schedule changes, abnormal costs of \$12.0 for workforce adjustments as a result of COVID-19 production pause, net of a U.S. employee retention credit and U.K. government subsidies, \$6.8 of restructuring costs, and a \$35.9 offset related to AMJPP.

⁽³⁾The twelve months ended December 31, 2022 include excess capacity production costs of \$7.8 related to the temporary B737 production schedule changes and \$2.3 offset to costs related to AMJPP. The year ended December 31, 2021 includes excess capacity production costs of \$10.8, \$1.1 of restructuring costs, and a \$3.0 offset related to AMJPP.

⁽⁴⁾The twelve months ended December 31, 2022 include the impact of \$4.4 of the total charge, mentioned above, in relation to the suspension of activities in Russia. The twelve months ended December 31, 2022 includes \$1.9 offset to costs related to AMJPP. The year ended December 31, 2021 includes \$0.3 restructuring costs, and a \$2.2 offset to costs related to AMJPP.

The Commercial, Defense & Space, and Aftermarket segments represented approximately 81%, 13%, and 6%, respectively, of our net revenues for the twelve months ended December 31, 2022. The Commercial, Defense & Space, and Aftermarket segments represented approximately 79%, 15%, and 6%, respectively, of our net revenues for the twelve months ended December 31, 2021. The Commercial, Defense & Space, and Aftermarket segments represented approximately 80%, 14%, and 6%, respectively, of our net revenues for the twelve months ended December 31, 2020.

Commercial Segment. Commercial segment net revenues for the twelve months ended December 31, 2022 were \$4,068.4 million, an

increase of \$940.3 million, or 30.1%, compared to the same period in the prior year. The increase in revenue was primarily due to increased production on the B737 MAX program in the current year period. The remaining increase to prior year revenue included greater Commercial segment revenues on the A220, A320, business jet, B777 and A350 programs, partially offset by a decrease in revenue on the B787 and B747 programs. Commercial segment operating margins were (2%) for the twelve months ended December 31, 2022, compared to (7%) for the same period in the prior year. The increase in margin, compared to the same period in the prior year, was driven by the incremental margin impact of the greater volume of B737 program sales, lower forward losses on the B787 production program, and lower excess

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

capacity costs and restructuring costs, partially offset by the relative impact of greater forward losses on the A350 program, and margin deterioration on the A320, A220, RB3070, and Bombardier business jet programs. The twelve months ended December 31, 2022 include the impact of \$24.7 million of the charge, mentioned above, in relation to the suspension of activities in Russia. The twelve months ended December 31, 2022 include excess capacity production costs of \$149.5 million related to temporary B737 MAX, A320 and A220 production schedule changes, \$9.6 million of temporary workforce adjustment costs as a result of the COVID-19 pandemic net of a U.S. employee retention credit and U.K. government subsidies, and a net partial offset of \$25.5 million, including offset of costs related to partial recognition of the AMJPP grant, net of restructuring and other costs. The year ended December 31, 2021 includes excess capacity production costs of \$206.7 million related to the temporary B737 MAX and A220 production schedule changes, abnormal costs of \$12.0 million for workforce adjustments as a result of COVID-19 production pause, net of a U.S. employee retention credit and U.K. government subsidies, \$6.8 million of restructuring costs, and a \$35.9 million offset to costs related to partial recognition of the AMJPP grant which was awarded in the year 2021. In 2022, the segment recorded unfavorable cumulative catch-up adjustments of \$30.1 million and \$243.9 million of net forward loss charges. The forward loss charges were primarily driven by increased cost estimates for production rate decreases and build schedule changes, supply chain costs, costs of rework, and other costs on the B787 program, and additional labor, freight, and other cost requirements driven by parts shortages and production and quality issues, production schedule changes received from our customer, and increased non-recurring engineering and tooling costs on the A350 program. The forward loss charges also reflect anticipated production recovery costs related to the bankruptcy of a supplier and associated failure to deliver key parts on the A220 wing program, and, to a lesser extent, increased cost projections on the RB3070, B767, Bombardier Challenger 650, and a partial offset related to the release of a previously recorded forward loss provision that was impacted by the suspension of activities in Russia noted above. Unfavorable cumulative catch-up adjustments were primarily recognized on the B737 MAX and A320 programs, reflective of increased costs experienced and estimated for supply chain, raw material, and other costs on the Boeing B737 MAX program, driven by production schedule changes, parts shortages, and increased supply chain and other costs. The A320 program unfavorable cumulative catch-up adjustment was driven by production cost overruns experienced due to operational and supply chain disruptions, and estimates of the impact of production schedule changes, increased material costs, increased freight costs, and increased labor and overhead costs. In comparison, during 2021, the segment recorded unfavorable cumulative catch-up adjustments of \$5.7 million and \$227.3 million of net forward loss charges primarily driven by the impact of reduced production volumes on the B787 and A350 programs and the corresponding amount of fixed overhead absorption applied to lower deliveries, engineering analysis and estimated costs of rework on the B787 program, estimated quality improvement costs on the A350 program, and cost performance on the B767 program.

Defense & Space Segment. Defense & Space segment net revenues for the twelve months ended December 31, 2022 were \$649.8 million, an increase of \$64.8 million, or 11.1%, compared to the same period in the prior year. The increase in revenue was primarily due to increased Boeing P-8 program production, increased classified program revenues, and increased CH-53K revenue, partially offset by lower KC-46 Tanker production. Defense & Space segment operating margins were 11% for the twelve months ended December 31, 2022, compared to 8% for the same period in the prior year. The increase in margin was driven by the incremental margin impact of the greater

volume of Boeing P-8 program sales, lower forward losses on the Bell V-280 OTA program, increased CH-53K profit margin and lower excess capacity costs, partially offset by lower profit margin on classified program revenues. The twelve months ended December 31, 2022 include excess capacity production costs of \$7.8 million related to the temporary B737 production schedule changes and \$2.3 million offset of costs related to AMJPP. The year ended December 31, 2021 includes excess capacity production costs of \$10.8 million, \$1.1 million of restructuring costs, and a \$3.0 million offset related to partial recognition of the AMJPP grant. In 2022, the segment recorded favorable cumulative catch-up adjustments of \$2.4 million and \$6.4 million of net forward loss charges. In comparison, during 2021, the segment recorded favorable cumulative catch-up adjustments of \$0.7 million and \$14.2 million of net forward loss charges.

Aftermarket Segment. Aftermarket segment net revenues for the twelve months ended December 31, 2022 were \$311.4 million, an increase of \$71.5 million, or 29.8%, compared to the same period in the prior year, reflecting greater spare part sales and increased maintenance, repair, and overhaul ("MRO") sales activity. Aftermarket segment operating margins were 19% for the twelve months ended December 31, 2022, compared to 21% for the same period in the prior year. The twelve months ended December 31, 2022 include the impact of \$4.4 million of the total charge, mentioned above, in relation to the suspension of activities in Russia. The twelve months ended December 31, 2022 includes \$1.9 million of offset to costs related to AMJPP. The year ended December 31, 2021 includes \$0.3 million of restructuring costs, and a \$2.2 million offset to costs related to partial recognition of AMJPP.

Twelve Months Ended December 31, 2021 as Compared to Twelve Months Ended December 31, 2020

Net Revenues. Net revenues for the twelve months ended December 31, 2021 were \$3,953.0 million, an increase of \$548.2 million, or 16.1%, compared with net revenues of \$3,404.8 million, for the prior year. The increase was primarily due to increased production volumes on the B737 MAX program, incremental revenues from our A220 wing and Bombardier programs, which were acquired late in 2020, and increased aftermarket revenues, partially offset by lower production on B777, B787, and A350 programs. Approximately 80% of the Company's net revenues in 2021 came from our two largest customers, Boeing and Airbus.

Deliveries to Boeing increased to 262 shipsets during the twelve months ended December 31, 2021, compared to 256 shipsets delivered in the prior year, primarily driven by production increases on the B737 program, partially offset by lower shipset deliveries on the B777 and B787 programs. Deliveries to Airbus decreased to 585 shipsets during the twelve months ended December 31, 2021, compared to 591 shipsets delivered in the prior year, primarily driven by higher A220 deliveries that were more than offset by lower production volumes on the A350 program. Production deliveries of business/regional jet wing and wing components increased to 181 shipsets during the twelve months ended December 31, 2021, compared to 73 shipsets delivered in the prior year, primarily driven by incremental work statement acquired with the Bombardier Acquisition in late 2020.

Gross (Loss) Profit. Gross (loss) profit for the twelve months ended December 31, 2021 was (\$117.8) million, as compared to (\$440.7) million for the same period in the prior year, a decrease in loss of \$322.9 million. The improvement in gross loss reflects an increased volume of B737 MAX production, relatively lower forward loss charges on the B787 and A350 programs as compared to the prior year period, lower excess capacity production costs versus the

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

prior period, partial recognition of the AMJPP grant, and incremental profit from business/regional jet programs that were acquired with the Bombardier Acquisition in late 2020, partially offset by lower margins on the B777 program, increased costs on a non-classified program, and greater warranty expense in the current period.

SG&A and Research and Development. SG&A expense was \$42.5 million higher for the twelve months ended December 31, 2021, as compared to the same period in the prior year, primarily due to a charge related to a 2021 ruling in favor of the Company's former Chief Executive Officer (see Note 22, *Commitments, Contingencies and Guarantees*) and incremental expenses from our recently acquired Belfast site, which was acquired late in the prior year. Research and development expense for the twelve months ended December 31, 2021 reflects increased activity and was \$14.5 million higher as compared to the same period in the prior year.

Restructuring Costs and Disposal of Assets. Restructuring costs were \$64.8 million lower for the twelve months ended December 31, 2021, compared to the same period in the prior year. The variance reflects higher cost-alignment and headcount reduction activity seen in the prior year. The total restructuring costs of \$8.2 million in 2021 largely include costs related to the McAlester and San Antonio site closures. Losses on disposals of assets were \$22.9 million in the prior year, and were related to production decreases, process-related changes and quality improvement initiatives on the B787 and A350 programs.

Operating (Loss) Income. Operating (loss) income for the twelve months ended December 31, 2021 was \$(459.2) million, an improvement of \$353.6 million, compared to operating (loss) income of \$(812.8) million for the prior year. The decreased loss was primarily driven by the decreased gross loss on sales and reductions to restructuring costs mentioned above.

Interest Expense and Financing Fee Amortization. Interest expense and financing fee amortization for the twelve months ended December 31, 2021 increased by \$47.3 million as compared to the prior year. Interest expense and financing fee amortization included \$197.4 million of interest and fees paid or accrued in connection with long-term debt and \$8.9 million in amortization of deferred financing costs and original issue discount compared to \$160.3 million of interest and fees paid or accrued in connection with long-term debt and \$17.5 million in amortization of deferred financing costs and original issue discount for the prior year. The remaining variance from the comparable prior period is driven by interest expense recognized on the repayable investment agreement with BEIS. See also Note 16, *Debt* and Note 28, *Acquisitions*.

Other Income (Expense), net. Other income for the twelve months ended December 31, 2021 was \$146.6 million, compared to other expense of \$77.8 million for the same period in the prior year. The improvement of \$224.4 million during 2021 was primarily driven by a net pension loss recognized in the prior year period related to a voluntary retirement program, whereas 2021 includes net pension income, including a curtailment gain recognized related to the closure of the Shorts Pension to future benefit accrual for current and former employees at the Belfast location. In addition, the prior year results included a relatively large foreign currency loss, relative to a small foreign currency gain in 2021.

Benefit (Provision) for Income Taxes. The income tax benefit for the twelve months ended December 31, 2021, was \$17.2 million compared to a benefit of \$220.2 million for the prior year. The 2021 effective tax rate was 3.1% as compared to 20.3% for 2020. The difference in the effective tax rate recorded for 2021 as compared to 2020 is primarily related to the valuation allowance recorded on the 2021 domestic net operating loss. The 2020 net operating loss did not

have a valuation allowance due to the ability to carryback that net operating loss.

Commercial Segment. Commercial segment net revenues for the twelve months ended December 31, 2021 were \$3,128.1 million, an increase of \$416.8 million, or 15.4%, compared to the same period in the prior year. The increase in revenue was primarily due to increased production volumes on the B737 MAX program and incremental revenues from our A220 wing and Bombardier programs, which were acquired late in 2020, partially offset by lower production on B777, B787, and A350 programs. Commercial segment operating margins were (7%) for the twelve months ended December 31, 2021, compared to (23%) for the same period in the prior year. The decrease in gross loss reflects an increased volume of B737 MAX production, relatively lower forward loss charges on the B787 and A350 programs as compared to the prior year period, lower excess capacity production costs versus the prior period, partial recognition of the AMJPP grant which was awarded in 2021, and incremental profit from business/regional jet programs that were acquired with the Bombardier Acquisition in late 2020, partially offset by higher warranty costs in 2021 and lower margins on the B777 program related primarily to lower production rates. The year ended December 31, 2021 includes excess capacity production costs of \$206.7 million related to the temporary B737 MAX and A220 production schedule changes, abnormal costs of \$12.0 million for workforce adjustments as a result of COVID-19 production pause, net of a U.S. employee retention credit and U.K. government subsidies, \$6.8 million of restructuring costs, and a \$35.9 million offset to costs related to partial recognition of the AMJPP grant. The year ended December 31, 2020 includes excess capacity production costs of \$265.5 million related to the temporary B737 MAX and A220 production schedule changes, abnormal costs of \$33.7 million for workforce adjustments as a result of COVID-19 production pause, net of a U.S. employee retention credit and U.K. government subsidies, and \$64.0 million of restructuring costs. In 2021, the segment recorded unfavorable cumulative catch-up adjustments of \$5.7 million and \$227.3 million of net forward loss charges primarily driven by the impact of reduced production volumes on the B787 and A350 programs and the corresponding amount of fixed overhead absorption applied to lower deliveries, engineering analysis and estimated costs of rework on the B787 program, estimated quality improvement costs on the A350 program, and cost performance on the B767 program. In comparison, during 2020, the segment recorded unfavorable cumulative catch-up adjustments of \$28.9 million related to COVID-19 pandemic related production rate reductions, and \$366.8 million of net forward loss charges primarily due to production rate reductions on the B787 and A350 programs.

Defense & Space Segment. Defense & Space segment net revenues for the twelve months ended December 31, 2021 were \$585.0 million, an increase of \$93.7 million, or 19.1%, compared to the same period in the prior year. The increase in revenue was primarily due to increased KC-46 Tanker production, increased classified program revenues, and increased production of the Boeing B737 program, the contracts for which include P-8 units that are accounted for in the Defense & Space segment. Defense & Space segment operating margins were 8% for the twelve months ended December 31, 2021, compared to 10% for the same period in the prior year, primarily due to increased costs on a non-classified program and a forward loss taken on the Bell V-280 OTA program. The impact of these cost increases was partially offset by margin improvements related to increased Boeing production and lower excess capacity and restructuring costs. The year ended December 31, 2021 includes excess capacity production costs of \$10.8 million, \$1.1 million of restructuring costs, and a \$3.0 million offset related to partial recognition of the AMJPP grant. The year ended December 31, 2020 includes excess capacity production costs of

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

\$13.4 million related to the temporary B737 production schedule changes, and \$3.8 million of restructuring costs. In 2021, the segment recorded favorable cumulative catch-up adjustments of \$0.7 million and \$14.2 million of net forward loss charges. In comparison, during 2020, the segment recorded unfavorable cumulative catch-up adjustments of \$1.5 million \$3.5 million of net forward loss charges.

Aftermarket Segment. Aftermarket segment net revenues for the twelve months ended December 31, 2021 were \$239.9 million, an increase of \$37.7 million, or 18.6%, compared to the same period in the prior

year, primarily reflecting increased MRO revenue from our Belfast, Northern Ireland and Dallas, Texas sites, which were acquired late in the prior period, partially offset by a decrease in spare parts sales from the prior year. Aftermarket segment operating margins were 21% for the twelve months ended December 31, 2021, compared to 18% for the same period in the prior year, primarily due to lower restructuring costs. The year ended December 31, 2021 includes \$0.3 million of restructuring costs, and a \$2.2 million offset to costs related to partial recognition of the AMJPP grant. The year ended December 31, 2020 includes \$5.2 million of restructuring costs.

LIQUIDITY AND CAPITAL RESOURCES

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing, and financing activities. Our principal sources of liquidity are operating cash flows from continuing operations and borrowings to finance our business operations. Our operating cash flows from continuing operations have been adversely impacted by, among other things, the B737 MAX grounding, the COVID-19 pandemic, production rate changes for the B737 MAX program and other programs, supply chain disruptions, labor shortages and cost increases affecting our business. We expect those adverse impacts to continue for 2023 and beyond. For purposes of assessing our liquidity needs in this section, we have assumed that Boeing would not further reduce the B737 MAX production rate and that other customers generally would not further reduce their production rates. For risks that may affect that assumption, see Item 1A "Risk Factors."

As of December 31, 2022, our debt balance was \$3,868.6 million, including \$53.7 million of debt classified as short-term. As of December 31, 2022, we had \$658.6 million of cash and cash equivalents on our Consolidated Balance Sheet, which reflects a decrease of \$820.0 million from the cash and cash equivalents balance of \$1,478.6 million as of December 31, 2021.

Based on current operating trends, we believe our cash on hand and cash flows generated from operations, together with other sources of liquidity and our ability to vary our cost structure, will provide sufficient liquidity for the next twelve months and for the foreseeable future beyond the next twelve months. Beyond the next twelve months, this belief assumes that we will be able to refinance our indebtedness at or prior to maturity with new borrowings or other sources of liquidity. Limitations on our ability to access the capital or credit markets, the cost impacts of additional production rate changes, difficulty with managing costs due to labor shortages, supply chain disruptions, inflation or other factors, or unfavorable terms or general reductions in liquidity, may adversely and materially impact our business, financial condition, and results of operations, and prevent us from being able to meet our obligations as they become due. There can be no assurance that we will be able to access the capital or credit markets or, if we do have such access, that it will be on favorable terms.

Further, we have experienced, and could continue to experience, significant fluctuations in our cash flows from period to period, particularly during the continued uncertainty in the timing of the aviation industry recovery and the current challenging macroeconomic environment. We use our cash for many activities, including operations, capital expenditures, debt service, working capital, and M&A integration activities. While we may be able to modify, defer or eliminate some of these uses to manage our cash consumption, other uses are relatively fixed and are difficult to modify in the short-term.

In connection with the Company's acquisition of select assets of Bombardier aerostructures and aftermarket services businesses on October 30, 2020, the Company acquired certain liabilities as previously disclosed including financial payment obligation under a

repayable investment agreement with the U.K.'s Department for Business, Energy and Industrial Strategy. The repayable investment obligation, which was denominated in GBP, was included on the Company's Consolidated Balance Sheet as of December 31, 2021, as \$41.7 million recorded to other current liabilities and \$301.9 million recorded to Other non-current liabilities. In January 2022, the Company made repayments of \$25.6 million to the UK's Department for Business Energy and Industrial Strategy for units sold, including interest, in respect to the agreement. In April 2022, the deed of release settled the remaining outstanding repayment obligation in exchange for a payment of \$292.8 million. The portion of the payments related to interest expense and the portion of the payments related to principal repayment are included in net cash used in operating activities and net cash used in financing activities, respectively, on the Company's Consolidated Statement of Cash Flows for the period ended December 31, 2022.

Credit Agreement

On October 5, 2020, Spirit entered into a term loan credit agreement (the "Credit Agreement") providing for a \$400.0 million secured term loan B credit facility with the lenders party thereto and Bank of America, N.A., as administrative agent and collateral agent. On October 5, 2020 Spirit borrowed the full \$400.0 million of initial term loans available under the Credit Agreement. The Credit Agreement also permits Spirit to request one or more incremental term facilities in an aggregate principal amount not to exceed (x) in the case of any incremental facility that is secured on a pari passu basis with the Credit Agreement, the greater of (a) \$950.0 million and (b) such other amount, so long as on a pro forma basis after giving effect to the incurrence of such indebtedness and the use of proceeds thereof, the first lien secured net leverage ratio does not exceed 3.25 to 1.00; and (y) in the case of any incremental facility that is secured on a junior basis to the Credit Agreement, the greater of (a) \$500.0 million and (b) such other amount, so long as on a pro forma basis after giving effect to the incurrence of such indebtedness and the use of proceeds thereof, the secured net leverage ratio does not exceed 5.00 to 1.00. On November 15, 2021, the Company entered into a first refinancing, incremental assumption and amendment agreement (the "November 2021 Amendment") to the Credit Agreement. The November 2021 Amendment provides for, among other things, (i) the refinancing of the \$397.0 million aggregate principal amount of term loans outstanding under the Credit Agreement immediately prior to the effectiveness of the November 2021 Amendment with term loans in an equal principal amount with a lower interest rate (the "Repriced Term Loans") and (ii) an incremental term loan facility of \$203.0 million in aggregate principal amount with the same terms as the Repriced Term Loans. On November 23, 2022, the Company entered into a second refinancing amendment (the "November 2022 Amendment") to the Credit Agreement (the Credit Agreement, as amended by the November 2021 Amendment and the November 2022 Amendment, the "Amended Credit Agreement"). The November 2022 Amendment

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

provides for, among other things, the refinancing of the \$594.0 million aggregate principal amount of term loans outstanding under the Credit Agreement immediately prior to the effectiveness of the November 2022 Amendment (the "Existing Term Loans") with term loans in an equal principal amount with a later maturity date (the "New Term Loans"). The proceeds of the New Term Loans were used to refinance the Existing Term Loans. The New Term Loans will mature on January 15, 2027. The New Term Loans bear interest at a rate ranging between Term SOFR plus 4.25% and Term SOFR plus 4.50% (or, at Spirit's option, between base rate plus 3.25% and base rate plus 3.50%, as applicable) with the margin varying based on Spirit's first lien secured gross leverage ratio. The obligations under the Amended Credit Agreement are guaranteed by Holdings and Spirit AeroSystems North Carolina, Inc., a wholly-owned subsidiary of the Company ("Spirit NC", and together with Holdings, the "Guarantors"), and each existing and future, direct and indirect, wholly-owned material domestic subsidiary of Spirit, subject to certain customary exceptions. The obligations are secured by a first-priority lien with respect to substantially all assets of Spirit and the Guarantors, subject to certain exceptions.

The Amended Credit Agreement contains usual and customary affirmative and negative covenants for facilities and transactions of this type and that, among other things, restrict the Company and its restricted subsidiaries' ability to incur additional indebtedness, create liens, consolidate or merge, make acquisitions and other investments, guarantee obligations of third parties, make loans or advances, declare or pay certain dividends or distributions on the Company's stock, redeem or repurchase shares of the Company's stock, engage in transactions with affiliates and enter into agreements restricting the Company's subsidiaries' ability to pay dividends or dispose of assets. These covenants are subject to a number of qualifications and limitations.

The Amended Credit Agreement provides for customary events of default, including, but not limited to, failure to pay principal and interest, failure to comply with covenants, agreements or conditions, and certain events of bankruptcy or insolvency involving the Company and its material subsidiaries.

As a result of the modification and extinguishment of the Company's prior credit agreement, the Company recognized a loss on extinguishment of \$7.2 million, recorded to the *Interest expense and financing fee amortization* line item for the twelve months ended December 31, 2022, on the Company's Consolidated Statement of Operations, of which \$4.6 million is reflected within the *Amortization of deferred financing fees* line item in operating activities and \$2.6 million is reflected within the *Payment of debt extinguishment costs* line item under financing activities on the Consolidated Statement of Cash Flows for the twelve months ended December 31, 2022.

First Lien 2029 Notes

On November 23, 2022, Spirit entered into an Indenture (the "First Lien 2029 Notes Indenture"), by and among Spirit, the Guarantors, and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent, in connection with Spirit's offering of \$900 million aggregate principal amount of its 9.375% Senior Secured First Lien Notes due 2029 (the "First Lien 2029 Notes"). The First Lien 2029 Notes were issued and sold in a private placement to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and in offshore transactions to non-U.S. persons pursuant to Regulation S under the Securities Act.

The First Lien 2029 Notes mature on November 30, 2029 and bear interest at a rate of 9.375% per year payable semiannually in cash in

arrears on May 30 and November 30 of each year. The first interest payment date is May 30, 2023. The First Lien 2029 Notes are guaranteed by the Guarantors, and each existing and future, direct and indirect, wholly-owned material domestic subsidiary of the Company, subject to certain customary exceptions. The First Lien 2029 Notes are secured by a first-priority lien with respect to substantially all assets of Spirit and the Guarantors, subject to certain exceptions.

The First Lien 2029 Notes Indenture contains covenants that limit Spirit's, the Company's and the Company's subsidiaries' ability, subject to certain exceptions and qualifications, to incur indebtedness secured by liens, enter into sale and leaseback transactions, make restricted payments and investments and enter into certain mergers or consolidations and transfer substantially all of the Company and its subsidiaries' assets. These covenants are subject to a number of qualifications and limitations. In addition, the Indenture provides for customary events of default.

As of December 31, 2022, the outstanding balance of the First Lien 2029 Notes was \$900.0 million and the carrying value was \$887.2 million.

First Lien 2025 Notes

On October 5, 2020, Spirit entered into an Indenture (the "First Lien 2025 Notes Indenture"), by and among Spirit, the Guarantors, and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent, in connection with Spirit's offering of \$500.0 million aggregate principal amount of its 5.500% Senior Secured First Lien Notes due 2025 (the "First Lien 2025 Notes").

The First Lien 2025 Notes were issued and sold in a private placement to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and in offshore transactions to non-U.S. persons pursuant to Regulation S under the Securities Act.

The First Lien 2025 Notes mature on January 15, 2025 and bear interest at a rate of 5.500% per year payable semiannually in cash in arrears on January 15 and July 15 of each year. The first interest payment date is January 15, 2021.

The First Lien 2025 Notes are guaranteed by the Guarantors and were initially secured by a first-priority lien with respect to substantially all assets of Spirit and the Guarantors, subject to certain exceptions.

The First Lien 2025 Notes Indenture initially contained covenants that limit Spirit's, the Company's and the Company's subsidiaries' ability, subject to certain exceptions and qualifications, to incur indebtedness secured by liens, enter into sale and leaseback transactions, make restricted payments and investments and enter into certain mergers or consolidations and transfer substantially all of the Company and its subsidiaries' assets. These covenants are subject to a number of qualifications and limitations. In addition, the First Lien 2025 Indenture provides for customary events of default.

In the fourth quarter of 2022, Spirit purchased \$479.2 million in aggregate principal amount of its outstanding First Lien 2025 Notes for cash pursuant to a tender offer (the "Tender Offer"). As of December 31, 2022, the outstanding balance of the First Lien 2025 Notes was \$20.8 million and the carrying value was \$20.7 million. In connection with the Tender Offer, Spirit received the requisite consents from holders of the 2025 First Lien Notes necessary to approve amendments to the 2025 First Lien Notes Indenture, to, among other things, eliminate certain of the restrictive covenants and events of default contained in the 2025 First Lien Notes Indenture (the "Majority Amendments") and terminate the security interest and release the collateral under the 2025 First Lien Notes Indenture (the "Collateral Release Amendments"). Spirit, the Company, Spirit NC and The Bank

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

of New York Mellon Trust Company, N.A. entered into the First Supplemental Indenture, dated as of November 23, 2022, to the 2025 First Lien Notes Indenture, which effects (i) the Majority Amendments and (ii) the Collateral Release Amendments, in each case, as of November 23, 2022. As of December 31, 2022, the First Lien 2025 Notes are unsecured and the First Lien 2025 Notes Indenture no longer includes covenants that limit Spirit's, the Company's and the Company's subsidiaries' ability to incur indebtedness secured by liens, enter into sale and leaseback transactions or make restricted payments and investments.

2026 Notes

In June 2016, the Company issued \$300.0 million in aggregate principal amount of 3.850% Senior Notes due June 15, 2026 (the "2026 Notes") with interest payable, in cash in arrears, on June 15 and December 15 of each year, beginning December 15, 2016. As of December 31, 2022, the outstanding balance of the 2026 Notes was \$300.0 million and the carrying value was \$298.8 million. The Company and Spirit NC guarantee Spirit's obligations under the 2026 Notes on a senior secured basis.

On February 24, 2020, Spirit entered into a Second Supplemental Indenture (the "Second Supplemental Indenture") by and among Spirit, the Company, Spirit NC, and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), as trustee in connection with the 2026 Notes. Under the Second Supplemental Indenture, the 2026 Noteholders were granted security on an equal and ratable basis with the lenders under the 2018 Credit Agreement until the security in favor of the lenders under the 2018 Credit Agreement was released on October 5, 2020. The Supplemental Indenture also added Spirit NC as an additional guarantor under the indenture governing the 2026 Notes.

On April 17, 2020, Spirit entered into a Third Supplemental Indenture (the "Third Supplemental Indenture"), by and among Spirit, the Company, Spirit NC and The Bank of New York Mellon Trust Company, N.A., as trustee in connection with the 2026 Notes. Under the Third Supplemental Indenture, the noteholders were granted security on an equal and ratable basis with the holders of the Second Lien 2025 Notes.

On October 5, 2020, Spirit entered into a Fourth Supplemental Indenture (the "Fourth Supplemental Indenture"), by and among Spirit, the Company, Spirit NC and The Bank of New York Mellon Trust Company, N.A., as trustee in connection with the 2026 Notes. Under the Fourth Supplemental Indenture, the holders of the 2026 Notes were granted security on an equal and ratable basis with the holders of the First Lien 2025 Notes (until the security in favor of the lenders under the holders of the First Lien 2025 Notes was released on November 23, 2022) and the secured parties under the Amended Credit Agreement.

On November 23, 2022, Spirit entered into a Fifth Supplemental Indenture (the "Fifth Supplemental Indenture"), by and among Spirit, the Company, Spirit NC and The Bank of New York Mellon Trust Company, N.A., as trustee in connection with the 2026 Notes. Under the Fifth Supplemental Indenture, the holders of the 2026 Notes were granted security on an equal and ratable basis with the holders of the First Lien 2029 Notes.

Second Lien 2025 Notes

On April 17, 2020, Spirit entered into an Indenture (the "Second Lien 2025 Notes Indenture"), by and among Spirit, the Guarantors, and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent, in connection with Spirit's offering of \$1,200.0 million

aggregate principal amount of its 7.500% Senior Secured Second Lien Notes due 2025 (the "Second Lien 2025 Notes").

The Second Lien 2025 Notes were issued and sold in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act, and in offshore transactions to non-U.S. persons pursuant to Regulation S under the Securities Act.

The Second Lien 2025 Notes mature on April 15, 2025 and bear interest at a rate of 7.500% per year payable semiannually in cash in arrears on April 15 and October 15 of each year. The first interest payment date was October 15, 2020. As of December 31, 2022, the outstanding balance of the Second Lien 2025 Notes was \$1,200.0 million and the carrying value was \$1,191.0 million.

The Second Lien 2025 Notes are guaranteed by the Guarantors and secured by a second-priority lien with respect to substantially all assets of Spirit and the Guarantors, subject to certain exceptions.

The Second Lien 2025 Notes Indenture contains covenants that limit Spirit's, the Company's and the Company's subsidiaries' ability, subject to certain exceptions and qualifications, to create liens, enter into sale and leaseback transactions and guarantee other indebtedness without guaranteeing the Second Lien 2025 Notes. These covenants are subject to a number of qualifications and limitations. In addition, the Second Lien 2025 Notes Indenture provides for customary events of default.

Floating Rate, 2023, and 2028 Notes

On May 30, 2018, Spirit entered into an Indenture (the "2018 Indenture") by and among Spirit, the Company and The Bank of New York Mellon Trust Company, N.A., as trustee in connection with Spirit's offering of \$300.0 million aggregate principal amount of its Senior Floating Rate Notes due 2021 (the "Floating Rate Notes"), \$300.0 million aggregate principal amount of its 3.950% Senior Notes due 2023 (the "2023 Notes") and \$700.0 million aggregate principal amount of its 4.600% Senior Notes due 2028 (the "2028 Notes" and, together with the Floating Rate Notes and the 2023 Notes, the "2018 Notes"). Holdings guaranteed Spirit's obligations under the 2018 Notes on a senior unsecured basis.

On February 24, 2021, Spirit redeemed the outstanding \$300.0 million principal amount of the Floating Rate Notes. On November 23, 2022, Spirit redeemed the outstanding \$300.0 million principal amount of the 2023 Notes. The 2028 Notes bear interest at a rate of 4.600% per annum and mature on June 15, 2028. Interest on the 2028 Notes is payable on June 15 and December 15 of each year, beginning on December 15, 2018. The outstanding balance of the Floating Rate Notes, 2023 Notes, and 2028 Notes was \$0.0, \$0.0, and \$700.0 million as of December 31, 2022, respectively. The carrying value of the Floating Rate Notes, 2023 Notes, and 2028 Notes was \$0.0, \$0.0, and \$695.9 million as of December 31, 2022, respectively.

The 2018 Indenture contains covenants that limit Spirit's, the Company's and certain of the Company's subsidiaries' ability, subject to certain exceptions and qualifications, to create liens without granting equal and ratable liens to the holders of the 2018 Notes and enter into sale and leaseback transactions. These covenants are subject to a number of qualifications and limitations. In addition, the 2018 Indenture provides for customary events of default.

As of December 31, 2022, the Company was in compliance with all covenants contained in the indentures governing the First Lien 2029 Notes, First Lien 2025 Notes, Second Lien 2025 Notes, 2026 Notes, and the 2028 Notes.

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

For additional information on our outstanding debt, please see Note 16 to the Consolidated Financial Statements, *Debt*.

Receivables Financing

We have agreements to sell, on a revolving basis, certain trade accounts receivable balances with Boeing, Airbus, and Rolls-Royce to third-party financial institutions. These programs were primarily entered into as a result of Boeing and Airbus seeking payment term extensions with us, and they continue to allow us to monetize the receivables prior to their payment date, subject to payment of a discount. Our ability to continue using such agreements is primarily dependent upon the strength of Boeing's, Airbus's, and Rolls-Royce's financial condition. If any of these financial institutions involved with these arrangements experiences financial difficulties, becomes unwilling to support Boeing, Airbus, or Rolls-Royce due to a deterioration in their financial condition or otherwise, or is otherwise unable to honor the terms of the factoring arrangements, we may experience significant disruption and potential liquidity issues, which could have an adverse impact upon our operating results, financial condition and cash flows. For the twelve months ended December 31, 2022, \$2,899.8 million of accounts receivable were sold via these arrangements. For additional information on the sale of receivables, please see Note 6 to the Consolidated Financial Statements, *Accounts Receivable, net*.

Supply Chain Financing Applicable to Suppliers

We have provided our suppliers with access to a supply chain financing program through a facility with a third-party financing institution. This program was primarily entered into as a result of seeking payment term extensions with suppliers, and the program allows suppliers to monetize the receivables prior to their payment date, subject to payment of a discount. Our suppliers' ability to continue using such agreements is primarily dependent upon the strength of our financial condition. During the twelve months ended December 31, 2022, we increased capacity under our existing supply chain financing program in order to support increases to production. While our suppliers' access to this supply chain financing program could be curtailed if our credit ratings are downgraded, we do not expect that changes in the availability of supply chain financing to our suppliers will have a significant impact on our liquidity.

The balance of payables to suppliers who elected to participate in the supply chain financing program included in our accounts payable balance as of December 31, 2022 was \$102.0 million, an increase of \$43.1 million over the balance as of December 31, 2021 of \$58.9 million. In the comparable prior year period, payables to suppliers who elected to participate in the supply chain financing program did not significantly increase or decrease over the twelve months ended December 31, 2021. The changes in each period primarily reflect purchases from suppliers related to production levels during the applicable period.

Credit Ratings

As of December 31, 2022, our corporate credit ratings were B by Standard & Poor's Global Ratings ("S&P"), and B2 by Moody's Investors Service, Inc. ("Moody's"). Throughout 2020, S&P and Moody's downgraded our credit rating on a number of occasions. On July 21, 2020, Moody's downgraded Spirit's credit rating to B2 with a negative outlook. On August 3, 2020, S&P downgraded Spirit's credit rating to B with a stable outlook.

The ratings reflect, among other things, the agencies' assessment of our ability to pay interest and principal on our debt securities and credit agreements. A rating is not a recommendation to purchase, sell or hold

securities. Each rating is subject to revision or withdrawal at any time by the assigning rating organization. Each rating agency has its own methodology for assigning ratings and, accordingly, each rating should be considered independently of all other ratings. As compared to the Company's prior investment grade rating, these ratings and our current credit condition affect, among other things, our ability to access new capital. Negative changes to these ratings have in the past resulted in, and may in the future result in, more stringent covenants and higher interest rates under the terms of any new debt.

Derivatives and Hedging

The Company has entered into a series of currency forward contracts, each designated as a cash flow hedge upon the date of execution, for the purpose of reducing the variability of cash flows and hedging against the foreign currency exposure for forecasted payroll, pension and vendor disbursements that are expected to be made in the British pound sterling at our operations located in Belfast, Northern Ireland, Casablanca, Morocco, and Dallas, Texas. The hedging program implemented is intended to reduce foreign currency exposure, and the associated forward currency contracts hedge forecasted transactions through September 2023. Changes in the fair value of cash flow hedges are recorded in AOCI and recorded in earnings in the period in which the hedged transaction settles. The loss recognized in AOCI was \$19.1 million for the twelve months ended December 31, 2022. As of December 31, 2022, the maximum term of the hedged forecasted transaction was 9 months. Within the next 12 months, the Company expects to recognize a loss of \$2.4 million in earnings related to the foreign currency forward contracts.

Pension and Other Post-Retirement Benefit Obligations

Effective October 1, 2021, we spun off a portion of the existing Pension Value Plan ("PVP A"), to a new plan called PVP B. As part of the PVP B plan termination process, a lump sum offering was provided during 2021 for PVP B participants and the final asset distribution was completed in the first quarter of 2022. At December 31, 2022, a pension reversion asset of \$71.1 million is recorded on the Restricted plan assets line item on the Company's Consolidated Balance Sheets. Restricted plan assets are expected to be reduced over seven years as they are distributed to employees under a qualified benefit program.

Separately, during the twelve months ended December 31, 2022, we withdrew \$34.0 million of cash from PVP B, which represented an excess plan assets reversion. This transaction was accounted for as a negative contribution, and is included on the *Pension plans employer contributions* line item on the Consolidated Statements of Cash Flows for the twelve months ended December 31, 2022. Excise tax of \$6.8 million related to the reversion of excess plan assets was separately recorded to the *Other income (expense), net* line item on the Consolidated Statements of Operations for the twelve months ended December 31, 2022. See also Note 23 *Other Income (Expense), Net*.

In July 2022 the Company adopted and communicated to participants a plan to terminate the Pension Value Plan A ("PVP A"). During the twelve months ended December 31, 2022, the PVP A plan was amended, providing for an enhancement to benefits the Company is providing to certain U.S. employees in conjunction with the plan termination. The estimated liability impact of this plan amendment, \$73.5 million, was recognized immediately as a non-cash, pre-tax non-operating charge for amortization of prior service costs. We recognized additional non-cash, pre-tax non-operating accounting charges of \$34.7 million related to the plan termination, primarily reflecting the accounting for bulk lump-sum payments made in the fourth quarter of 2022, which resulted in a settlement charge related to the accelerated recognition of the actuarial losses for the PVP A plan

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

that were previously included in the *Accumulated other comprehensive loss* line item in the Stockholders' Equity section of the Company's Balance Sheet. See also Note 17 *Pension and Other Post-Retirement Benefits*.

In the first quarter of 2023, the Company expects to recognize additional non-cash, pre-tax non-operating settlement accounting charges of approximately \$60 million to \$80 million related to the purchase of annuities for any participants not electing a lump-sum distribution. Once these actions are complete, the Company anticipates an after-tax cash reversion of any remaining surplus, which the

Company currently estimates to be within a range of \$120 million to \$150 million and to take place in the first quarter of 2023. The amounts of these charges and after-tax reversion are dependent upon finalization of the actuarial assumptions, including discount rate, investment rate of return, and benefit payment selections, as of the measurement date of the settlement, which will take place in the first quarter of 2023.

Cash Flows

The following table provides a summary of our cash flows for the twelve months ended December 31, 2022, 2021, and 2020:

	For the Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
	(\$ in millions)		
Net loss	\$ (546.2)	\$ (540.8)	\$ (870.3)
Adjustments to reconcile net income	323.8	248.9	733.2
Changes in working capital	(172.2)	228.7	(607.8)
Net cash used in operating activities	(394.6)	(63.2)	(744.9)
Net cash used in investing activities	(155.5)	(163.8)	(502.0)
Net cash (used in) provided by financing activities	(261.0)	(163.5)	769.5
Effect of exchange rate change on cash and cash equivalents	(8.9)	(4.2)	3.3
Net decrease in cash, cash equivalents, and restricted cash for the period	(820.0)	(394.7)	(474.1)
Cash, cash equivalents, and restricted cash, beginning of period	1,498.4	1,893.1	2,367.2
Cash, cash equivalents, and restricted cash, end of period	\$ 678.4	\$ 1,498.4	\$ 1,893.1

Twelve Months Ended December 31, 2022 as Compared to Twelve Months Ended December 31, 2021

Operating Activities

For the twelve months ended December 31, 2022, we had a net cash outflow of \$394.6 million from operating activities, an increase in net outflow of \$331.4 million compared to a net cash outflow of \$63.2 million for the prior year. The increase in net cash outflow was driven by an increase to working capital associated with increased production throughout the current year period, and the absence of a current year cash inflow related to a relatively large income tax refund received in the prior year period. These impacts were partially offset by cash inflows from comparatively greater earnings in the current year period, and the absence of a relatively large cash pension contribution in the prior year related to the Bombardier acquisition. Operating activities also include the pension asset reversion to cash discussed in Note 17 *Pension and Other Post-Retirement Benefits*, cash repayments of \$123 million made in the current year of the advance payment received from Boeing on the B737 program, and the interest payment associated with the settlement of the repayable investment agreement between the Company and the U.K.'s Department for Business, Energy and Industrial Strategy. See also Note 13 *Advance Payments* and Note 23 *Other Income (Expense), Net*.

Investing Activities

For the twelve months ended December 31, 2022, we had a net cash outflow of \$155.5 million from investing activities, compared to a net cash outflow of \$163.8 million for the prior year. This decrease in net outflow was primarily driven by lower capital expenditures, partially offset by cash outflows related to our current year acquisition of T.E.A.M., Inc., which were greater than the outflows in the prior year period for our acquisition of Applied Aerodynamics.

Financing Activities

For the twelve months ended December 31, 2022, we had a net cash outflow of \$261.0 million for financing activities, an increase in outflows of \$97.5 million as compared to a net cash outflow of \$163.5 million for the same period in the prior year. The increased cash outflow was primarily driven by the differences between borrowing activity in the two periods and the \$289.5 million current year principal repayment of the repayable investment agreement between the Company and the U.K.'s Department for Business, Energy and Industrial Strategy. In the current year, in addition to the repayment of the repayable investment agreement noted above, we had net cash inflows related to the issuance of our \$900 million First Lien 2029 Notes, partially offset by net cash outflows related to partial redemption of our \$500 million 2025 First Lien Notes and redemption of our \$300 million 2023 Notes, including related fees. In the prior year, cash inflows from financing activities included the impact of an incremental term loan facility of \$203 million and redemption of the

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

\$300 million aggregate principal amount of Senior Floating Rate Notes due 2021. During the twelve months ended December 31, 2022, we paid dividends of \$4.2 million to our stockholders of record, compared to dividends of \$4.3 million paid in the same period in the prior year. There were no repurchases of Common Stock under our share repurchase program during either the twelve months ended December 31, 2022 or December 31, 2021.

Twelve Months Ended December 31, 2021 as Compared to Twelve Months Ended December 31, 2020

Operating Activities

For the twelve months ended December 31, 2021, we had a net cash outflow of \$63.2 million from operating activities, a decrease in net outflow of \$681.7 million compared to a net cash outflow of \$744.9 million for the prior year. The decrease in net cash outflow from operating activities primarily represents improved cash flows from operating income and working capital driven by increased production, coupled with the negative impact of the timing of the prior year B737 MAX production suspension on working capital cash flows, and an income tax refund received that was larger than that received in the prior period.

Investing Activities

For the twelve months ended December 31, 2021, we had a net cash outflow of \$163.8 million from investing activities, compared to a net cash outflow of \$502.0 million for the prior year. This decrease in net outflow was primarily driven by the prior year Bombardier Acquisition, which was relatively large, partially offset by greater capital expenditures.

Financing Activities

For the twelve months ended December 31, 2021, we had a net cash outflow of \$163.5 million for financing activities, a change of \$933 million as compared to a net cash inflow of \$769.5 million for the same period in the prior year. In 2021, the Company's financing activities included redemption of the \$300 million aggregate principal amount of Senior Floating Rate Notes due 2021, refinancing of \$397 million aggregate principal amount term loans with term loans in an equal principal amount with a lower interest rate, and an incremental term loan facility of \$203 million in aggregate principal amount with the same terms as the repriced term loans. During 2020, the Company issued \$400.0 million under the Credit Agreement, \$1,200.0 million in Second Lien 2025 Notes, and \$500.0 million in First Lien 2025 Notes, offset by an \$800.0 million payment on the 2018 Revolver, a \$400.0 million payment on the 2018 Term Loan A, and payment of debt issuance costs. Additionally, during the twelve months ended December 31, 2021, we paid a dividend of \$4.3 million to our stockholders of record, compared to a dividend of \$15.4 million paid in the prior year. The remainder of the decrease in net inflow from the prior year period was driven by customer financing repayments, versus proceeds in the prior year, and differences to taxes paid related to net share settlement awards.

Future Cash Needs and Capital Spending

Impacts from, among other things, the B737 MAX grounding, the COVID-19 pandemic, production rate changes for the B737 MAX program and other programs, supply chain disruptions, labor shortages and cost increases have significantly impacted our liquidity requirements and operations. Our primary future cash needs will consist of working capital, research and development, capital expenditures, debt service, integration activity, and potential merger and acquisition activity. We expend significant capital as we undertake new programs, which begin in the non-recurring investment phase of our business model. In addition, we expend significant capital to meet

increased production rates, which we expect will happen as the aviation industry continues recovery through the current challenging macroeconomic environment; however, we cannot give any assurances that continued progress towards normalization to expected production rates will happen soon enough for us to fund our operations and meet our debt repayment obligations. We also require capital to develop new technologies for the next generation of aircraft, which may not be funded by our customers. Historically, share repurchases and dividend payments have also been factors affecting our liquidity. As described below, our share repurchase program and quarterly dividend have been paused.

Our cash flows from continuing operations generally have been adversely impacted by the resulting production rate changes associated with the B737 MAX grounding and the COVID-19 pandemic and we expect the adverse impact to continue as aviation demand and resultant aircraft production recovery occurs. Based on current operating trends, we believe our cash on hand and cash flows generated from operations, together with other sources of liquidity and our ability to vary our cost structure, will provide sufficient liquidity for the next twelve months and for the foreseeable future beyond the next twelve months. Beyond the next twelve months, this belief assumes that we will be able to refinance our indebtedness at or prior to maturity with new borrowings or other sources of liquidity. Limitations on our ability to access the capital or credit markets, the cost impacts of additional production rate changes, difficulty with managing costs due to labor shortages, supply chain disruptions, inflation or other factors, or unfavorable terms or general reductions in liquidity, may adversely and materially impact our business, financial condition, and results of operations, and prevent us from being able to meet our obligations as they become due. There can be no assurance that we will be able to access the capital or credit markets or, if we do have such access, that it will be on favorable terms. Further, we could experience significant fluctuations in our cash flows from period to period, particularly during the continued uncertainty during the aviation industry recovery and the current challenging macroeconomic environment. While we may be able to modify, defer or eliminate some of our uses of cash as described above to manage our cash consumption, other uses are relatively fixed and are difficult to modify in the short-term.

The COVID-19 pandemic and resultant recovery period has created significant uncertainty in our industry. Our customers reduced their production rates, and we have seen labor shortages, supply chain disruptions, and other factors negatively impact our results of operations and cash flows. We are unable to predict the duration, impact or outcome of the pandemic, or recovery from the pandemic, and the resulting impact on the aviation industry and, accordingly, cannot predict the outcome on our operations. In addition to the impacts of the COVID-19 pandemic and resultant recovery period, noted above, our energy, freight, raw material and other costs have been impacted by, and may continue to be impacted by, Russia's February 2022 invasion of Ukraine, the resultant sanctions and other measures imposed by the U.S. and other governments, and other related impacts, which have resulted in economic and political uncertainty and risks.

Prolonged global inflationary pressures have also impacted labor, supply chain, energy, freight, raw material and other costs, in addition to increased interest costs related to counter-inflationary measures taken by central banks. In certain situations, we have the ability to recover certain abnormal inflationary impacts through contractual agreements with our customers, however, we anticipate that we will experience reduced levels of profitability related to inflationary impacts until such time as the rate of inflation subsides to normal historical levels.

Apart from the COVID-19 pandemic, the B737 MAX grounding and its residual demand impacts created and continues to create significant liquidity challenges for the Company. Spirit delivered 281 B737 MAX

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

shipsets in year ended December 31, 2022 compared to 606 B737 MAX shipsets delivered in the last full year period prior to the grounding, which was the year ended December 31, 2019. While we expect the production rate to increase in future periods, that expectation is subject to a number of risks that are described further in Item 1A. "Risk Factors" of this Annual Report.

If production levels are further reduced by our customers for any reason (including the COVID-19 pandemic, demand challenges for the B737 MAX program, supply challenges caused by labor shortages, inflation or other supply chain disruptions, or otherwise) beyond current expectations or if we have difficulties in managing our cost structure to take into account changes in production schedules, our liquidity position may worsen if we are unable to procure additional financing, and our business, financial condition, results of operations and cash flows could be materially adversely impacted.

As of December 31, 2022, there was \$925 million remaining in the Company's Board-approved share repurchase program. Share repurchases are currently on hold. On November 3, 2022, the Company announced that the Board had suspended payments of dividends. The Board regularly evaluates the Company's capital allocation strategy and dividend policy. Any future determination to pay dividends will be at the discretion of our Board of Directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements and contractual restrictions, including the requirements of financing agreements to which we may be a party. No assurance can be given that cash dividends will continue to be declared and paid at historical levels or at all.

Foreign Operations

We engage in business in various non-U.S. markets. As of December 31, 2022, we have facilities in the U.K., France, Malaysia, and Morocco. We are also members of joint ventures in both Taiwan and the People's Republic of China.

Currency fluctuations, tariffs and similar import limitations, price controls, tax reform, and labor regulations can affect our foreign operations. Other potential limitations on our foreign operations include expropriation, nationalization, restrictions on foreign investments or their transfers, and additional political and economic risks. In addition, the transfer of funds from foreign operations could be impaired by any restrictive regulations that foreign governments could enact.

Sales to foreign customers are subject to numerous additional risks, including the impact of foreign government regulations, political uncertainties, and differences in business practices. There can be no assurance that foreign governments will not adopt regulations or take other actions that would have a direct or indirect adverse impact on our business or market opportunities with such governments' countries. Furthermore, the political, cultural, and economic climate outside the U.S. may be unfavorable to our operations and growth strategy.

For the twelve months ended December 31, 2022, our net revenues from direct sales to non-U.S. customers were \$1,215.1 million, or 24% of total net revenues for the same period. For the twelve months ended December 31, 2021, our net revenues from direct sales to non-U.S. customers were \$1,130.8 million, or 29% of total net revenues for the same period. For the twelve months ended December 31, 2020, our net revenues from direct sales to non-U.S. customers were \$767.2 million, or 23% of total net revenues for the same period.

Our foreign operations subject us to risks that are described further in Item 1A. "Risk Factors" of this Annual Report.

Information Regarding Guarantors of Spirit's Notes Registered Under the Securities Act of 1933

Spirit's 2026 Notes are guaranteed by Spirit AeroSystems North Carolina, Inc., a wholly-owned subsidiary of the Company ("Spirit NC") and Spirit Holdings, and Spirit's 2028 Notes are guaranteed by Spirit Holdings. None of Spirit's notes are guaranteed by Spirit's or Spirit Holdings' other domestic subsidiaries or any foreign subsidiaries (together, the "Non-Guarantor Subsidiaries"). Spirit Holdings consolidates each of Spirit and Spirit NC in its consolidated financial statements. Spirit and Spirit NC are both 100 percent-owned and controlled by Spirit Holdings. Spirit Holdings' guarantees of Spirit's indebtedness are full and unconditional, except that the guarantees may be automatically released and relieved upon satisfaction of the requirements for legal defeasance or covenant defeasance under the applicable indenture being met. Spirit Holdings' guarantees are also subject to a standard limitation which provides that the maximum amount guaranteed by the Company will not exceed the maximum amount that can be guaranteed without making the guarantee void under fraudulent conveyance laws.

The guarantees of Spirit Holdings and Spirit NC with respect to Spirit's 2026 Notes are made on a joint and several basis. The guarantee of Spirit NC is not full and unconditional because Spirit NC can be automatically released and relieved of its obligations under certain circumstances, including if it no longer guarantees Spirit's Credit Agreement. Like Spirit Holdings' guarantees, the guarantee of Spirit NC is subject to a standard limitation which provides that the maximum amount guaranteed by Spirit NC will not exceed the maximum amount that can be guaranteed without making the guarantee void under fraudulent conveyance laws.

All of the existing guarantees by Spirit Holdings and Spirit NC rank equally in right of payment with all of the guarantors' existing and future senior indebtedness. The secured indebtedness of Spirit Holdings and Spirit NC (including guarantees of Spirit's existing and future secured indebtedness) will be effectively senior to guarantees of any unsecured indebtedness to the extent of the value of the assets securing such indebtedness. Future guarantees of subordinated indebtedness will rank junior to any existing and future senior indebtedness of the guarantors. The guarantees are structurally junior to any debt or obligations of non-guarantor subsidiaries, including all debt or obligations of subsidiaries that are released from their guarantees of the notes. As of December 31, 2022, indebtedness of our non-guarantor subsidiaries included \$355.2 million of outstanding borrowings under intercompany agreements with guarantor subsidiaries and \$17.1 million of finance leases of our non-guarantor subsidiaries. Based on our understanding of Rule 3-10 of Regulation S-X ("Rule 3-10"), we believe that the Spirit Holdings' guarantees of Spirit's indebtedness comply with the conditions set forth in Rule 3-10, which enable us to present summarized financial information for Spirit Holdings, Spirit and Spirit NC, which is a consolidated guarantor subsidiary, in accordance with Rule 13-01 of Regulation S-X. The summarized financial information excludes information regarding the non-guarantor subsidiaries. In accordance with Rule 3-10, separate financial statements of the guarantor subsidiaries have not been presented. The following tables include summarized financial information of Spirit, Holdings, and Spirit NC (together, the "obligor group"). Investments in and equity in the earnings of Spirit Holdings' Non-Guarantor Subsidiaries, which are not a member of the obligor group, have been excluded. The summarized financial information of the obligor group is presented on a combined basis for Spirit and Spirit Holdings, and separately for Spirit NC, with intercompany balances and transactions between entities in the obligor group eliminated. The obligor group's amounts due from, amounts due to

PART II: **ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

and transactions with Non-Guarantor Subsidiaries have been presented in separate line items, if they are material. There are no non-controlling interest in any of the obligor group entities.

Summarized Statements of Income	Twelve Months Ended December 31, 2022	
	Holdings and Spirit	Spirit NC
(\$ millions)		
Net Sales to unrelated parties	\$ 3,827.5	\$ —
Net Sales to Non-Guarantor Subsidiaries	17.8	31.0
Gross profit on sales to unrelated parties	118.1	—
Gross loss on sales to Non-Guarantor Subsidiaries	(7.8)	(1.5)
Loss from continuing operations	(463.1)	(3.4)
Net loss	\$ (463.1)	\$ (3.4)

Summarized Balance Sheets	Holdings and Spirit		Spirit NC	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
(\$ millions)				
Assets				
Cash and cash equivalents	\$ 487.7	\$ 1,291.2	\$ —	\$ —
Receivables due from Non-Guarantor Subsidiaries	85.9	51.7	15.7	19.1
Receivables due from unrelated parties	242.7	262.3	0.6	—
Contract assets	449.8	400.5	—	—
Inventory, net	869.1	804.9	103.7	139.0
Other current assets	6.2	—	—	—
Total current assets	\$ 2,141.4	\$ 2,810.6	\$ 120.0	\$ 158.1
Loan receivable from Non-Guarantor Subsidiaries	355.2	107.2	—	—
Property, plant and equipment, net	1,503.1	1,591.2	205.2	242.6
Pension assets, net	249.2	505.9	—	—
Other non-current assets	314.7	313.3	5.2	5.8
Total non-current assets	\$ 2,422.2	\$ 2,517.6	\$ 210.4	\$ 248.4
Liabilities				
Accounts payable to Non-Guarantor Subsidiaries	\$ 134.7	\$ 86.3	\$ 6.6	\$ 10.5
Accounts payable to unrelated parties	681.0	516.3	26.4	22.3
Accrued expenses	282.3	279.5	1.5	0.6
Current portion of long-term debt	67.6	42.9	1.1	1.1
Other current liabilities	328.7	487.9	0.5	0.6
Total current liabilities	\$ 1,494.3	\$ 1,412.9	\$ 36.1	\$ 35.1
Long-term debt	3,778.5	3,721.5	4.4	5.5
Contract liabilities, long-term	245.3	289.1	—	—
Forward loss provision, long-term	215.4	283.0	—	—
Other non-current liabilities	478.0	565.9	4.7	5.2
Total non-current liabilities	\$ 4,717.2	\$ 4,859.5	\$ 9.1	\$ 10.7

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a result of our operating and financing activities, we are exposed to various market risks that may affect our consolidated results of operations and financial position. These market risks include credit risks, commodity price, availability risks, interest rate risks, and foreign exchange risks.

CREDIT RISKS

Financial instruments that potentially subject us to significant concentrations of credit risk consist principally of cash investments, the funds in which our pension assets are invested, trade accounts receivable, and unbilled receivables included in contract assets.

Accounts receivable includes amounts billed and currently due from customers. Contract assets include amounts due from customers for performance obligations that have been satisfied but for which amounts have not been billed. These amounts include particular estimated contract changes, claims in negotiation that are probable of recovery, and amounts retained by the customer pending dispute resolution. For the twelve months ended December 31, 2022, approximately 60% of our net revenues were from sales to Boeing. We monitor collections and payments from customers and maintain a provision for estimated credit losses as deemed appropriate based upon historical experience and any specific customer collection issues that have been identified. For the twelve months ended December 31, 2022, our estimated credit losses were not material. See Note 6 to our Consolidated Financial Statements, *Accounts Receivable, net*, for more information on the provision for estimated credit losses. While we cannot guarantee that we will continue to experience the same credit loss rates in the future, such credit losses have historically not been material. For this reason, we believe that our exposure to this credit risk is not material.

We maintain cash and cash equivalents with various financial institutions and perform periodic evaluations of the relative credit standing of those financial institutions. We have not experienced any losses in such accounts and believe that we are not exposed to any significant credit risk on cash and cash equivalents. Additionally, we monitor our defined benefit pension plan asset investments on a quarterly basis and we believe that we are not exposed to any significant credit risk in these investments. Therefore, exposure to credit risk for these items is not believed to be material.

COMMODITY PRICE AND AVAILABILITY RISKS

In our business we use various raw materials, including aluminum, titanium, steel, and composites, all of which can experience price fluctuations depending on market conditions. Substantial price increases could reduce our profitability. Although our supply agreements with our customers allow us to pass on certain abnormal increases in component and raw material costs in limited situations, we may not be fully compensated for such increased costs. To mitigate these risks, we use our strategic sourcing initiatives, and are parties to collective raw material sourcing contracts arranged through certain customers that allow us to obtain raw materials at pre-negotiated rates and help insulate us from market volatility across the industry for certain specialized metallic and composite raw materials used in the aerospace industry. In addition, we also have long-term supply agreements with a number of our major parts suppliers. We generally do not employ forward contracts or other financial instruments to hedge commodity price risk, although we continue to review a full range of business options focused on strategic risk management for all raw

material commodities. We do not expect our exposure to commodity price and availability risks to be material.

If one or more of our suppliers or subcontractors experiences delivery delays or other performance problems, we may be unable to meet commitments to our customers or incur additional costs. Any failure by our suppliers to provide acceptable raw materials, components, kits, or subassemblies could adversely affect our production schedules and contract profitability. We do not anticipate material risk in this area, as we assess qualification of suppliers and continually monitor them to control risk associated with such supply base reliance.

To a lesser extent, we also are exposed to fluctuations in the prices of certain utilities and services, such as electricity, natural gas, chemicals and freight. We do not believe there is a material exposure, as we utilize a range of long-term agreements to minimize procurement expense and supply risk in these areas.

INTEREST RATE RISKS

As of December 31, 2022, under our Amended Credit Agreement, we had \$592.5 million of variable rate term loan debt outstanding consisting of term loans bearing interest that varies with the Term Secured Overnight Financing Rate ("Term SOFR"). Interest rate changes will generally impact our future earnings and cash flows, assuming other factors are held constant.

FOREIGN EXCHANGE RISKS

We are subject to foreign currency exchange rate risk relating to receipts from customers and payments to suppliers in foreign currencies. The functional currency for our Prestwick, Scotland and Subang, Malaysia operations is the British pound sterling. The functional currency for our operations located in Belfast, Northern Ireland, and Casablanca, Morocco is the U.S. Dollar. While sales and procurement costs from these sites are largely denominated in their respective functional currencies, there are also sales and procurement costs denominated in currencies outside of the respective functional currencies, mostly U.S. dollars, British pound sterling, Euros, Malaysian Ringgit, and Moroccan Dirham. Movements in exchange rates could cause our net sales and expenses to fluctuate, affecting our profitability and cash flows. We do not believe that this risk to profitability and cash flows is material for our Prestwick, Scotland and Subang, Malaysia operations, as the impact of fluctuations within sales and expenses are generally expected to be offsetting. The Company has an incremental hedging program in place to minimize the effect of the exchange rate fluctuations noted above for our operations located in Belfast, Northern Ireland. The Company entered into a series of foreign currency forward contracts, each designated as a cash flow hedge, for the purpose of reducing the variability of cash flows and hedging against the foreign currency exposure for forecasted payroll, pension and vendor disbursements that are expected to be made in the British pound sterling. As of December 31, 2022, the maximum term of the hedged forecasted transaction was 9 months. These foreign currency forward contracts are sensitive to changes in exchange rates between the U.S. Dollar and the British pound sterling. At December 31, 2022, a 10% increase or decrease in the exchange rate in our portfolio of foreign currency contracts would have increased or decreased our unrealized losses by \$15.5 million. We generally expect that such unrealized losses or gains would be offset by corresponding gains or

losses, respectively, in the remeasurement of the underlying transactions being hedged. Accordingly, we do not believe that these forward currency contracts and the offsetting underlying commitments create material market risk.

Even when revenues and expenses are matched, we must translate British pound sterling denominated results of operations, assets, and liabilities for our foreign subsidiaries to U.S. dollars in our consolidated financial statements. Consequently, increases and decreases in the value of the U.S. dollar as compared to the British pound sterling will affect our reported results of operations and the value of our assets and liabilities on our balance sheet, even if our results of operations or the value of those assets and liabilities has not changed in its original currency. These transactions could affect the comparability of our results between financial periods and/or result in significant changes to the carrying value of our assets, liabilities and shareholders' equity. We do not believe this exposure to foreign currency exchange risk is material.

In accordance with FASB authoritative guidance, the intercompany revolving credit facility, denominated in U.S. dollars, with our Prestwick subsidiary, whose functional currency is the British pound sterling, is exposed to fluctuations in foreign exchange rates. There is similarly intercompany revolving credit facilities, denominated in U.S. dollars, between our Prestwick subsidiary, whose functional currency is the British pound sterling, and our subsidiaries in Belfast and Morocco, whose functional currency is the U.S. dollar. The fluctuation in rates on these intercompany revolving credit facilities for 2022 resulted in a net loss of \$6.8 million reflected in other income/expense on the Consolidated Statements of Operations. As of December 31, 2022, a 10% increase or decrease in the exchange rate applicable to the intercompany revolving credit facilities would have increased or decreased our pre-tax earnings by \$3.5 million.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

SPIRIT AEROSYSTEMS HOLDINGS, INC. INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Consolidated Financial Statements of Spirit AeroSystems Holdings, Inc. for the twelve months ended December 31, 2021, December 31 2020, and December 31, 2019	
Report of Independent Registered Public Accounting Firm (PCAOB ID: 42)	49
Consolidated Statements of Operations	51
Consolidated Statements of Comprehensive Income	52
Consolidated Balance Sheets	53
Consolidated Statements of Changes in Stockholders' Equity	54
Consolidated Statements of Cash Flows	55
Notes to Consolidated Financial Statements	57

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Spirit AeroSystems Holdings, Inc.

OPINION ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated balance sheets of Spirit AeroSystems Holdings, Inc. (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operation, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 17, 2023 expressed an unqualified opinion thereon.

BASIS FOR OPINION

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

CRITICAL AUDIT MATTERS

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which it relates.

REVENUE AND PROFIT RECOGNITION FOR OVER TIME AND LOSS CONTRACTS

Description of the Matter As more fully described in Note 3 of the consolidated financial statements, significant estimates and assumptions are made to account for the revenue and profit earned through the satisfaction of performance obligations from long-term supply agreements. For performance obligations that are satisfied over time, the Company generally recognizes revenue using an input method with revenue amounts being recognized proportionately as costs are incurred relative to the total expected costs to satisfy the performance obligation. During 2022, revenue from over time contracts accounted for approximately \$3,684.8 million of the Company's \$5,029.6 million revenues. For loss contracts, the Company establishes forward loss reserves for total estimated costs that are in excess of total estimated consideration.

Auditing the Company's estimate-at-completion process used in their revenue and profit recognition process is complex due to the judgment involved in evaluating the assumptions made by management to forecast the estimated cost to complete individual accounting contracts. For example, total cost estimates to satisfy the performance obligations reflect management's assumptions about future labor and overhead efficiencies, program progress on various initiatives and program performance. Changes in those assumptions can have a material effect on the previously recognized revenue and profit. These adjustments are recorded as cumulative catch-up adjustments.

How We Addressed the Matter in Our Audit We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's process including controls over management's review of the estimated cost to complete accounting contracts.

We also performed audit procedures that included, among others, testing the significant assumptions discussed above and testing the completeness and accuracy of the underlying data used in management's estimate-at-completion analysis. Specifically, for cost estimates, we (1) inspected contracts and related modifications with the Company's customers and significant suppliers, (2) inspected the results of the Company's retrospective review analysis of actual costs compared to costs estimated at completion, (3) inquired of contract management, program management and supplier management to evaluate the basis of assumptions used in the estimate at completion and to assess whether all contracts were provided for accounting analysis, and (4) inspected source documentation for customer and supplier claims. Finally, we involved EY specialists to perform an independent estimate-at-completion for certain programs and performed sensitivity analyses to determine the effect of changes in assumptions.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2014.

Wichita, Kansas

February 17, 2023

SPIRIT AEROSYSTEMS HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
(\$ in millions, except per share data)			
Net revenues	\$ 5,029.6	\$ 3,953.0	\$ 3,404.8
Operating costs and expenses			
Cost of sales	4,981.0	4,070.8	3,845.5
Selling, general and administrative	279.2	279.9	237.4
Restructuring costs	0.2	8.2	73.0
Research and development	50.4	53.3	38.8
Loss on disposal of assets	—	—	22.9
Total operating costs and expenses	5,310.8	4,412.2	4,217.6
Operating loss	(281.2)	(459.2)	(812.8)
Interest expense and financing fee amortization	(244.1)	(242.6)	(195.3)
Other (expense) income, net	(14.1)	146.6	(77.8)
Loss before income taxes and equity in net loss of affiliates	(539.4)	(555.2)	(1,085.9)
Income tax (provision) benefit	(5.2)	17.2	220.2
Loss before equity in net loss of affiliates	(544.6)	(538.0)	(865.7)
Equity in net loss of affiliates	(1.6)	(2.8)	(4.6)
Net loss	\$ (546.2)	\$ (540.8)	\$ (870.3)
Less Noncontrolling interest in earnings of subsidiary	0.5	—	—
Net loss attributable to common shareholders	\$ (545.7)	\$ (540.8)	\$ (870.3)
Loss per share			
Basic	\$ (5.21)	\$ (5.19)	\$ (8.38)
Diluted	\$ (5.21)	\$ (5.19)	\$ (8.38)
Dividends declared per common share	0.03	\$ 0.04	\$ 0.04

See notes to consolidated financial statements

SPIRIT AEROSYSTEMS HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	For the Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
	(\$ in millions)		
Net loss	\$ (546.2)	\$ (540.8)	\$ (870.3)
Other comprehensive (loss) income, net of tax:			
Pension, SERP, and Retiree medical adjustments, net of tax effect of \$35.3, (\$15.1), and (\$8.6), respectively	(121.4)	136.3	(61.5)
Unrealized foreign exchange (loss) income on intercompany loan, net of tax effect of \$1.8, \$0.2, and (\$0.4), respectively	(4.4)	(0.4)	1.3
Unrealized loss on cash flow hedges, net of tax effect of (\$4.6), \$— and \$3.4, respectively	(23.7)	(2.0)	(10.9)
Reclassification of loss on cash flow hedges to earnings, net of tax effect of \$—, (\$0.3), and (\$3.3), respectively	18.7	0.8	10.7
Foreign currency translation adjustments	(49.4)	(4.3)	15.5
Total other comprehensive (loss) income, net of tax	(180.2)	130.4	(44.9)
Less comprehensive income attributable to Noncontrolling interest	0.5	—	—
Total comprehensive loss	\$ (725.9)	\$ (410.4)	\$ (915.2)

See notes to consolidated financial statements

SPIRIT AEROSYSTEMS HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2022	December 31, 2021
	(\$ in millions)	
Assets		
Cash and cash equivalents	\$ 658.6	\$ 1,478.6
Restricted cash	0.2	0.3
Accounts receivable, net	489.5	461.6
Contract assets, short-term	501.0	443.2
Inventory, net	1,470.7	1,382.6
Other current assets	38.3	39.7
Total current assets	3,158.3	3,806.0
Property, plant and equipment, net	2,205.9	2,385.5
Right of use assets	94.3	85.3
Contract assets, long-term	1.2	—
Pension assets	196.9	532.5
Restricted plan assets	71.1	—
Deferred income taxes	4.8	0.4
Goodwill	630.5	623.7
Intangible assets, net	211.4	212.3
Other assets	91.8	91.6
Total assets	\$ 6,666.2	\$ 7,737.3
Liabilities		
Accounts payable	\$ 919.8	\$ 720.3
Accrued expenses	411.7	376.1
Profit sharing	40.5	63.7
Current portion of long-term debt	53.7	49.5
Operating lease liabilities, short-term	8.3	8.2
Advance payments, short-term	24.9	137.8
Contract liabilities, short-term	111.1	97.9
Forward loss provision, short-term	305.9	244.6
Deferred revenue and other deferred credits, short-term	21.7	72.7
Other current liabilities	54.9	105.2
Total current liabilities	1,952.5	1,876.0
Long-term debt	3,814.9	3,742.7
Operating lease liabilities, long-term	85.4	78.8
Advance payments, long-term	199.9	201.3
Pension/OPEB obligation	25.2	74.8
Contract liabilities, long-term	245.3	289.1
Forward loss provision, long-term	369.2	521.6
Deferred revenue and other deferred credits, long-term	49.0	32.1
Deferred grant income liability – non-current	25.7	26.4
Deferred income taxes	1.3	21.8
Other non-current liabilities	141.6	423.9
Stockholders' Equity		
Preferred stock, par value \$0.01, 10,000,000 shares authorized, no shares issued	—	—
Common Stock, Class A par value \$0.01, 200,000,000 shares authorized, 105,252,421 and 105,037,845 shares issued and outstanding, respectively	1.1	1.1
Additional paid-in capital	1,179.5	1,146.2
Accumulated other comprehensive loss	(203.9)	(23.7)
Retained earnings	1,232.5	1,781.4
Treasury stock, at cost (41,587,480 and 41,523,470 shares each period, respectively)	(2,456.7)	(2,456.7)
Total stockholders' equity	(247.5)	448.3
Noncontrolling interest	3.7	0.5
Total equity	(243.8)	448.8
Total liabilities and equity	\$ 6,666.2	\$ 7,737.3

See notes to consolidated financial statements

SPIRIT AEROSYSTEMS HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Noncontrolling Interest	Total Equity
	Shares	Amount						
(\$ in millions, except share data)								
Balance – December 31, 2019	104,882,379	\$ 1.1	\$ 1,125.0	\$ (2,456.8)	\$ (109.2)	\$ 3,201.3	\$ 0.5	\$ 1,761.9
Net loss	—	—	—	—	—	(870.3)	—	(870.3)
Dividends declared	—	\$ —	\$ —	\$ —	\$ —	(4.4)	\$ —	\$ (4.4)
Employee equity awards	952,392	\$ —	\$ 26.7	\$ —	\$ —	\$ —	\$ —	\$ 26.7
Stock forfeitures	(192,111)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net shares settled	(224,964)	\$ —	\$ (14.5)	\$ —	\$ —	\$ —	\$ —	\$ (14.5)
ESPP shares issued	124,466	\$ —	\$ 2.6	\$ —	\$ —	\$ —	\$ —	\$ 2.6
Treasury shares	—	\$ —	\$ —	\$ 0.1	\$ —	\$ —	\$ —	\$ 0.1
Other	—	\$ —	\$ —	\$ —	\$ —	(0.2)	\$ —	\$ (0.2)
Other comprehensive loss	—	\$ —	\$ —	\$ —	\$ (44.9)	\$ —	\$ —	\$ (44.9)
Balance – December 31, 2020	105,542,162	\$ 1.1	\$ 1,139.8	\$ (2,456.7)	\$ (154.1)	\$ 2,326.4	\$ 0.5	\$ 857.0
Net loss	—	—	—	—	—	(540.8)	—	(540.8)
Dividends declared	—	\$ —	\$ —	\$ —	\$ —	(4.3)	\$ —	\$ (4.3)
Employee equity awards	59,538	\$ —	\$ 25.8	\$ —	\$ —	\$ —	\$ —	\$ 25.8
Stock forfeitures	(523,551)	\$ —	\$ (17.1)	\$ —	\$ —	\$ —	\$ —	\$ (17.1)
Net shares settled	(116,025)	\$ —	\$ (5.2)	\$ —	\$ —	\$ —	\$ —	\$ (5.2)
ESPP shares issued	66,523	\$ —	\$ 2.9	\$ —	\$ —	\$ —	\$ —	\$ 2.9
SERP shares issued	9,198	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Other	—	\$ —	\$ —	\$ —	\$ —	0.1	\$ —	\$ 0.1
Other comprehensive income	—	\$ —	\$ —	\$ —	\$ 130.4	\$ —	\$ —	\$ 130.4
Balance – December 31, 2021	105,037,845	\$ 1.1	\$ 1,146.2	\$ (2,456.7)	\$ (23.7)	\$ 1,781.4	\$ 0.5	\$ 448.8
Net loss	—	—	—	—	—	(545.7)	—	(545.7)
Dividends declared	—	\$ —	\$ —	\$ —	\$ —	(3.2)	\$ —	\$ (3.2)
Employee equity awards	338,243	\$ —	\$ 36.6	\$ —	\$ —	\$ —	\$ —	\$ 36.6
Stock forfeitures	(95,262)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Net shares settled	(163,126)	\$ —	\$ (7.2)	\$ —	\$ —	\$ —	\$ —	\$ (7.2)
ESPP shares issued	134,721	\$ —	\$ 3.9	\$ —	\$ —	\$ —	\$ —	\$ 3.9
Other	—	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3.2	\$ 3.2
Other comprehensive loss	—	\$ —	\$ —	\$ —	\$ (180.2)	\$ —	\$ —	\$ (180.2)
Balance – December 31, 2022	105,252,421	\$ 1.1	\$ 1,179.5	\$ (2,456.7)	\$ (203.9)	\$ 1,232.5	\$ 3.7	\$ (243.8)

See notes to consolidated financial statements

SPIRIT AEROSYSTEMS HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
	(\$ in millions)		
Operating activities			
Net loss	\$ (546.2)	\$ (540.8)	\$ (870.3)
Adjustments to reconcile net loss to net cash used in operating activities			
Depreciation and amortization expense	337.1	327.6	277.6
Amortization of deferred financing fees	11.9	15.1	20.4
Accretion of customer supply agreement	2.2	3.5	2.0
Employee stock compensation expense	36.6	25.8	24.2
Loss (Gain) from derivative instruments	17.1	(0.1)	—
(Gain) loss from foreign currency transactions	(18.9)	(4.4)	25.0
Loss on extinguishment of debt	2.6	—	—
Loss on disposition of assets	1.1	4.1	26.4
Deferred taxes	8.5	(4.5)	94.0
Pension and other post-retirement plans expense (income)	37.1	(109.1)	44.5
Grant liability amortization	(1.5)	(1.5)	(3.5)
Equity in net loss of affiliates	1.6	2.8	4.6
Forward loss provision	(89.7)	(10.4)	216.5
Gain on settlement of financial instrument	(21.9)	—	—
Changes in assets and liabilities			
Accounts receivable, net	(39.4)	51.5	168.3
Inventory, net	(118.2)	30.9	(39.5)
Contract assets	(63.9)	(70.9)	168.2
Accounts payable and accrued liabilities	220.7	160.2	(592.7)
Profit sharing/deferred compensation	(22.5)	6.2	(28.2)
Advance payments	(133.2)	2.7	(21.0)
Income taxes receivable/payable	9.5	302.4	(246.3)
Contract liabilities	(30.4)	(82.4)	(49.5)
Pension plans employer contributions	19.5	(173.8)	(5.6)
Other	(14.3)	1.9	40.0
Net cash used in operating activities	(394.6)	(63.2)	(744.9)
Investing activities			
Purchase of property, plant and equipment	(121.6)	(150.6)	(118.9)
Acquisition, net of cash acquired	(31.3)	(21.1)	(388.5)
Other	(2.6)	7.9	5.4
Net cash used in investing activities	(155.5)	(163.8)	(502.0)
Financing activities			
Proceeds from issuance of debt	—	600.0	400.0
Proceeds from issuance of long term bonds	900.0	—	1,700.0
Customer Financing	—	(10.0)	10.0
Principal payments of debt	(47.6)	(42.1)	(31.6)
Payments on term loan	(6.0)	(401.5)	(439.7)

SPIRIT AEROSYSTEMS HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	For the Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
	(\$ in millions)		
Payments on revolving credit facility	—	—	(800.0)
Payments on bonds	(779.2)	(300.0)	—
Payment of debt extinguishment costs	(2.6)	—	—
Taxes paid related to net share settlement awards	(7.2)	(5.2)	(14.5)
Proceeds from issuance of ESPP stock	3.9	3.0	2.6
Debt issuance and financing costs	(32.3)	(3.4)	(41.9)
Dividends paid	(4.2)	(4.3)	(15.4)
Proceeds from Noncontrolling interest	3.7		
Payment of principal- settlement of financial instrument	(289.5)	—	—
Net cash (used in) provided by financing activities	(261.0)	(163.5)	769.5
Effect of exchange rate changes on cash and cash equivalents	(8.9)	(4.2)	3.3
Net decrease in cash, cash equivalents, and restricted cash for the period	(820.0)	(394.7)	(474.1)
Cash, cash equivalents, and restricted cash, beginning of period	1,498.4	1,893.1	2,367.2
Cash, cash equivalents, and restricted cash, end of period	\$ 678.4	\$ 1,498.4	\$ 1,893.1
Supplemental cash flow information			
Interest paid	\$ 222.5	\$ 198.4	\$ 146.6
Income taxes received	\$ (15.2)	\$ (314.4)	\$ (62.5)
Property acquired through finance leases	\$ 49.6	\$ 32.1	\$ 26.3

	For the Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
	(\$ in millions)		
Cash and cash equivalents, beginning of the period	\$ 1,478.6	\$ 1,873.3	\$ 2,350.5
Restricted cash, short-term, beginning of the period	0.3	\$ 0.3	0.3
Restricted cash, long-term, beginning of the period	19.5	\$ 19.5	16.4
Cash, cash equivalents, and restricted cash, beginning of the period	\$ 1,498.4	\$ 1,893.1	\$ 2,367.2
Cash and cash equivalents, end of the period	\$ 658.6	\$ 1,478.6	\$ 1,873.3
Restricted cash, short-term, end of the period	0.2	0.3	0.3
Restricted cash, long-term, end of the period	19.6	19.5	19.5
Cash, cash equivalents, and restricted cash, end of the period	\$ 678.4	\$ 1,498.4	\$ 1,893.1

See notes to consolidated financial statements

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)****1. NATURE OF BUSINESS**

Spirit AeroSystems Holdings, Inc. and its consolidated subsidiaries (the "Company") provides manufacturing and design expertise in a wide range of fuselage, propulsion, and wing products and services for aircraft original equipment manufacturers ("OEM") and operators through its subsidiaries, including Spirit AeroSystems, Inc. ("Spirit"). As used herein, "Company" refer to Spirit AeroSystems Holdings, Inc. and its consolidated subsidiaries. References to "Spirit" refer only to the Company's subsidiary, Spirit AeroSystems, Inc., and references to "Spirit Holdings" or "Holdings" refer only to Spirit AeroSystems Holdings, Inc.

The Company's headquarters are in Wichita, Kansas, with manufacturing and assembly facilities in Tulsa, Oklahoma; Prestwick, Scotland; Wichita, Kansas; Kinston, North Carolina; Subang, Malaysia; Saint-Nazaire, France; Biddeford, Maine; Woonsocket, RI; Belfast, Northern Ireland; Morocco, Casablanca; and Dallas, Texas. The Company had previously announced site consolidation activities, including at the McAlester, Oklahoma and San Antonio, Texas sites. The work transfer and closure activities for these sites were complete as of December 31, 2022.

The Company largely supports commercial aerostructures customers, and the Company's financial results and prospects are almost entirely dependent on global commercial aviation demand and the resulting

production rates of the Company's customers. The Company's customers, including Boeing and Airbus, have in the past decreased production rates across many programs due to decreased demand for aviation, including as a result of the COVID-19 pandemic, and may in the future continue to adjust production rates or suspend production, potentially without early warning and within a short time horizon.

During the periods beginning in 2020, and continuing through the present as the aircraft industry continues to recover, the Company's operating cash flows from continuing operations have been adversely impacted by, among other things, the B737 MAX grounding, the COVID-19 pandemic, production rate changes for the B737 MAX program and other programs, supply chain disruptions, the impact of global inflationary pressures on costs, and labor shortages and related cost increases affecting its business. As a result, the Company took steps throughout the period to reduce costs and raise additional debt. As of December 31, 2019, the Company had a debt balance of approximately \$3,034.3, most of which was unsecured debt, and a cash balance of \$2,350.5. As of December 31, 2022, the Company had a debt balance of approximately \$3,868.6, more than 50% was secured debt, and a cash balance of \$658.6. The Company anticipates that it will have sufficient liquidity to meet operating and financing needs for at least the next 12 months.

2. ADOPTION OF ACCOUNTING STANDARDS**Adoption of ASU 2021-10**

In November 2021, the FASB issued ASU No. 2021-10, *Government Assistance (Topic 832) Disclosures by Business Entities about Government Assistance* ("ASU 2021-10"). The amendments in the update require annual disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy. ASU 2021-10 is effective for all entities

within its scope for financial statements issued for annual periods beginning after December 15, 2021. An entity should apply ASU 2021-10 either prospectively to all transactions within the scope of the amendments that are reflected in financial statements at the date of initial application and new transactions entered into after the date of initial application, or retrospectively to those transactions. The adoption of ASU 2021-10 did not have a material impact on the Company's consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Presentation**

The accompanying consolidated financial statements include the Company's financial statements and the financial statements of its majority owned or controlled subsidiaries and have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP") and Regulation S-X. All intercompany balances and transactions have been eliminated in consolidation.

Spirit is the majority participant in the Kansas Industrial Energy Supply Company ("KIESC"), a tenancy-in-common with other Wichita companies established to purchase natural gas. KIESC is fully consolidated as the Company owns 77.8% of the entity's equity. Spirit has a controlling interest in, and fully consolidates, its subsidiary Spirit Evergreen Aftermarket Solutions Co., Ltd., a joint venture with Evergreen Technologies Corporation to provide MRO services to the Asia-Pacific market.

The Company's U.K. subsidiary in Prestwick uses local currency, the British pound sterling, as its functional currency, and the Malaysian subsidiary also uses the British pound sterling as its functional currency.

All other foreign subsidiaries and branches use the U.S. dollar as their functional currency. As part of the monthly consolidation process, the functional currencies of the Company's international subsidiaries are translated to U.S. dollars using the end-of-month translation rate for assets and liabilities and average period currency translation rates for revenue and income accounts.

Use of Estimates

The preparation of the Company's financial statements in conformity with GAAP requires management to use estimates and assumptions. The results of these estimates form the basis for making judgments that may affect the reported amounts of assets and liabilities, including the impacts of contingent assets and liabilities, and the reported amounts of revenue and expenses during the reporting period.

Management may make significant judgments when assessing estimated amounts of variable consideration and related constraints, the number of options likely to be exercised, and the standalone selling

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

prices of the Company's products and services. The Company also estimates the cost of satisfying the performance obligations in its contracts and options that may extend over many years. Cost estimates reflect currently available information and the impact of any changes to cost estimates, based upon the facts and circumstances, are recorded in the period in which they become known.

The transaction price for a contract reflects the consideration the Company expects to receive for fully satisfying the performance obligations in the contract. The Company's contracts with customers are typically for products and services to be provided at fixed stated prices but may also include variable consideration. Variable consideration may include, but is not limited to, unpriced contract modifications, cost sharing provisions, incentives and awards, non-warranty claims and assertions, provisions for non-conformance and rights to return, or other payments to, or receipts from, customers. The Company estimates the variable consideration using the expected value or the most likely amount based upon the facts and circumstances, available data and trends and the history of resolving variability with specific customers and suppliers.

The Company regularly commences work and incorporates customer-directed changes prior to negotiating pricing terms for engineering work, product modifications, and other statements of work. The Company's contractual terms typically provide for price negotiations after certain customer-directed changes have been accepted by the Company. Prices are estimated until they are contractually agreed upon with the customer. When a contract is modified, the Company evaluates whether additional distinct products and services have been promised at standalone selling prices, in which case the modification is treated as a separate contract. If not, depending on whether the remaining performance obligations are distinct from the goods or services transferred on or before the modification, the modification is either treated prospectively as if it were a termination of the existing contract and the creation of a new contract, treated as if it were a part of the existing contract, or treated as some combination.

The Company allocates the consideration for a contract to the performance obligations on the basis of their relative standalone selling price. The Company estimates the likelihood of the amount of options that the customer is going to exercise when assessing the impact of loss contracts.

The Company typically provides warranties on all the Company's products and services. Generally, warranties are not priced separately and customers cannot purchase them independently of the products or services under contract, so they do not create performance obligations. The Company's warranties generally provide assurance to the Company's customers that the products or services meet the specifications in the contract. In the event that there is a warranty claim because of a covered design, material or workmanship issue, the Company may be required to redesign or modify the product, offer concessions, and/or pay the customer for repairs or perform the repair. Provisions for estimated expenses related to design, service, and product warranties and certain extraordinary rework are made at the time products are sold. These costs are accrued at the time of the sale and are recorded as cost of sales. These estimates are established using historical information on the nature, frequency, and the cost experience of warranty claims, including the experience of industry peers. In the case of new development products or new customers, the Company also considers factors including the warranty experience of other entities in the same business, management judgment, and the type and nature of the new product or new customer, among others.

Actual results could differ from those estimates and assumptions.

Revenues and Profit Recognition

Substantially all of the Company's revenues are from long-term supply agreements with Boeing, Airbus, and other aerospace manufacturers. The Company participates in its customers' programs by providing design, development, manufacturing, fabrication, and support services for major aerostructures in the commercial, defense and space, and aftermarket segments. During the early stages of a program, this frequently involves nonrecurring design and development services, including tooling. As the program matures, the Company provides recurring manufacturing of products in accordance with customer design and schedule requirements. Many contracts include clauses that provide sole supplier status to the Company for the duration of the program's life (including derivatives). The Company's long-term supply agreements typically include fixed price volume-based terms and require the satisfaction of performance obligations for the duration of the program's life.

The identification of an accounting contract with a customer and the related promises require an assessment of each party's rights and obligations regarding the products or services to be transferred, including an evaluation of termination clauses and presently enforceable rights and obligations. In general, these long-term supply agreements are legally governed by master supply agreements (or general terms agreements) together with special business provisions (or work package agreements), which define specific program requirements. Purchase orders (or authorizations to proceed) are issued under these agreements to reflect presently enforceable rights and obligations for the units of products and services being purchased. The units for accounting purposes ("accounting contract") are typically determined by the purchase orders. Revenue is recognized when the Company has a contract with presently enforceable rights and obligations, including an enforceable right to payment for work performed. These agreements may lead to continuing sales for more than twenty years. Customers generally contract with the Company for requirements relating to a specific program, and the Company's performance obligations consist of a wide range of engineering design services and manufactured structural components, as well as spare parts and repairs for OEMs. A single program may result in multiple contracts for accounting purposes, and within the respective contracts, non-recurring work elements and recurring work elements may result in multiple performance obligations. The Company generally contracts directly with its customers and is the principal in all current contracts.

Management considers a number of factors when determining the existence of an accounting contract and the related performance obligations that include, but are not limited to, the nature and substance of the business exchange, the contractual terms and conditions, the promised products and services, the termination provisions in the contract, including the presently enforceable rights and obligations of the parties to the contract, the nature and execution of the customer's ordering process and how the Company is authorized to perform work, whether the promised products and services are distinct or capable of being distinct within the context of the contract, as well as how and when products and services are transferred to the customer.

Revenue is recognized when, or as, control of promised products or services transfers to a customer and is recognized in an amount that reflects the consideration that the Company expects to receive in exchange for those products or services. Revenue is recognized over

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

time as work progresses when the Company is entitled to the reimbursement of costs plus a reasonable profit for work performed for which the Company has no alternate use. For these performance obligations that are satisfied over time, the Company generally recognizes revenue using an input method with revenue amounts being recognized proportionately as costs are incurred relative to the total expected costs to satisfy the performance obligation. The Company believes that costs incurred as a portion of total estimated costs is an appropriate measure of progress towards satisfaction of the performance obligation since this measure reasonably depicts the progress of the work effort. When the Company experiences abnormal production costs such as excess capacity costs the Company will expense the costs in the period incurred separately from the costs incurred for satisfaction of the performance obligations under the Company's contracts with customers.

Revenue for performance obligations that are not recognized over time are recognized at the point in time when control transfers to the customer. For performance obligations that are satisfied at a point in time, the Company evaluates the point in time when the customer can direct the use of, and obtain the benefits from, the products and services. Shipping and handling costs are not considered performance obligations and are included in cost of sales as incurred.

The transaction price for a contract reflects the consideration the Company expects to receive for fully satisfying the performance obligations in the contract. The Company's current contracts do not include any significant financing components because the timing of the transfer of the underlying products and services under contract are at the customers' discretion. Additionally, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Company's contracts with customers generally require payment under normal commercial terms after delivery. Payment terms are typically within 30 to 120 days of delivery. The total transaction price is allocated to each of the identified performance obligations using the relative standalone selling price to reflect the amount the Company expects to be entitled for transferring the promised products and services to the customer.

Standalone selling price is the price at which the Company would sell a promised good or service separately to a customer. Standalone selling prices are established at contract inception and subsequent changes in transaction price are allocated on the same basis as at contract inception. Standalone selling prices for the Company's products and services are generally not observable and the Company uses the "Expected Cost plus a Margin" approach to determine standalone selling price. Expected costs are typically derived from the available periodic forecast information. If a contract modification changes the overall transaction price of an existing contract, the Company allocates the new transaction price on the basis of the relative standalone selling prices of the performance obligations and cumulative adjustments, if any, are recorded in the current period.

The Company also identifies and estimates variable consideration for contractual provisions such as unpriced contract modifications, cost sharing provisions, incentives and awards, non-warranty claims and assertions, provisions for non-conformance and rights to return, or other payments to, or receipts from, customers and suppliers. The timing of satisfaction of performance obligations and actual receipt of payment

from a customer may differ and affects the balances of the contract assets and liabilities.

For contracts that are deemed to be loss contracts, the Company establishes forward loss reserves for total estimated costs that are in excess of total estimated consideration in the period in which they become known. These reserves are based on estimates for accounting contracts, plus options that the Company believes are likely to be exercised. The Company records forward loss reserves for all performance obligations in the aggregate for the accounting contract.

Research and Development

Research and development includes costs incurred for experimentation, design, and testing that are expensed as incurred.

Cash and Cash Equivalents

Cash and cash equivalents represent all highly liquid investments with original maturities of three months or less.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. Unbilled receivables are recorded on the balance sheet as contract assets, as per ASC 606 guidance. Management assesses and records an allowance for credit losses on financial assets within the scope of ASU 2016-13 using the current expected credit loss ("CECL") model. The amount necessary to adjust the allowance for credit losses to management's current estimate, as of the reporting date, on these assets is recorded in net income as credit loss expense. All credit losses reported in accordance with ASU 2016-13 were on trade receivables and/or contract assets arising from the Company's contracts with customers. See Note 6, *Accounts Receivable, net*, for more information.

The Company has three agreements to sell, on a revolving basis, certain trade accounts receivable balances with Boeing, Airbus, and Rolls-Royce to a third-party financial institution. These programs were primarily entered into as a result of customers seeking payment term extensions with the Company and continue to allow the Company to monetize the receivables prior to the payment date, subject to payment of a discount. No guarantees are delivered under the agreements. The Company's ability to continue using such agreements is primarily dependent upon the strength of Boeing's and Airbus's financial condition. Transfers under this agreement are accounted for as sales of receivables resulting in the receivables being de-recognized from the Company's balance sheet. For additional information on the sale of receivables see Note 6, *Accounts Receivable, net*.

Inventory

Raw materials are stated at lower of cost (principally on an actual or average cost basis) or net realizable value. Production costs for contracts, including costs expected to be recovered on specific anticipated contracts (work that has commenced because the Company expects the customer to exercise options), are classified as work-in-process and include direct material, labor, overhead, and purchases. Typically, anticipated contracts materialize and the related performance obligations are satisfied within 6-12 months. These costs are evaluated for impairment periodically and capitalized costs for which anticipated contracts do not materialize are written off in the period in which it becomes known. Revenue and related cost of sales

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

are recognized as the performance obligations are satisfied. When the Company experiences abnormal production costs, such as excess capacity costs, the Company will expense the costs in the period incurred and these costs are excluded from inventoriable costs.

Valuation reserves for excess, obsolete, and slow-moving inventory are estimated by evaluating inventory of individual raw materials and parts against both historical usage rates and forecasted production requirements. See Note 9, *Inventory*.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is applied using a straight-line method over the useful lives of the respective assets as described in the following table:

	Estimated Useful Life
Land improvements	20 years
Buildings	45 years
Machinery and equipment	3-20 years
Tooling – Airplane program – B787, Rolls-Royce	5-20 years
Tooling – Airplane program – all others	2-10 years
Capitalized software	3-7 years

The Company capitalizes certain costs, such as software coding, installation, and testing, that are incurred to purchase or to create and implement internal-use computer software. The Company's capitalization policy includes specifications that the software must have a service life greater than one year, is legally and substantially owned by the Company, and has an acquisition cost of greater than \$0.1. The Company applies the same criteria for capitalizing implementation costs incurred in a cloud computing arrangement hosted by the vendor.

Where the Company is involved in build-to-suit leasing arrangements, the Company is deemed the owner of the asset for accounting purposes during the construction period of the asset. The Company records the related assets and liabilities for construction costs incurred under these build-to-suit leasing arrangements during the construction period. Upon completion of the asset, the Company considers whether the assets and liabilities qualify for derecognition under the sale-leaseback accounting guidance. See Note 10, *Property, Plant and Equipment, net*.

Impairment or Disposal of Long-Lived Assets

The Company reviews capital and amortizing intangible assets (long-lived assets) for impairment whenever events or changes in circumstances indicate that the recorded amount may not be recoverable. Assets are classified as either held-for-use or available-for-sale. For held-for-use assets, if indicators are present, the Company performs a recoverability test by comparing the sum of the estimated undiscounted future cash flows attributable to the asset group in question to its carrying amount. If the undiscounted cash flows used in the recoverability test are less than the long-lived asset group's carrying amount, the Company determines the fair value of the long-lived asset group and recognize an impairment loss if the carrying amount of the long-lived asset group exceeds its fair value. For assets available-for-sale, a loss is recognized when the recorded amount exceeds the fair value less cost to sell.

Business Combinations and Goodwill

The Company accounts for business combinations in accordance with ASC Topic 805, *Business Combinations*. Transaction costs related to

business combinations are expensed as incurred. Assets acquired and liabilities assumed are measured and recognized based on their estimated fair values at the acquisition date, any excess of the purchase consideration when compared to the fair value of the net tangible and intangible assets acquired is recorded as goodwill. Determining the fair value of assets acquired and liabilities assumed requires significant judgment, including the amount and timing of expected future cash flows, long-term growth rates and discount rates. In some cases, the Company uses discounted cash flow analyses, which are based on estimates of future sales, earnings and cash flows after considering such factors as general market conditions, customer budgets, existing firm and future orders, changes in working capital, long term business plans and recent operating performance. If the initial accounting for the business combination is incomplete by the end of the reporting period in which the acquisition occurs, the business combination is recorded and disclosed on a preliminary basis. Subsequent to the acquisition date, and not later than one year from the acquisition date, adjustments to the initial preliminary recognized amounts are recorded to the extent new information is obtained about the measurement of assets and liabilities that existed as of the date of the acquisition.

The Company assesses goodwill for impairment annually as of the first day of the fourth quarter or more frequently if events or circumstances indicate that the fair value of a reporting unit that includes goodwill may be lower than its carrying value. The Company tests goodwill for impairment by performing a qualitative assessment or quantitative test at the reporting unit level. In performing a qualitative assessment, the Company evaluates company-specific, market and industry, economic, and other relevant factors that may impact the fair value of reporting units or the carrying value of the net assets of the respective reporting unit. If it is determined that it is more likely than not that the carrying value of the net assets is more than the fair value of the respective reporting unit, then a quantitative test is performed, the Company may in any event opt to bypass the qualitative assessment at the annual assessment date and perform a quantitative assessment. Where the quantitative test is used, the Company compares the carrying value of net assets to the estimated fair value of the respective reporting unit. If the fair value is determined to be less than carrying value, a goodwill

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

impairment loss is recognized for the amount that the carrying amount of the reporting unit, including goodwill, exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit.

Derivative Instruments and Hedging Activity

The Company uses derivative financial instruments to manage the economic impact of fluctuations in currency exchange rates and interest rates. Derivative financial instruments are recognized on the balance sheet as either assets or liabilities and are measured at fair value. Changes in fair value of derivatives are recorded each period in earnings or accumulated other comprehensive income, depending on whether the Company elected hedge accounting and whether a derivative is effective as part of a hedge transaction, and if it is, the type of hedge transaction. Gains and losses on derivative instruments reported in other comprehensive income are subsequently included in earnings in the periods in which earnings are affected by the hedged item or when the hedge is no longer effective. Cash flows associated with the Company's derivatives are presented as a component of the operating section of the statement of cash flows. The use of derivatives has generally been limited to interest rate swaps and foreign currency forward contracts. The Company enters into foreign currency forward contracts to reduce the risks associated with the changes in foreign exchange rates on sales and cost of sales denominated in currencies other than the entities' functional currency. See Note 15, *Derivative and Hedging Activities*.

Fair Value of Financial Instruments

Financial instruments are measured in accordance with FASB authoritative guidance related to fair value measurements. This guidance clarifies the definition of fair value, prescribes methods for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value, and expands disclosures about fair value measurements. See Note 14, *Fair Value Measurements*.

Income Taxes

Income taxes are accounted for in accordance with FASB authoritative guidance on accounting for income taxes. Deferred income tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts for existing assets and liabilities and their respective tax bases. Tax rate changes impacting these assets and liabilities are recognized in the period during which the rate change occurs.

Deferred tax assets are periodically evaluated to determine their recoverability and whether or not a valuation allowance is necessary. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized. When determining the amount of net deferred tax assets that are more likely than not to be realized, the Company assesses all available positive and negative evidence. The weight given to the positive and negative evidence is commensurate with the extent to which the evidence may be objectively verified.

This assessment is completed on a taxing jurisdiction and entity filing basis. Based on these criteria and the relative weighting of both the positive and negative evidence available, and in particular the activity surrounding the Company's prior earnings history including the forward losses previously recognized in the U.S. and U.K., management determined that it was necessary to establish a valuation allowance against nearly all of its net U.S. and U.K. deferred tax assets at December 31, 2020. This determination was made as the Company

entered into a U.S. cumulative loss position during the first half of 2021, as prior period positive earnings fell outside of the three-year measurement period. Additionally, entities of the U.K. operations are in cumulative loss positions after the inclusion of 2022, 2021 and 2020 losses. Once a company anticipates or enters a cumulative three-year loss position, there is a presumption that a company should no longer rely solely on projected future income in determining whether the deferred tax asset is more likely than not to be realized. Changes in the Company's estimates and judgments regarding realization of deferred tax assets may result in an increase or decrease to tax expense and/or other comprehensive income, which would be recorded in the period in which the change occurs.

The Company records income tax provision or benefit based on the net income earned or net loss incurred in each tax jurisdiction and the tax rate applicable to that income or loss. In the ordinary course of business, there are transactions for which the ultimate tax outcome is uncertain. These uncertainties are accounted for in accordance with FASB authoritative guidance on accounting for the uncertainty in income taxes. The final tax outcome for these matters may be different than management's original estimates made in determining the income tax provision. A change to these estimates could impact the effective tax rate and net income or loss in subsequent periods. The Company uses the flow-through accounting method for tax credits. Under this method, tax credits reduce income tax expense. See Note 20, *Income Taxes*, for further discussion.

Stock-Based Compensation and Other Share-Based Payments

Many of the Company's employees are participants in the Omnibus Incentive Plan of 2014 (as amended, the "Omnibus Plan"). The expense attributable to the Company's employees is recognized over the period the amounts are earned and vested, as described in Note 19, *Stock Compensation*. The expense includes an estimate of expected forfeitures, based on historical forfeiture trends.

Government Assistance

The Company has received grants in the form of government funding for various capital and development initiatives.

For agreements where the government is funding (or partially funding) capital, the associated fixed assets generally remain on the *Property, plant and equipment, net* line item on the Company's Consolidated Balance Sheet at full cost, with deferred grant income separately recorded as a liability on the Company's Consolidated Balance Sheet for the amounts funded. The liability is amortized each period to offset the related costs for which the grant was intended to compensate on a systematic basis (e.g. over the depreciable lives of the capital investments). The amount of deferred grant income within the *Deferred grant income liability – non-current* line item on the Company's Consolidated Balance Sheet as of December 31, 2022 related to these types of capital projects was \$18.0. The amount of deferred grant income within the *Other non-current liabilities* line item on the Company's Consolidated Balance Sheet as of December 31, 2022 related to these types of capital projects was \$8.2. The amount of deferred grant income within the *Property, plant and equipment, net* line item on the Company's Consolidated Balance Sheet as of December 31, 2022 related to these types of capital projects was \$14.2. The amount of deferred grant income amortized as a reduction to the *Cost of sales and Other (expense) income, net* line items on the Consolidated Statements of Operations for the twelve months ended

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

December 31, 2022 was \$3.3 and \$0.3, respectively. These agreements generally have recapture provisions related to the Company achieving a certain level of capital investment on the project.

In instances where the government is funding (or partially funding) business development other than capital projects, recognition is based on the specific terms associated with the various grants, generally resulting in the government funding being recognized as a reduction to related expenses in the period which received, or the government funding being recorded as deferred grant income within the liabilities on the Company's Consolidated Balance Sheet. The amount of deferred grant income within the *Deferred grant income liability – non-current* line item on the Company's Consolidated Balance Sheet as of December 31, 2022 related to these types of business development projects was \$7.7. These liabilities are amortized over a period for which performance criteria provisions are included. Performance criteria provisions are generally related to achieving and/or maintaining a specific level of employment for the project. These agreements generally have recapture provisions related to the Company achieving the specified performance provisions on the project. As the performance criteria are met, or in instances where there are no performance criteria or applicable recapture provisions, the government funding is recognized as a reduction to related expenses. The amount of government assistance recognized as a reduction to the *Cost of sales* line item on the Consolidated Statements of Operations for the twelve months ended December 31, 2022 was

\$1.4, the amount recognized as a reduction to the *Selling, general and administrative* line item was \$0.5.

The Company's grant claim filed under the Aviation Manufacturing Jobs Protection Program ("AMJPP") was approved by the U.S. Department of Transportation. AMJPP was a component of the American Rescue Plan Act of 2021. This program provided funding for a portion of the compensation costs of certain categories of employees for up to six months. In return, the Company was required to make several commitments, including a commitment that the Company would not involuntarily furlough or lay off employees within those categories of employees during the same six month period. As of December 31, 2022, the Company has been paid of the full amount of the award of \$75.5, of which half has been received in 2021 and half in 2022. The full amount of the award has been amortized against related expenses on the Consolidated Statements of Operations, including \$32.6 that was amortized against *Cost of sales* and \$1.5 against *Selling, general and administrative* in the twelve months ended December 31, 2022 and the remainder that was amortized against *Cost of sales* in the prior year. Additionally, in 2022 the Company received a \$3.6 grant from the State of North Carolina's Business Recovery Grant Program, which provided assistance to eligible North Carolina businesses that experienced a significant economic loss due to COVID-19. The full amount of the grant is included in the *Other (expense) income, net* line item on the Consolidated Statements of Operations for the twelve months ended December 31, 2022.

4. NEW ACCOUNTING PRONOUNCEMENTS

In December 2022, the FASB issued ASU No. 2022-06, which defers the sunset date of *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04") from December 31, 2022 to December 31, 2024. ASU No. 2022-06 was effective upon issuance. Topic 848 provides temporary optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting, providing optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. To date, the Company has not had a modification to which the application of this guidance is applicable. The Company will continue evaluating the potential impact of adopting this guidance on its consolidated financial statements.

In September 2022, the FASB issued ASU No. 2022-04, *Liabilities-Supplier Finance Programs (Subtopic 405-50)*. The amendments in the update require additional qualitative and quantitative disclosure about supplier finance programs. The guidance does not affect the recognition, measurement or financial statement presentation of supplier finance program obligations. ASU No. 2022-04 is effective on a retrospective basis for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for an amended disclosure requirement related to certain rollforward information, which is effective on a prospective basis for fiscal years beginning after December 15, 2023. Early adoption is permitted. The Company is currently evaluating the impact of adopting this guidance, which is not expected to have a significant impact on its consolidated financial statements.

5. CHANGES IN ESTIMATES

The Company has a periodic forecasting process in which management assesses the progress and performance of the Company's programs. This process requires management to review each program's progress by evaluating the program schedule, changes to identified risks and opportunities, changes to estimated revenues and costs for the accounting contracts (and options if applicable), and any outstanding contract matters. Risks and opportunities include but are not limited to management's judgment about the cost associated with the Company's ability to achieve the schedule, technical requirements (e.g., a newly-developed product versus a mature product), and any other program requirements. Due to the span of years it may take to completely satisfy the performance obligations for the accounting contracts (and options, if any) and the scope and nature of the work required to be performed on those contracts, the estimation of total revenue and costs is subject

to many variables and, accordingly, is subject to change based upon judgment. The Company's estimate of costs depends on maintaining continuing, uninterrupted production at its manufacturing facilities and its suppliers' facilities. Interruptions in deliveries of or increased prices for components or raw materials used in the Company's products could delay production and/or materially adversely affect the Company's business. When adjustments in estimated total consideration or estimated total cost are required, any changes from prior estimates for fully satisfied performance obligations are recognized in the current period as a cumulative catch-up adjustment for the inception-to-date effect of such changes. Cumulative catch-up adjustments are driven by several factors including production efficiencies, assumed rate of production, the rate of overhead absorption, changes to scope of work,

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

and contract modifications. Cumulative catch-up adjustments are primarily related to changes in the estimated margin of contracts with performance obligations that are satisfied over time.

Changes in estimates could materially affect the Company's future financial performance. Other than certain increases in raw material costs that can generally be passed on to the Company's customers, in most instances the Company must fully absorb cost overruns. Some of the factors that may cause the costs incurred in fulfilling contracts to vary substantially from current estimates are technical problems, production rate changes, materials shortages, supplier difficulties, realization targets, existence of and execution to recovery plans caused by these factors, and multiple other events, including those identified in Item 1A. "Risk Factors". The risk particularly applies to products such as the B787, A220, and A350, which are in forward loss positions.

Changes in estimates are summarized below:

Changes in Estimates	December 31, 2022	December 31, 2021	December 31, 2020
(Unfavorable) Favorable Cumulative Catch-up Adjustments by Segment			
<i>Commercial</i>	(30.1)	(5.7)	(28.9)
<i>Defense & Space</i>	2.4	0.7	(1.5)
<i>Aftermarket</i>	—	—	—
Total (Unfavorable) Favorable Cumulative Catch-up Adjustment	\$ (27.7)	\$ (5.0)	\$ (30.4)
(Forward Loss) and Changes in Estimates on Loss Programs by Segment			
<i>Commercial</i>	(243.9)	(227.3)	(366.8)
<i>Defense & Space</i>	(6.4)	(14.2)	(3.5)
<i>Aftermarket</i>	—	—	—
Total (Forward Loss) and Change in Estimate on Loss Program	\$ (250.3)	\$ (241.5)	\$ (370.3)
Total Change in Estimate	\$ (278.0)	\$ (246.5)	\$ (400.7)
EPS Impact (diluted per share based on statutory tax rate)	\$ (2.68)	\$ (2.29)	\$ (3.07)

2022 Changes in Estimates

During the twelve months ended December 31, 2022, the Company recognized net forward loss charges of \$250.3 primarily driven by increased cost estimates for production rate decreases and build schedule changes, supply chain costs, costs of rework, and other costs on the B787 program, and additional labor, freight, and other cost requirements driven by parts shortages and production and quality issues, production schedule changes received from Airbus, increased freight and utility costs, and increased non-recurring engineering and tooling costs on the A350 program. Forward losses were also impacted by technical problems, realization targets, and existence and execution of factory recovery plans caused by the factors listed above and other factors. Additionally, the forward loss charges reflect anticipated production recovery costs related to the bankruptcy of a supplier and associated failure to deliver key parts on the A220 wing program, and, to a lesser extent, increased cost projections on the RB3070, B767, Bombardier Challenger 650, and a partial offset related to the release of a previously recorded forward loss provision that was impacted by the suspension of activities in Russia.

Unfavorable cumulative catch-up adjustments of \$27.7 were primarily recognized on the B737 MAX and A320 programs, reflective of increased costs experienced and estimated for supply chain, raw material, labor and other costs on the B737 MAX program, driven by production schedule changes, parts shortages, production recovery plan execution and increased supply chain and other costs. The A320 program unfavorable cumulative catch-up adjustment was driven

by production cost overruns experienced due to operational and supply chain disruptions, and estimates of the impact of production schedule changes, increased material costs, increased freight costs, and increased labor and overhead costs.

2021 Changes in Estimates

During the twelve months ended December 31, 2021, the Company recognized net forward loss charges of \$241.5 primarily driven by production rate changes on B787 and A350 programs and the corresponding amount of fixed overhead absorption applied to lower deliveries, engineering analysis and estimated costs of rework on the B787 programs, estimated quality improvement costs on the A350 program, and cost performance on the B767 program. Unfavorable cumulative catch-up adjustments of \$5.0 were primarily driven by the change on the estimate of production for the B737 program.

2020 Changes in Estimates

During the twelve months ended December 31, 2020, the Company recognized net forward loss charges of \$370.3 primarily driven by production rate changes on B787 and A350 from 10 aircraft per month to 5 aircraft per month and 9 aircraft per month to 4 aircraft per month, respectively. Unfavorable cumulative catch up adjustments of \$30.4 were primarily driven by rate reduction across all overtime programs due to the COVID-19 pandemic.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)**6. ACCOUNTS RECEIVABLE, NET**

Accounts receivable represent the Company's unconditional rights to consideration, subject to the payment terms of the contract, for which only the passage of time is required before payment. Unbilled receivables are reflected under contract assets on the balance sheet. Management assesses and records an allowance for credit losses using a current expected credit loss ("CECL") model. See *Allowance for Credit Losses*, below.

Accounts receivable, net consists of the following:

	December 31, 2022	December 31, 2021
Trade receivables	\$ 477.9	\$ 412.0
Other	19.7	58.1
Less: allowance for credit losses	(8.1)	(8.5)
Accounts receivable, net	\$ 489.5	\$ 461.6

Other receivables as of December 31, 2021 in the table above includes an amount related to the Department of Transportation's approval of the Company's grant claim filed under the Aviation Manufacturing Jobs Protection Program, a component of the American Rescue Plan Act of 2021. This program provided funding for a portion of the compensation costs of certain categories of employees for up to six months. In return, the Company was required to make several commitments, including a commitment that the Company would not involuntarily furlough or lay off employees within those categories of employees during the same six month period. As of December 31, 2021, the Company's other receivable balance, noted in the table above, included \$37.7 for the program, reflecting the amount that had not yet been paid of the full amount of the award of \$75.5. As of December 31, 2022, the amount in other receivables was \$0, reflecting a payment of \$37.7 received in the twelve months ended December 31, 2022. The full amount of the award has been amortized against Cost of sales on the Consolidated Statements of Operations as of December 31, 2022.

The Company has agreements (through its subsidiaries) to sell, on a revolving basis, certain trade accounts receivable balances with Boeing, Airbus Group SE and its affiliates (collectively, "Airbus"), and Rolls-Royce PLC and its affiliates (collectively, "Rolls-Royce") to third-party financial institutions. These programs were primarily entered into as a result of customers seeking payment term extensions with the Company and they continue to allow the Company to monetize the receivables prior to their payment date, subject to payment of a discount. No guarantees are delivered under the agreements. The Company's ability to continue using such agreements is primarily dependent upon the strength of the applicable customer's financial condition. Transfers under these agreements are accounted for as sales of receivables resulting in the receivables being derecognized from the Company's balance sheet. For the twelve months ended December 31, 2022, \$2,899.8 of accounts receivable have been sold via this arrangement. The proceeds from these sales of receivables are included in cash from operating activities in the Consolidated Statements of Cash Flows. The recorded net loss on sale of receivables is \$23.4 for the year ended December 31, 2022 and is included in Other (expense) income. See Note 23, *Other Income (Expense), net*.

Allowance for Credit Losses

Management assesses and records an allowance for credit losses on financial assets within the scope of ASU 2016-13 using the CECL

model. The amount necessary to adjust the allowance for credit losses to management's current estimate, as of the reporting date, on these assets is recorded in net income as credit loss expense. All credit losses reported in accordance with ASU 2016-13 were on trade receivables and/or contract assets arising from the Company's contracts with customers.

In determining the appropriate methodology to use within the CECL model for receivables and contract assets arising from the Company's contracts with customers, the Company considered the risk characteristics of the applicable assets. The Company segregated the trade receivables and contract assets into "pools" of assets at the segment level. The Company's assessment was based on similarity of risk characteristics shared by these pool of assets. Management observed that risks for collectability, with regard to the trade receivables and contract assets resulting from contracts with customers include: macro level economic conditions that impact all of the Company's customers, macro-level market conditions that could impact the Company's customers in certain aircraft categories, certain customer specific market conditions, certain customer specific economic conditions, and certain customer specific administrative conditions.

The Company selected a loss-rate method for the CECL model, based on the relationship between historical write-offs of receivables and the underlying sales. Utilizing this model, a loss-rate is applied against the cost of applicable assets, at the time the asset is established. The loss rate reflects the Company's current estimate of the risk of loss (even when that risk is remote) over the expected life of the assets. The Company's policy is to deduct write-offs from the allowance for credit losses account in the period in which the financial assets are deemed uncollectible.

The changes to the allowance for credit losses and related credit loss expense reported for the twelve months ended December 31, 2022 were solely based on the results of the CECL model. During the twelve months ended December 31, 2022 there have been no significant changes in the factors that influenced management's current estimate of expected credit losses, nor changes to the Company's accounting policies or Current Expected Credit Losses methodology. The beginning balances, current period activity, and ending balances of the allocation for credit losses on accounts receivable and contract assets were not material.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)**7. CONTRACT ASSETS AND CONTRACT LIABILITIES**

Contract assets primarily represent revenues recognized for performance obligations that have been satisfied but for which amounts have not been billed. Contract assets, current are those for which performance obligations have been fully satisfied and billing is expected within 12 months of contract origination and contract assets, long-term are fully satisfied obligations that are expected to be billed in more than 12 months. No impairments to contract assets were recorded for the twelve months ended December 31, 2022 or December 31, 2021. See also Note 6, *Accounts Receivable, net*.

Contract liabilities are established for cash received that is in excess of revenues recognized and are contingent upon the satisfaction of performance obligations. Contract liabilities primarily consist of cash received on contracts for which revenue has been deferred since the receipts are in excess of transaction price resulting from the allocation of consideration based on relative standalone selling price to future units (including those under option that the Company believes are likely to be exercised) with prices that are lower than standalone selling price. These contract liabilities will be recognized earlier if the options are not fully exercised, or immediately, if the contract is terminated prior to the options being fully exercised.

	December 31, 2022	December 31, 2021	Change
Contract assets	\$ 502.2	\$ 443.2	\$ 59.0
Contract liabilities	(356.4)	(387.0)	30.6
Net contract assets (liabilities)	\$ 145.8	\$ 56.2	\$ 89.6

For the period ended December 31, 2022, the increase in contract assets reflects the net impact of additional revenue recognized in excess of billed revenues during the period. The decrease in contract liabilities reflects the net decrease of deferred revenues recorded in excess of revenue recognized during the period. The Company recognized \$72.8 of revenue that was included in the contract liability balance at the beginning of the period.

	December 31, 2021	December 31, 2020	Change
Contract assets	\$ 443.2	\$ 372.8	\$ 70.4
Contract liabilities	(387.0)	(469.6)	82.6
Net contract assets (liabilities)	\$ 56.2	\$ (96.8)	\$ 153.0

For the period ended December 31, 2021, the increase in contract assets reflects the net impact of additional revenue recognized in excess of billed revenues during the period. The decrease in contract liabilities reflects the net decrease of deferred revenues recorded in excess of revenue recognized during the period. The Company recognized \$192.4 of revenue that was included in the contract liability balance at the beginning of the period.

8. REVENUE DISAGGREGATION AND OUTSTANDING PERFORMANCE OBLIGATIONS

Disaggregation of Revenue

The Company disaggregates revenue based on the method of measuring satisfaction of the performance obligation either over time or at a point in time. Additionally, the Company disaggregates revenue based upon the location where products and services are transferred to the customer, and based upon major customer. The Company's principal operating segments and related revenue are noted in Note 26, *Segment and Geographical Information*.

The following table disaggregates revenues by the method of performance obligation satisfaction:

Revenue	For the Twelve Months Ended	
	December 31, 2022	December 31, 2021
Contracts with performance obligations satisfied over time	\$ 3,684.8	\$ 3,040.3
Contracts with performance obligations satisfied at a point in time	1,344.8	912.7
Total Revenue	\$ 5,029.6	\$ 3,953.0

SPIRIT AEROSYSTEMS HOLDINGS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

The following table disaggregates revenue by major customer:

Customer	For the Twelve Months Ended	
	December 31, 2022	December 31, 2021
Boeing	\$ 3,008.9	\$ 2,206.0
Airbus	1,098.2	945.6
Other	922.5	801.4
Total net revenues	\$ 5,029.6	\$ 3,953.0

The following table disaggregates revenue based upon the location where control of products are transferred to the customer:

Location	For the Twelve Months Ended	
	December 31, 2022	December 31, 2021
United States	\$ 3,814.5	\$ 2,822.2
International		
United Kingdom	632.8	580.4
Other	582.3	550.4
Total International	1,215.1	1,130.8
Total Revenue	\$ 5,029.6	\$ 3,953.0

Remaining Performance Obligations

Unsatisfied, or partially unsatisfied, performance obligations currently under contract that are expected to be recognized to revenue in the future are noted in the table below. The Company expects options to be exercised in addition to the amounts presented below.

	2023	2024	2025	2026 and After
Unsatisfied performance obligations	\$ 4,216.9	\$ 4,467.4	\$ 975.3	\$ 247.1

9. INVENTORY

Inventory consists of raw materials used in the production process, work-in-process, which is direct material, direct labor, overhead, and capitalized preproduction costs. Raw materials are stated at lower of cost (principally on an actual or average cost basis) or net realizable value. Capitalized pre-production costs include certain contract costs, including applicable overhead, incurred before a product is manufactured on a recurring basis. These costs are typically amortized over a period that is consistent with the satisfaction of the underlying performance obligations to which these relate. See Note 3, *Summary of Significant Accounting Policies – Inventory*.

	December 31, 2022	December 31, 2021
Raw materials	\$ 332.7	\$ 301.4
Work-in-process ⁽¹⁾	1,044.9	999.1
Finished goods	69.4	56.9
Product inventory	1,447.0	1,357.4
Capitalized pre-production	23.7	25.2
Total inventory, net	\$ 1,470.7	\$ 1,382.6

⁽¹⁾Work-in-process inventory includes direct labor, direct material, and overhead on contracts for which revenue is recognized at a point in time, as well as sub-assembly parts that have not been issued to production on contracts for which revenue is recognized over time using the input method. For the periods ended December 31, 2022 and December 31, 2021, work-in-process inventory includes \$392.2 and \$381.2, respectively, of costs incurred in anticipation of specific contracts and no impairments were recorded in the period.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

Product inventory, summarized in the table above, is shown net of valuation reserves of \$136.8 and \$97.3 as of December 31, 2022 and December 31, 2021, respectively. The increase in reserves from the prior period was driven by reserves recorded against inventory as of December 31, 2022 that were impacted by the suspension of activities in Russia.

Excess capacity and abnormal production costs are excluded from inventory and recognized as expense in the period incurred. Cost of sales for the twelve months ended December 31, 2022 includes \$157.3 of excess capacity production costs related to temporary B737 MAX, A220, and A320 production schedule changes. Cost of sales also includes abnormal costs related to workforce adjustments as a result of COVID-19 production pause, net of a U.S. employee retention credit and U.K. government subsidies for the twelve months ended December 31, 2022 of \$9.6. Cost of sales for the twelve months ended December 31, 2021 includes \$217.5 of excess capacity production costs related to temporary B737 MAX, A220, and A320 production schedule changes and abnormal costs related to workforce adjustments as a result of COVID-19 production pause, net of a U.S. employee retention credit and U.K. government subsidies for the twelve months ended December 31, 2021 of \$12.0.

10. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net consists of the following:

	December 31, 2022	December 31, 2021
Land	\$ 30.1	\$ 30.7
Buildings (including improvements)	1,269.1	1,242.0
Machinery and equipment	2,365.1	2,276.5
Tooling	1,055.9	1,051.1
Capitalized software	336.1	323.0
Construction-in-progress	102.2	117.1
Total	5,158.5	5,040.4
Less: accumulated depreciation	(2,952.6)	(2,654.9)
Property, plant and equipment, net	\$ 2,205.9	\$ 2,385.5

Capitalized interest was \$3.8, \$6.1, and \$5.0 for the twelve months ended December 31, 2022, 2021 and 2020, respectively. Repair and maintenance costs are expensed as incurred. The Company recognized repair and maintenance costs of \$161.9, \$158.8, and \$119.7 for the twelve months ended December 31, 2022, 2021 and 2020, respectively.

The Company capitalizes certain costs, such as software coding, installation and testing, that are incurred to purchase or to create and implement internal use computer software. Depreciation expense

related to capitalized software was \$23.4, \$16.7, and \$16.1 for the twelve months ended December 31, 2022, 2021, and 2020, respectively.

The Company reviews capital and amortizing intangible assets (long-lived assets) for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. There was no impairment for the twelve months ended December 31, 2022 and December 31, 2021.

11. LEASES

The Company determines if an arrangement is a lease at the inception of a signed agreement. Operating leases are included in ROU assets (long-term), short-term operating lease liabilities, and long-term operating lease liabilities on the Company's consolidated balance sheet. Finance leases are included in Property, Plant and Equipment, current portion of long-term debt, and long-term debt.

ROU assets represent the right of the Company to use an underlying asset for the length of the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

To determine the present value of lease payments, the Company uses its estimated incremental borrowing rate or the implicit rate, if readily determinable. The estimated incremental borrowing rate is based on information available at the lease commencement date, including any recent debt issuances and publicly available data for instruments with similar characteristics. The ROU asset also includes any lease payments made and excludes lease incentives.

The Company's lease terms may include options to extend or terminate the lease and, when it is reasonably certain that an option will be exercised, those options are included in the net present value calculation. Leases with a term of 12 months or less, which are primarily related to automobiles and manufacturing equipment, are not

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

recorded on the balance sheet. The aggregate amount of lease cost for leases with a term of 12 months or less is not material.

The Company has lease agreements that include lease and non-lease components, which are generally accounted for separately. For certain leases (primarily related to IT equipment), the Company does account for the lease and non-lease components as a single lease component. A portfolio approach is applied to effectively account for the assets and liabilities for those specific leases referenced above. The Company does not have any material leases containing variable lease payments or residual value guarantees. The Company also does not have any material subleases.

The Company currently has operating and finance leases for items such as manufacturing facilities, corporate offices, manufacturing equipment, transportation equipment, and vehicles. Majority of the Company's

active leases have remaining lease terms that range between less than one year to 18 years, some of which include options to extend the leases for up to 30 years, and some of which include options to terminate the leases within one year.

For the twelve months ended December 31, 2022, total net lease cost was \$54.3. This was comprised of \$13.6 of operating lease costs, \$33.6 amortization of assets related to finance leases, and \$7.1 interest on finance lease liabilities. For the twelve months ended December 31, 2021, total net lease cost was \$47.3. This was comprised of \$11.5 of operating lease costs, \$28.8 amortization of assets related to finance leases, and \$7.0 interest on finance lease liabilities. For the twelve months ended December 31, 2020, total net lease cost was \$36.8. This was comprised of \$9.0 of operating lease costs, \$21.5 of amortization of assets related to finance leases, and \$6.3 interest on finance lease liabilities.

Supplemental cash flow information related to leases was as follows:

	For the Twelve Months Ended	For the Twelve Months Ended
	December 31, 2022	December 31, 2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 13.1	\$ 10.9
Operating cash flows from finance leases	\$ 7.1	\$ 7.0
Financing cash flows from finance leases	\$ 44.4	\$ 40.9
ROU assets obtained in exchange for lease obligations:		
Operating leases	\$ 11.2	\$ 20.8

Supplemental balance sheet information related to leases:

	December 31, 2022	December 31, 2021
Finance leases:		
Property and equipment, gross	\$ 295.4	\$ 266.1
Accumulated amortization	(103.4)	(73.1)
Property and equipment, net	\$ 192.0	\$ 193.0

The weighted average remaining lease term as of December 31, 2022 for operating and finance leases was 31.7 years and 5.3 years, respectively. The weighted average discount rate as of December 31, 2022 for operating and finance leases was 5.8% and 5.0%, respectively. See Note 16, *Debt*, for current and non-current finance lease obligations. The weighted average remaining lease term as of December 31, 2021 for operating and finance leases was 36.3 years and 4.9 years, respectively. The weighted average discount rate as of December 31, 2021 for operating and finance leases was 5.6% and 4.5%, respectively.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

As of December 31, 2022, remaining maturities of lease liabilities were as follows:

	2023	2024	2025	2026	2027	2028 and thereafter	Total Lease Payments	Less: Imputed Interest	Total Lease Obligations
Operating Leases	\$ 13.6	\$ 13.0	\$ 13.1	\$ 11.3	\$ 8.8	\$ 161.2	\$ 221.0	\$ (127.3)	\$ 93.7
Financing Leases	\$ 47.7	\$ 39.9	\$ 25.8	\$ 18.7	\$ 7.5	\$ 26.2	\$ 165.8	\$ (21.3)	\$ 144.5

As of December 31, 2022, the Company had additional operating and financing lease commitments that have not yet commenced of approximately \$0.1 and \$54.9, respectively, for manufacturing equipment and facilities which are in various phases of construction or customization for the Company's ultimate use, with lease terms between 3 and 7 years. The Company's involvement in the construction and design process for these assets is generally limited to project management.

12. OTHER ASSETS, GOODWILL, AND INTANGIBLE ASSETS

Other current assets are summarized as follows:

	December 31, 2022	December 31, 2021
Prepaid expenses	27.5	20.7
Income tax receivable	3.9	14.0
Other assets – short term	6.9	5.0
Total other current assets	\$ 38.3	\$ 39.7

Other assets are summarized as follows:

	December 31, 2022	December 31, 2021
Deferred financing		
Deferred financing costs	0.9	0.9
Less: Accumulated amortization-deferred financing costs	(0.8)	(0.6)
Deferred financing costs, net	0.1	0.3
Other		
Supply agreements ⁽¹⁾	6.4	9.2
Equity in net assets of affiliates	1.1	0.8
Restricted cash – collateral requirements	19.6	19.5
Rotables	39.0	38.3
Other	25.6	23.5
Total	\$ 91.8	\$ 91.6

⁽¹⁾Certain payments accounted for as consideration paid by the Company to a customer are being amortized as reductions to net revenues.

SPIRIT AEROSYSTEMS HOLDINGS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

Goodwill is summarized as follows:

Segment	Changes in Goodwill Balance				Balance at December 31, 2022
	Balance at December 31, 2021	Acquisitions	Adjustments/ Other	Currency Exchange	
Commercial	\$ 296.8	\$ —	\$ —	\$ (0.3)	\$ 296.5
Defense & Space	\$ 5.5	\$ 7.1 ⁽¹⁾	\$ —	\$ —	\$ 12.6
Aftermarket	\$ 321.4	\$ —	\$ —	\$ —	\$ 321.4
	\$ 623.7	\$ 7.1	\$ —	\$ (0.3)	\$ 630.5

⁽¹⁾The T.E.A.M., Inc. acquisition (as defined below in Note 28, *Acquisitions*) resulted in the establishment of \$7.1 of goodwill that was included in the balance reported at December 31, 2022.

The total goodwill value includes no accumulated impairment loss in any of the periods presented.

Intangible assets are summarized as follows:

	December 31, 2022	December 31, 2021
Intangible assets		
Favorable leasehold interests	\$ 2.8	\$ 2.8
Developed technology asset ⁽¹⁾	103.1	92.0
Customer relationships intangible assets ⁽²⁾	139.6	137.2
Total intangible assets	245.5	232.0
Accumulated amortization – favorable leasehold interest	(2.1)	(1.9)
Accumulated amortization – developed technology asset	(15.0)	(8.8)
Accumulated amortization – customer relationships	(17.0)	(9.0)
Intangible assets, net	211.4	212.3

⁽¹⁾The acquisition of T.E.A.M., Inc. resulted in the establishment of an \$11.1 intangible asset for developed technology. See also Note 28, *Acquisitions*.

⁽²⁾The acquisition of T.E.A.M., Inc. resulted in the establishment of a \$2.4 intangible asset for customer relationships. See also Note 28, *Acquisitions*.

Amortization expense was \$14.4 and \$14.0 for the twelve months ended December 31, 2022 and 2021, respectively.

The Company's policy is to use straight-line amortization on the amortizing intangible assets. The amortization for each of the five succeeding years relating to intangible assets currently recorded in the Consolidated Balance sheet and the weighted average amortization is estimated to be the following as of December 31, 2022:

Year	Favorable leasehold interest	Developed Technology	Customer Relationships	Total
2023	0.1	7.0	8.2	15.3
2024	0.1	6.9	8.2	15.2
2025	0.1	6.9	8.2	15.2
2026	0.1	6.9	8.2	15.2
2027	0.1	6.9	8.2	15.2
Weighted average amortization period	6.5	12.9	15.4	14.3

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)**13. ADVANCE PAYMENTS**

Advances on the B787 Program. Boeing has made advance payments to Spirit under the B787 Special Business Provisions and General Terms Agreement (collectively, the "B787 Supply Agreement"), that are required to be repaid to Boeing by way of offset against the purchase price for future shipset deliveries. Advance repayments were originally scheduled to be spread evenly over the remainder of the first 1,000 B787 shipsets delivered to Boeing. On April 8, 2014, the Company signed a memorandum of agreement with Boeing that suspended advance repayments related to the B787 program for a period of twelve months beginning April 1, 2014. Repayment recommenced on April 1, 2015, and any repayments that otherwise would have become due during such twelve-month period were to offset the purchase price for shipsets 1001 through 1120. On December 21, 2018, the Company signed the 2018 MOA with Boeing that again suspended the advance repayments beginning with line unit 818. The advance repayments will resume at a lower rate of \$0.45 per shipset at line number 1135 and continue through line number 1605.

In the event Boeing does not take delivery of a sufficient number of shipsets to repay the full amount of advances prior to the termination of the B787 program or the B787 Supply Agreement, any advances not then repaid will be applied against any outstanding payments then due

by Boeing to us, and any remaining balance will be repaid in annual installments of \$27.0 due on December 15th of each year until the advance payments have been fully recovered by Boeing. As of December 31, 2022, the amount of advance payments received by us from Boeing and not yet repaid was approximately \$205.4.

Advances on the B737 Program. In an effort to minimize the disruption to Spirit's operations and its supply chain, the 2019 MOA entered into on April 12, 2019 included the terms and conditions for an advance payment to be made from Boeing to Spirit in the amount of \$123, which was received during the third quarter of 2019. The 2020 MOA entered into on February 6, 2020, extended the repayment date of the \$123 advance received by Spirit under the 2019 MOA to 2022. In the twelve months ended December 31, 2022 the \$123 of advance payments received from Boeing were repaid and there was no balance due as of December 31, 2022.

Other. The Advance payments, long-term line item on the Consolidated Balance Sheet for the period ended December 31, 2022 includes \$18.9 related to payments received from an Aftermarket segment customer for contracted work that was impacted by the sanctions imposed by the U.S. and other governments on Russia following its invasion of Ukraine.

14. FAIR VALUE MEASUREMENTS

The FASB's authoritative guidance on fair value measurements defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance discloses three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose value is determined using a pricing model with

inputs that are observable in the market or can be derived principally from or corroborated by observable market data. Observable inputs, such as current and forward interest rates and foreign exchange rates, are used in determining the fair value of the interest rate swaps and foreign currency hedge contracts.

Level 3 Unobservable inputs that are supported by little or no market activity and are significant to the fair value of assets and liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The Company's long-term debt includes a senior secured term loan and senior notes described further under Note 16 *Debt*. The estimated fair value of the Company's debt obligations is based on the quoted market prices for such obligations or the historical default rate for debt with similar credit ratings. The following table presents the carrying amount and estimated fair value of long-term debt. See also Note 15 *Derivative and Hedging Activities*, and Note 17 *Pension and Other Post-Retirement Benefits*.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

	December 31, 2022		December 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Senior secured term loan B (including current portion)	571.7	564.5 ⁽²⁾	595.2	595.2 ⁽²⁾
Senior notes due 2023	—	— ⁽¹⁾	299.3	303.6 ⁽¹⁾
Senior secured first lien notes due 2025	20.7	20.8 ⁽¹⁾	495.3	513.3 ⁽¹⁾
Senior secured second lien notes due 2025	1,191.0	1,179.0 ⁽¹⁾	1,187.5	1,252.4 ⁽¹⁾
Senior notes due 2026	298.8	272.8 ⁽¹⁾	298.4	307.5 ⁽¹⁾
Senior notes due 2028	695.9	562.3 ⁽¹⁾	695.2	697.4 ⁽¹⁾
Senior notes due 2029	887.2	935.7 ⁽¹⁾	—	— ⁽¹⁾
Total	\$ 3,665.3	\$ 3,535.1	\$ 3,570.9	\$ 3,669.4

⁽¹⁾Level 1 Fair Value hierarchy⁽²⁾Level 2 Fair Value hierarchy**15. DERIVATIVE AND HEDGING ACTIVITIES****Derivatives Accounted for as Hedges****Cash Flow Hedges – Interest Rate Swaps**

The Company has traditionally entered into interest rate swap agreements to reduce its exposure to the variable rate portion of its long-term debt. The Company also considers counterparty credit risk and its own credit risk in its determination of all estimated fair values. As of December 31, 2020, the Company had one interest rate swap agreement, designated as cash flow hedge, with a notional value of \$150. The fair value of the hedges under this agreement was a liability of \$1.2 as of December 31, 2020, which is recorded in the other current liabilities line item on the Consolidated Balance Sheet for the respective period. On February 24, 2021, the Company terminated the swap agreement. As of December 31, 2022 and 2021, the Company had no swaps outstanding.

Changes in the fair value of cash flow hedges are recorded in Accumulated Other Comprehensive Income (Loss) ("AOCI") and recorded in earnings in the period in which the hedged transaction occurs. No gain or loss was recognized in AOCI for the twelve months ended December 31, 2022 and 2021. For the twelve months ended December 31, 2020, the Company recorded a net loss in AOCI of \$14.3. For the twelve months ended December 31, 2022, 2021 and

The following table summarizes the notional amounts (representing the gross contract/notional amount of the derivatives outstanding) and fair values of the derivative instruments in the Consolidated Balance Sheets as of December 31, 2022, and December 31, 2021. The foreign currency exchange contracts are measured within Level 1 of the Fair Value hierarchy. See Note 14, *Fair Value Measurements*.

	Notional amount		Other assets		Other liabilities	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Derivatives designated as hedging instruments:						
Foreign currency exchange contracts	\$ 157.1	\$ 167.7	\$ —	\$ —	\$ 2.4	\$ 2.0
Total derivatives at fair value			\$ —	\$ —	\$ 2.4	\$ 2.0

2020 a loss of \$0.0, \$0.4 and \$3.6, respectively, was reclassified from AOCI to earnings, and included in the interest expense line item on the Consolidated Statements of Operations, and in operating activities on the Consolidated Statements of Cash Flows. For the twelve months ended December 31, 2022, 2021 and 2020, a loss of \$0.0, \$0.7 and \$10.4, respectively, was reclassified from AOCI to earnings resulting from the termination of a swap agreement, and included in the *Other (expense) income, net* line item on the Consolidated Statements of Operations, and in operating activities on the Consolidated Statements of Cash Flows.

Cash Flow Hedges – Foreign Currency Hedge

The Company has entered into currency forward contracts, each designated as a cash flow hedge upon the date of execution, for the purpose of reducing the variability of cash flows and hedging against the foreign currency exposure for forecasted payroll, pension and vendor disbursements that are expected to be made in the British pound sterling. The hedging program implemented is intended to reduce foreign currency exposure, and the associated forward currency contracts hedge forecasted transactions through September 2023.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

Changes in the fair value of cash flow hedges are recorded in AOCI and recorded in earnings in the period in which the hedged transaction settles. The gain (loss) recognized in AOCI associated with the Company's hedging transactions is presented in the following table:

	For the Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Recognized in total other comprehensive loss:			
Foreign currency exchange contracts	\$ (19.1)	\$ (2.0)	\$ —

The following table summarizes the gains/(losses) associated with the Company's hedging transactions reclassified from AOCI to earnings:

	For the Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Foreign currency exchange contracts:			
Other expense	\$ (18.7)	\$ (0.2)	\$ —

Within the next 12 months, the Company expects to recognize a loss of \$2.4 in earnings related to the foreign currency forward contracts. As of December 31, 2022, the maximum term of the hedged forecasted transaction was 9 months. Generally, the Company has agreements with its counterparties that contain a provision whereby if the Company defaults on its existing credit facilities and payment of the loans extended under such facilities is accelerated, the Company could be declared in default under its agreements, which may result in the early termination of the outstanding derivatives governed by such agreements and the payment of an early termination amount.

Derivatives Not Accounted for as Hedges

During the twelve months ended December 31, 2022, the Company entered into foreign currency forward contracts in the amount of \$291.5 to minimize the risk of currency exchange rate movements on the Company's planned settlement of the repayable investment agreement between the Company and the U.K.'s Department for Business, Energy and Industrial Strategy. During the twelve-month period ended December 31, 2022, these foreign currency forward contracts were settled and new contracts were entered into in the amount of \$293.7, which were also settled during the period. The Company did not designate these forward contracts as hedges or apply hedge accounting to the forward contracts. For the twelve months ended December 31, 2022, the Company recorded a net gain of \$1.6 to the *Other (expense) income, net* line item on the Consolidated Statements of Operations related to the foreign currency forward contracts. There were no foreign currency forward contracts, other than those accounted for as cash flow hedges noted above, in existence as of December 31, 2022, December 31, 2021 or December 31, 2020.

16. DEBT

Total debt shown on the balance sheet is comprised of the following:

	December 31, 2022		December 31, 2021	
	Current	Noncurrent	Current	Noncurrent
Senior secured term loan B	5.7	566.0	5.9	589.3
Senior notes due 2023	—	—	—	299.3
Senior secured first lien notes due 2025	—	20.7	—	495.3
Senior secured second lien notes due 2025	—	1,191.0	—	1,187.5
Senior notes due 2026	—	298.8	—	298.4
Senior notes due 2028	—	695.9	—	695.2
Senior secured first lien notes due 2029	—	887.2	—	—
Present value of finance lease obligations	42.2	102.3	42.2	122.9
Other	5.8	53.0	1.4	54.8
Total	\$ 53.7	\$ 3,814.9	\$ 49.5	\$ 3,742.7

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)**Credit Agreement**

On October 5, 2020, Spirit entered into a term loan credit agreement (the "Credit Agreement") providing for a \$400.0 senior secured term loan B credit facility with the lenders party thereto and Bank of America, N.A., as administrative agent and collateral agent. On October 5, 2020 Spirit borrowed the full \$400.0 of initial term loans available under the Credit Agreement. The Credit Agreement also permits Spirit to request one or more incremental term facilities in an aggregate principal amount not to exceed (x) in the case of any incremental facility that is secured on a pari passu basis with the Credit Agreement, the greater of (a) \$950.0 and (b) such other amount, so long as on a pro forma basis after giving effect to the incurrence of such indebtedness and the use of proceeds thereof, the first lien secured net leverage ratio does not exceed 3.25 to 1.00; and (y) in the case of any incremental facility that is secured on a junior basis to the Credit Agreement, the greater of (a) \$500.0 and (b) such other amount, so long as on a pro forma basis after giving effect to the incurrence of such indebtedness and the use of proceeds thereof, the secured net leverage ratio does not exceed 5.00 to 1.00. On November 15, 2021, the Company entered into a first refinancing, incremental assumption and amendment agreement (the "November 2021 Amendment") to the Credit Agreement. The November 2021 Amendment provides for, among other things, (i) the refinancing of the \$397.0 aggregate principal amount of term loans outstanding under the Credit Agreement immediately prior to the effectiveness of the November 2021 Amendment with term loans in an equal principal amount with a lower interest rate (the "Repriced Term Loans") and (ii) an incremental term loan facility of \$203.0 in aggregate principal amount with the same terms as the Repriced Term Loans. On November 23, 2022, the Company entered into a second refinancing amendment (the "November 2022 Amendment") to the Credit Agreement (the Credit Agreement as amended by the November 2021 Amendment and the November 2022 Amendment, the "Amended Credit Agreement"). The November 2022 Amendment provides for, among other things, the refinancing of the \$594.0 aggregate principal amount of term loans outstanding under the Credit Agreement immediately prior to the effectiveness of the November 2022 Amendment (the "Existing Term Loans") with term loans in an equal principal amount with a later maturity date (the "New Term Loans"). The proceeds of the New Term Loans were used to refinance the Existing Term Loans. The New Term Loans will mature on January 15, 2027. The New Term Loans bear interest at a rate ranging between Term SOFR plus 4.25% and Term SOFR plus 4.50% (or, at Spirit's option, between base rate plus 3.25% and base rate plus 3.50%, as applicable) with the margin varying based on Spirit's first lien secured gross leverage ratio. The obligations under the Amended Credit Agreement are guaranteed by Holdings and Spirit AeroSystems North Carolina, Inc., a wholly-owned subsidiary of the Company ("Spirit NC", and together with Holdings, the "Guarantors"), and each existing and future, direct and indirect, wholly-owned material domestic subsidiary of Spirit, subject to certain customary exceptions. The obligations are secured by a first-priority lien with respect to substantially all assets of Spirit and the Guarantors, subject to certain exceptions.

The Amended Credit Agreement contains usual and customary affirmative and negative covenants for facilities and transactions of this type and that, among other things, restrict the Company and its restricted subsidiaries' ability to incur additional indebtedness, create liens, consolidate or merge, make acquisitions and other investments, guarantee obligations of third parties, make loans or advances,

declare or pay certain dividends or distributions on the Company's stock, redeem or repurchase shares of the Company's stock, engage in transactions with affiliates and enter into agreements restricting the Company's subsidiaries' ability to pay dividends or dispose of assets. These covenants are subject to a number of qualifications and limitations.

The Amended Credit Agreement provides for customary events of default, including, but not limited to, failure to pay principal and interest, failure to comply with covenants, agreements or conditions, and certain events of bankruptcy or insolvency involving the Company and its material subsidiaries.

As a result of the modification and extinguishment of the Company's prior credit agreement, the Company recognized a loss on extinguishment of \$7.2, recorded to the *Interest expense and financing fee amortization* line item for the twelve months ended December 31, 2022, on the Company's Consolidated Statement of Operations, of which \$4.6 is reflected within the *Amortization of deferred financing fees* line item in operating activities and 2.6 is reflected within the *Payment of debt extinguishment costs* line item under financing activities on the Consolidated Statement of Cash Flows for the twelve months ended December 31, 2022. As of December 31, 2022, the outstanding balance of the Amended Credit Agreement was \$592.5 and the carrying value was \$571.7.

First Lien 2029 Notes

On November 23, 2022, Spirit entered into an Indenture (the "First Lien 2029 Notes Indenture"), by and among Spirit, the Guarantors, and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent, in connection with Spirit's offering of \$900.0 aggregate principal amount of its 9.375% Senior Secured First Lien Notes due 2029 (the "First Lien 2029 Notes"). The First Lien 2029 Notes were issued and sold in a private placement to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and in offshore transactions to non-U.S. persons pursuant to Regulation S under the Securities Act.

The First Lien 2029 Notes mature on November 30, 2029 and bear interest at a rate of 9.375% per year payable semiannually in cash in arrears on May 30 and November 30 of each year. The first interest payment date is May 30, 2023. The First Lien 2029 Notes are guaranteed by the Guarantors, and each existing and future, direct and indirect, wholly-owned material domestic subsidiary of the Company, subject to certain customary exceptions. The First Lien 2029 Notes are secured by a first-priority lien with respect to substantially all assets of Spirit and the Guarantors, subject to certain exceptions.

The First Lien 2029 Notes Indenture contains covenants that limit Spirit's, the Company's and the Company's subsidiaries' ability, subject to certain exceptions and qualifications, to incur indebtedness secured by liens, enter into sale and leaseback transactions, make restricted payments and investments and enter into certain mergers or consolidations and transfer substantially all of the Company and its subsidiaries' assets. These covenants are subject to a number of qualifications and limitations. In addition, the Indenture provides for customary events of default.

As of December 31, 2022, the outstanding balance of the First Lien 2029 Notes was \$900.0 and the carrying value was \$887.2.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)**First Lien 2025 Notes**

On October 5, 2020, Spirit entered into an Indenture (the "First Lien 2025 Notes Indenture"), by and among Spirit, the Guarantors, and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent, in connection with Spirit's offering of \$500.0 aggregate principal amount of its 5.500% Senior Secured First Lien Notes due 2025 (the "First Lien 2025 Notes").

The First Lien 2025 Notes were issued and sold in a private placement to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and in offshore transactions to non-U.S. persons pursuant to Regulation S under the Securities Act.

The First Lien 2025 Notes mature on January 15, 2025 and bear interest at a rate of 5.500% per year payable semiannually in cash in arrears on January 15 and July 15 of each year. The first interest payment date is January 15, 2021.

The First Lien 2025 Notes are guaranteed by the Guarantors and were initially secured by a first-priority lien with respect to substantially all assets of Spirit and the Guarantors, subject to certain exceptions.

The First Lien 2025 Notes Indenture initially contained covenants that limit Spirit's, the Company's and the Company's subsidiaries' ability, subject to certain exceptions and qualifications, to incur indebtedness secured by liens, enter into sale and leaseback transactions, make restricted payments and investments and enter into certain mergers or consolidations and transfer substantially all of the Company and its subsidiaries' assets. These covenants are subject to a number of qualifications and limitations. In addition, the First Lien 2025 Indenture provides for customary events of default.

In the fourth quarter of 2022, Spirit purchased \$479.2 in aggregate principal amount of its outstanding First Lien 2025 Notes for cash pursuant to a tender offer (the "Tender Offer"). As of December 31, 2022, the outstanding balance of the First Lien 2025 Notes was \$20.8 and the carrying value was \$20.7. In connection with the Tender Offer, Spirit received the requisite consents from holders of the 2025 First Lien Notes necessary to approve amendments to the 2025 First Lien Notes Indenture, to, among other things, eliminate certain of the restrictive covenants and events of default contained in the 2025 First Lien Notes Indenture (the "Majority Amendments") and terminate the security interest and release the collateral under the 2025 First Lien Notes Indenture (the "Collateral Release Amendments"). Spirit, the Company, Spirit NC and The Bank of New York Mellon Trust Company, N.A. entered into the First Supplemental Indenture, dated as of November 23, 2022, to the 2025 First Lien Notes Indenture, which effects (i) the Majority Amendments and (ii) the Collateral Release Amendments, in each case, as of November 23, 2022. As of December 31, 2022, the First Lien 2025 Notes are unsecured and the First Lien 2025 Notes Indenture no longer includes covenants that limit Spirit's, the Company's and the Company's subsidiaries' ability to incur indebtedness secured by liens, enter into sale and leaseback transactions or make restricted payments and investments.

2026 Notes

In June 2016, the Company issued \$300.0 in aggregate principal amount of 3.850% Senior Notes due June 15, 2026 (the "2026 Notes") with interest payable, in cash in arrears, on June 15 and December 15 of each year, beginning December 15, 2016. As of December 31, 2022, the outstanding balance of the 2026 Notes was

\$300.0 and the carrying value was \$298.8. The Company and Spirit NC guarantee Spirit's obligations under the 2026 Notes on a senior secured basis.

On February 24, 2020, Spirit entered into a Second Supplemental Indenture (the "Second Supplemental Indenture") by and among Spirit, the Company, Spirit NC, and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), as trustee in connection with the 2026 Notes. Under the Second Supplemental Indenture, the 2026 Noteholders were granted security on an equal and ratable basis with the lenders under the 2018 Credit Agreement until the security in favor of the lenders under the 2018 Credit Agreement was released on October 5, 2020. The Supplemental Indenture also added Spirit NC as an additional guarantor under the indenture governing the 2026 Notes.

On April 17, 2020, Spirit entered into a Third Supplemental Indenture (the "Third Supplemental Indenture"), by and among Spirit, the Company, Spirit NC and The Bank of New York Mellon Trust Company, N.A., as trustee in connection with the 2026 Notes. Under the Third Supplemental Indenture, the noteholders were granted security on an equal and ratable basis with the holders of the Second Lien 2025 Notes.

On October 5, 2020, Spirit entered into a Fourth Supplemental Indenture (the "Fourth Supplemental Indenture"), by and among Spirit, the Company, Spirit NC and The Bank of New York Mellon Trust Company, N.A., as trustee in connection with 2026 Notes. Under the Fourth Supplemental Indenture, the holders of the 2026 Notes were granted security on an equal and ratable basis with the holders of the First Lien 2025 Notes (until the security in favor of the lenders under the holders of the First Lien 2025 Notes was released on November 23, 2022) and the secured parties under the Amended Credit Agreement.

On November 23, 2022, Spirit entered into a Fifth Supplemental Indenture (the "Fifth Supplemental Indenture"), by and among Spirit, the Company, Spirit NC and The Bank of New York Mellon Trust Company, N.A., as trustee in connection with the 2026 Notes. Under the Fifth Supplemental Indenture, the holders of the 2026 Notes were granted security on an equal and ratable basis with the holders of the First Lien 2029 Notes.

Second Lien 2025 Notes

On April 17, 2020, Spirit entered into an Indenture (the "Second Lien 2025 Notes Indenture"), by and among Spirit, the Guarantors, and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent, in connection with Spirit's offering of \$1,200.0 aggregate principal amount of its 7.500% Senior Secured Second Lien Notes due 2025 (the "Second Lien 2025 Notes").

The Second Lien 2025 Notes were issued and sold in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act, and in offshore transactions to non-U.S. persons pursuant to Regulation S under the Securities Act.

The Second Lien 2025 Notes mature on April 15, 2025 and bear interest at a rate of 7.500% per year payable semiannually in cash in arrears on April 15 and October 15 of each year. The first interest payment date was October 15, 2020. As of December 31, 2022, the outstanding balance of the Second Lien 2025 Notes was \$1,200.0 and the carrying value was \$1,191.0.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

The Second Lien 2025 Notes are guaranteed by the Guarantors and secured by a second-priority lien with respect to substantially all assets of Spirit and the Guarantors, subject to certain exceptions.

The Second Lien 2025 Notes Indenture contains covenants that limit Spirit's, the Company's and the Company's subsidiaries' ability, subject to certain exceptions and qualifications, to create liens, enter into sale and leaseback transactions and guarantee other indebtedness without guaranteeing the Second Lien 2025 Notes. These covenants are subject to a number of qualifications and limitations. In addition, the Second Lien 2025 Notes Indenture provides for customary events of default.

Floating Rate, 2023, and 2028 Notes

On May 30, 2018, Spirit entered into an Indenture (the "2018 Indenture") by and among Spirit, the Company and The Bank of New York Mellon Trust Company, N.A., as trustee in connection with Spirit's offering of \$300.0 aggregate principal amount of its Senior Floating Rate Notes due 2021 (the "Floating Rate Notes"), \$300.0 aggregate principal amount of its 3.950% Senior Notes due 2023 (the "2023 Notes") and \$700.0 aggregate principal amount of its 4.600% Senior Notes due 2028 (the "2028 Notes" and, together with the Floating Rate Notes and the 2023 Notes, the "2018 Notes"). Holdings guaranteed Spirit's obligations under the 2018 Notes on a senior unsecured basis.

The following table shows required payments during the next five years on the term loan and notes outstanding at December 31, 2022. See Note 11, *Leases* for maturities of finance lease obligations.

	2023		2024		2025		2026		2027	
Required payments	\$	5.9	\$	5.9	\$	1,226.8	\$	305.9	\$	568.8

17. PENSION AND OTHER POST-RETIREMENT BENEFITS**Multi-employer Pension Plan**

In connection with the collective bargaining agreement signed with the International Association of Machinists and Aerospace Workers ("IAM"), the Company contributes to a multi-employer defined benefit pension plan ("IAM National Pension Fund"). As of July 1, 2015, the level of contribution, as specified in the bargaining agreement was, in whole dollars, \$1.75 per hour of employee service. The IAM bargaining agreement provided for a \$0.05 per hour increase, in whole dollars, effective July 1 of each year through 2019. Effective July 1, 2019 the level of employer contribution increased to \$1.95 per hour and will remain at \$1.95 per hour through contract expiration. The IAM contract expires June 24, 2023.

The collective bargaining agreement with the United Automobile, Aerospace and Agricultural Workers of America ("UAW") requires the Company to contribute a specified amount per hour of service to the IAM National Pension Fund. The specified amount was \$1.70 per hour

On February 24, 2021, Spirit redeemed the outstanding \$300.0 principal amount of the Floating Rate Notes. On November 23, 2022, Spirit redeemed the outstanding \$300.0 principal amount of the 2023 Notes. The 2028 Notes bear interest at a rate of 4.600% per annum and mature on June 15, 2028. Interest on the 2028 Notes is payable on June 15 and December 15 of each year, beginning on December 15, 2018. The outstanding balance of the Floating Rate Notes, 2023 Notes, and 2028 Notes was \$0.0, \$0.0, and \$700.0 as of December 31, 2022, respectively. The carrying value of the Floating Rate Notes, 2023 Notes, and 2028 Notes was \$0.0, \$0.0, and \$695.9 as of December 31, 2022, respectively.

The 2018 Indenture contains covenants that limit Spirit's, the Company's and certain of the Company's subsidiaries' ability, subject to certain exceptions and qualifications, to create liens without granting equal and ratable liens to the holders of the 2018 Notes and enter into sale and leaseback transactions. These covenants are subject to a number of qualifications and limitations. In addition, the 2018 Indenture provides for customary events of default.

As of December 31, 2022, the Company was in compliance with all covenants contained in the indentures governing the First Lien 2029 Notes, First Lien 2025 Notes, Second Lien 2025 Notes, 2026 Notes, and the 2028 Notes.

in 2019. Per the negotiated UAW collective bargaining agreement, the pension contributions, in whole dollars, was \$1.70 per hour effective January 1, 2019 and will be \$1.75 per hour effective January 1, 2020 through year 2025.

The risk of this multi-employer plan is different from single-employer plans in the following aspects:

1. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
2. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
3. If the Company chooses to stop participating in the multi-employer plan, the Company may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

The following table summarizes the multi-employer plan to which the Company contributes. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2021 and 2022 is for the plan's year-end at December 31, 2021, and December 31, 2022, respectively. The zone status is based on information received from the plan.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/Implemented	Contributions of the Company			Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
		2021	2022		2020	2021	2022		
IAM National Pension Fund	51-60321295	Red	Red	Yes	\$ 30.1	\$ 23.0	\$ 27.2	Yes	IAM June 24, 2023 UAW December 7, 2025
Year Company Contributions to Plan Exceeded More Than 5 Percent of Total Contributions (as of December 31 of the Plan's Year-End)									
Pension Fund									
IAM National Pension Fund	2020, 2022								

Defined Contribution Plans

The Company contributes to a defined contribution plan available to all U.S. employees, excluding IAM and UAW represented employees. Under the plan, the Company makes a matching contribution of 75% of the employee contribution, up to a maximum 8% of eligible individual employee compensation. In addition, non-matching contributions based on an employee's age and years of service are paid at the end of each calendar year for certain employee groups.

The Company recorded \$31.8, \$30.4, and \$32.5 in contributions to these plans for the twelve months ended December 31, 2022, 2021, and 2020, respectively.

On April 1, 2006, as part of the acquisition of BAE Aerostructures, the Company established a defined contribution pension plan for those employees who are hired after the date of acquisition. Under the plan, the Company contributes up to 8% of base salary if participating employees contribute 4% of base salary. The Company recorded \$3.9 in contributions to this plan for the twelve months ended December 31, 2022, \$3.9 in contributions for the twelve months ended December 31, 2021 and \$4.1 in contributions for the twelve months ended December 31, 2020.

On October 30, 2020, as part of the Bombardier Acquisition, the Company acquired a further defined contribution plan for certain employees at the Belfast location. Under the plan, the Company contributes up to 8% of base salary, matching employee contributions up to this level. The Company recorded \$1.2 in contributions to this plan for the twelve months ended December 31, 2022, \$0.3 in contributions for the twelve months ended December 31, 2021, and \$0.03 for the two months from October 30, 2020 to December 31, 2020, excluding contributions paid in respect of employee's own contributions.

A new defined contribution plan was set up at the Belfast location following the closure of the Shorts Pension with effect from December 10, 2021 (see below). Under the terms of the plan, the Company contributes up to 8% of base salary if participating employees contribute 4% of base salary. Additional transitional contributions of 5% a year for the first four years then 4% a year for the next four years are also payable by the Company for employees who

were members of Shorts Pension at the point of closure. The Company recorded \$18.2 in contributions to this plan for the twelve months ended December 31, 2022.

Defined Benefit Pension Plans

Effective December 31, 2005, Spirit had four qualified plans and one nonqualified plan providing supplemental benefits to executives who transferred from a Boeing nonqualified plan to a Spirit plan and elected to keep their benefits in this plan. Both plans are frozen as of the date of the Boeing Acquisition (i.e., no future service benefits are being earned in these plans). The Company intends to fund its qualified pension plan through a trust. Pension assets are placed in trust solely for the benefit of the pension plans' participants and are structured to maintain liquidity that is sufficient to pay benefit obligations. Effective October 1, 2021, the Company spun off a portion of the existing Pension Value Plan ("PVP A"), to a new plan called PVP B. As part of the PVP B plan termination process, a lump sum offering was provided during 2021 for PVP B participants and the final asset distribution was completed in the first quarter of 2022. At December 31, 2022, a pension reversion asset of \$71.1 is recorded on the Restricted plan assets line item on the Company's Consolidated Balance Sheets. Restricted plan assets are expected to be reduced over seven years as they are distributed to employees under a qualified benefit program. Restricted plan assets are valued at fair value with gain or loss on fair value adjustments recognized within other income. The underlying investments' fair value measurement levels under the FASB's authoritative guidance on fair value measurements are Level 2, see Note 14 *Fair Value Measurements*.

Separately, during the twelve months ended December 31, 2022, the Company withdrew \$34.0 of cash from PVP B, which represented an excess plan assets reversion. This transaction was accounted for as a negative contribution, and is included on the *Pension plans employer contributions* line item on the Consolidated Statements of Cash Flows for the twelve months ended December 31, 2022. Excise tax of \$6.8 related to the reversion of excess plan assets was separately recorded to the *Other income (expense), net* line item on the Consolidated Statements of Operations for the twelve months ended December 31, 2022. See also Note 23 *Other Income (Expense), Net*.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

In July 2022 the Company adopted and communicated to participants a plan to terminate the Company's Pension Value Plan A ("PVP A"). During the twelve months ended December 31, 2022, the PVP A plan was amended, providing for an enhancement to benefits the Company is providing to certain U.S. employees in conjunction with the plan termination. The estimated liability impact of this plan amendment, \$73.5, was recognized immediately as a non-cash, pre-tax non-operating charge for amortization of prior service costs. The Company recognized additional non-cash, pre-tax non-operating accounting charges of \$34.7 related to the plan termination, primarily reflecting the accounting for bulk lump-sum payments made in the fourth quarter of 2022, which resulted in a settlement charge related to the accelerated recognition of the actuarial losses for the PVP A plan that were previously included in the *Accumulated other comprehensive loss* line item in the Stockholders' Equity section of the Company's Balance Sheet.

On April 1, 2006, as part of the acquisition of BAE Aerostructures, the Company established a U.K. defined benefit pension plan for those employees based in Prestwick that had pension benefits remaining in BAE Systems' pension plan. Effective December 31, 2013, this Prestwick pension plan was closed and benefits were frozen and thereafter subject only to statutory pension revaluation.

On October 30, 2020, as part of the Bombardier Acquisition, the Company acquired two further defined benefit plans for current and former employees at the Belfast location. The Company concluded its consultation and communication with employee and Trade Union representatives on the closure of the largest of the defined benefit plans acquired as part of the Bombardier Acquisition, the Shorts Pension (as defined below). The outcome is that the Shorts Pension was amended and closed to the future accrual of benefits for all employees who are members of the plan, effective December 10, 2021. From December 11, 2021, affected employees will build up future retirement savings in a new defined contribution scheme. For the twelve months ended December 31, 2021, the impact of the closure of the Shorts Pension resulted in a curtailment gain of \$61.0. The remaining plan is closed to new hires and the future accrual of benefits, as the final employees accruing service in the plan left Company employment. In accordance with the agreement reached as part of the Bombardier Acquisition, the Company made contributions of \$154.7 to improve the funded status of the Belfast defined benefit plans during 2021, which included a one-time special contribution of \$137.6 to the Shorts Pension plan during October 2021.

In accordance with legislation, each of the U.K. plans and their assets are managed by independent trustee companies. The investment strategies adopted by the trustees are documented in Statement of Investment Principles in line with U.K. legislation. The principles for the

investment strategies are to maximize the long-term rate of return on plan assets within an acceptable level of risk while maintaining adequate funding levels. The trustees have invested the plan assets in pooled arrangements with authorized investment companies that were selected to be consistent with the overall investment principles and strategy.

Other Post-Retirement Benefit Plans

The Company also has post-retirement health care coverage for eligible U.S. retirees and qualifying dependents prior to age 65. Eligibility for employer-provided benefits is limited to those employees who were employed at the date of the Boeing Acquisition and retire on or after attainment of age 62 and 10 years of service. Employees who do not satisfy these eligibility requirements can retire with post-retirement medical benefits at age 55 and 10 years of service, but they must pay the full cost of medical benefits provided.

On October 30, 2020, as part of the Bombardier Acquisition, the Company acquired a post-retirement medical plan for certain former employees at the Belfast location. Eligibility for this plan is closed and no further participants in the plan are expected.

Obligations and Funded Status

The following tables reconcile the funded status of both pension and post-retirement medical benefits to the balance on the balance sheets for the fiscal years 2022 and 2021. Benefit obligation balances presented in the tables reflect the projected benefit obligation and accumulated benefit obligation for the Company's pension plans, and accumulated post-retirement benefit obligations for the Company's post-retirement medical plan. The Company uses an end of fiscal year measurement date of December 31 for the Company's U.S. pension and post-retirement medical plans. The funded status of the U.S. based defined benefit plans as of December 31, 2022 decreased overall due to less than expected asset returns, asset transfers, increased liabilities due to the enhancement discussed above and remeasurement of benefit obligations on an estimated plan termination basis resulting in an increased liability. These factors were partially offset by an increase in the effective discount rate (250 basis points for PVP A) which decreased the projected benefit obligation. The funded status of the U.K. Prestwick Plan decreased, driven by the a loss on the value of assets. The projected benefit obligation decreased, due to the discount rate increasing by 315 basis points from December 31, 2021 to December 31, 2022. The projected benefit obligation of the U.K. Belfast plans was acquired on October 30, 2020, as part of the

SPIRIT AEROSYSTEMS HOLDINGS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

Bombardier Acquisition. The funded status for the U.K. Belfast plans improved over the year primarily due to the actuarial gain on the projected benefit obligation.

U.S. Plans	Pension Benefits		Other Post-Retirement Benefits	
	Periods Ended December 31,		Periods Ended December 31,	
	2022	2021	2022	2021
Change in projected benefit obligation:				
Beginning balance	\$ 814.1	\$ 1,099.1	\$ 42.5	\$ 49.5
Service cost	—	—	0.7	0.8
Employee contributions	—	—	1.1	1.3
Interest cost	20.8	18.7	0.6	0.3
Actuarial (gains) losses	(105.2)	(38.7)	(2.3)	1.0
Plan Amendments	73.5	—	—	—
Plan Settlements	(270.0)	(226.7)	—	—
Benefits paid	(39.9)	(38.3)	(9.5)	(10.4)
Projected benefit obligation at the end of the period	\$ 493.3	\$ 814.1	\$ 33.1	\$ 42.5
Assumptions used to determine benefit obligation:				
Discount rate	5.22%	2.72%	5.04%	1.96%
Rate of compensation increase	N/A	N/A	N/A	N/A
Medical assumptions:				
Trend assumed for the year	N/A	N/A	7.25%	7.00%
Ultimate trend rate	N/A	N/A	4.00%	4.00%
Year that ultimate trend rate is reached	N/A	N/A	2048	2047
Change in fair value of plan assets:				
Beginning balance	\$ 1,318.6	\$ 1,526.3	\$ —	\$ —
Actual (loss) return on assets	(218.9)	66.3	—	—
Employer contributions to plan	(119.5)	(9.0)	8.4	9.1
Employee contributions to plan	—	—	1.1	1.3
Plan Settlements	(270.0)	(226.7)	—	—
Benefits paid	(39.9)	(38.3)	(9.5)	(10.4)
Ending balance	\$ 670.3	\$ 1,318.6	\$ —	\$ —
Reconciliation of funded status to net amounts recognized:				
Funded status (deficit)	\$ 177.0	\$ 504.5	\$ (33.1)	\$ (42.5)
Net amounts recognized	\$ 177.0	\$ 504.5	\$ (33.1)	\$ (42.5)
Amounts recognized in the balance sheet:				
Noncurrent assets	\$ 178.0	\$ 505.8	—	—
Current liabilities	(0.1)	(0.1)	(9.2)	(9.7)
Noncurrent liabilities	(0.9)	(1.2)	(23.9)	(32.8)
Net amounts recognized	\$ 177.0	\$ 504.5	\$ (33.1)	\$ (42.5)

SPIRIT AEROSYSTEMS HOLDINGS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

U.S. Plans	Pension Benefits		Other Post-Retirement Benefits	
	Periods Ended December 31,		Periods Ended December 31,	
	2022	2021	2022	2021
Amounts not yet reflected in net periodic benefit cost and included in AOCI:				
Accumulated other comprehensive (loss) income	\$ (72.7)	\$ 51.7	\$ 16.6	\$ 16.2
Cumulative employer contributions in excess of net periodic benefit cost	249.7	452.8	(49.7)	(58.7)
Net amount recognized in the balance sheet	\$ 177.0	\$ 504.5	\$ (33.1)	\$ (42.5)
Information for pension plans with benefit obligations in excess of plan assets:				
Projected benefit obligation	\$ 1.0	\$ 1.3	\$ 33.1	\$ 42.5
Accumulated benefit obligation	1.0	1.3	—	—

The U.S. based defined benefit plans utilize a cash balance based formula for a subset of the plan participants. The weighted-average interest crediting rates used to determine the benefit obligation and net periodic benefit cost for all future years is 5.25%.

U.K. Prestwick Plan	Pension Benefits	
	Periods Ended December 31,	
	2022	2021
Change in projected benefit obligation:		
Beginning balance	\$ 71.6	\$ 75.9
Service cost	1.7	1.2
Interest cost	1.1	1.0
Plan amendments	0.7	—
Actuarial gains	(26.7)	(1.3)
Benefits paid	(1.7)	(1.1)
Expense paid	(1.7)	(1.2)
Plan settlements	(2.5)	(2.2)
Exchange rate changes	(7.0)	(0.7)
Projected benefit obligation at the end of the period	\$ 35.5	\$ 71.6
Assumptions used to determine benefit obligation:		
Discount rate	4.90%	1.75%
Rate of compensation increase	3.35%	3.50%
Change in fair value of plan assets:		
Beginning balance	\$ 98.3	\$ 103.1
Actual loss on assets	(38.7)	(0.9)
Company contributions	0.3	1.9
Plan settlements	(2.9)	(2.5)
Expenses paid	(1.7)	(1.2)
Benefits paid	(1.7)	(1.1)
Exchange rate changes	(9.5)	(1.0)
Ending balance	\$ 44.1	\$ 98.3

SPIRIT AEROSYSTEMS HOLDINGS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

	Pension Benefits			
	Periods Ended December 31,			
	2022		2021	
U.K. Prestwick Plan				
Reconciliation of funded status to net amounts recognized:				
Funded status	8.6		26.7	
Net amounts recognized	\$	8.6	\$	26.7
Amounts recognized in the balance sheet:				
Noncurrent assets	\$	8.6	\$	26.7
Noncurrent liabilities	—		—	
Net amounts recognized	\$	8.6	\$	26.7
Amounts not yet reflected in net periodic benefit cost and included in AOCI:				
Accumulated other comprehensive income	(10.0)		4.3	
Prepaid pension cost	18.6		22.4	
Net amount recognized in the balance sheet	\$	8.6	\$	26.7
Information for pension plans with benefit obligations in excess of plan assets:				
Projected benefit obligation	\$	—	\$	—
Accumulated benefit obligation	—		—	
Fair value of assets	\$	—	\$	—
	Pension Benefits		Other Post-Retirement Benefits	
	Periods Ended December 31,		Periods Ended December 31,	
	2022	2021	2022	2021
U.K. Belfast Plans				
Change in projected benefit obligation:				
Beginning balance	\$	2,528.0	\$	2,661.4
Service cost		1.3		39.3
Employee contributions		—		0.9
Expenses paid		(1.3)		(1.3)
Interest cost		39.9		36.3
Actuarial gains		(854.1)		(57.5)
Plan curtailments		—		(61.0)
Exchange rate changes		(250.8)		(22.2)
Benefits paid		(55.4)		(67.9)
Projected benefit obligation at the end of the period	\$	1,407.6	\$	2,528.0
Assumptions used to determine benefit obligation:				
Discount rate		4.96%		1.80%
Rate of compensation increase		N/A		N/A
Medical assumptions:				
Trend assumed for the year		N/A		N/A
Ultimate trend rate		N/A		N/A
Year that ultimate trend rate is reached		N/A		N/A

SPIRIT AEROSYSTEMS HOLDINGS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

U.K Belfast Plans	Pension Benefits		Other Post-Retirement Benefits	
	Periods Ended December 31,		Periods Ended December 31,	
	2022	2021	2022	2021
Change in fair value of plan assets:				
Beginning balance	\$ 2,488.1	\$ 2,262.7	\$ —	\$ —
Net transfer in/(out) (including the effect of any business combination divestitures)	—	—	—	—
Actual (loss) return on assets	(785.0)	139.7	—	—
Employer contributions to plan	19.0	180.9	—	0.1
Employee contributions to plan	—	0.9	—	—
Benefits paid	(55.4)	(67.9)	—	(0.1)
Exchange rate changes	(247.6)	(26.9)	—	—
Expenses paid	(1.3)	(1.3)	—	—
Ending balance	\$ 1,417.8	\$ 2,488.1	\$ —	\$ —
Reconciliation of funded status to net amounts recognized:				
Funded status (deficit)	\$ 10.2	\$ (39.9)	\$ (0.3)	\$ (0.8)
Net amounts recognized	\$ 10.2	\$ (39.9)	\$ (0.3)	\$ (0.8)
Amounts recognized in the balance sheet:				
Noncurrent assets	10.2	0.6	—	—
Current liabilities	—	—	—	(0.1)
Noncurrent liabilities	—	(40.5)	(0.3)	(0.7)
Net amounts recognized	\$ 10.2	\$ (39.9)	\$ (0.3)	\$ (0.8)
Amounts not yet reflected in net periodic benefit cost and included in AOCI:				
Accumulated other comprehensive (loss) income	\$ (3.1)	\$ 21.6	\$ 0.4	\$ —
Cumulative employer contributions in excess of net periodic benefit cost	13.3	(61.5)	(0.7)	(0.8)
Net amount recognized in the balance sheet	\$ 10.2	\$ (39.9)	\$ (0.3)	\$ (0.8)
Information for pension plans with benefit obligations in excess of plan assets:				
Projected benefit obligation	\$ 15.2	\$ 2,501.9	\$ 0.3	\$ 0.8
Accumulated benefit obligation	15.2	2,501.9	—	—
Fair value of assets	15.1	2,461.2	—	—

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)*Annual Expense*

The components of pension and other post-retirement benefit plans expense for the U.S. plans and the assumptions used to determine benefit obligations for each of the periods ended December 31, 2022, 2021, and 2020 are as follows:

U.S. Plans	Pension Benefits			Other Post-Retirement Benefits		
	2022	2021	2020	2022	2021	2020
Components of net periodic benefit cost (income):						
Service cost	\$ —	\$ —	\$ —	\$ 0.7	\$ 0.8	\$ 0.8
Interest cost	20.8	18.7	24.4	0.6	0.3	1.0
Expected return on plan assets	(44.0)	(57.7)	(64.2)	—	—	—
Amortization of net (gain) loss	—	—	0.2	(1.0)	(1.3)	(1.7)
Amortization of prior service costs ⁽¹⁾	73.5	—	—	(0.8)	(0.8)	(0.9)
Settlement loss recognized ⁽²⁾	33.3	11.0	9.8	—	—	—
Curtailment loss/(gain) ⁽³⁾	—	—	33.9	—	—	(0.2)
Special termination benefits ⁽³⁾	—	—	31.0	—	—	12.0
Net periodic benefit cost (income)	83.6	(28.0)	35.1	(0.5)	(1.0)	11.0
Other changes recognized in OCI:						
Total recognized in other OCI (income) loss	\$ 124.4	\$ (58.2)	\$ (39.4)	\$ (0.4)	\$ 3.2	\$ 1.0
Total recognized in other net periodic benefit and OCI loss (income)	\$ 208.0	\$ (86.2)	\$ (4.3)	\$ (0.9)	\$ 2.2	\$ 12.0
Assumptions used to determine net periodic benefit costs:						
Discount rate	2.72%	2.31%	3.19%	1.96%	1.26%	2.55%
Expected return on plan assets	4.00%	4.00%	4.50%	N/A	N/A	N/A
Salary increases	N/A	N/A	N/A	N/A	N/A	N/A
Medical Assumptions:						
Trend assumed for the year	N/A	N/A	N/A	7.00%	5.56%	5.90%
Ultimate trend rate	N/A	N/A	N/A	4.50%	4.50%	4.50%
Year that ultimate trend rate is reached	N/A	N/A	N/A	2047	2038	2038

⁽¹⁾Due to a plan amendment related to a benefit enhancement, prior service cost amortization of \$73.5 was recorded to Other income (expense).

⁽²⁾Due to settlement accounting during the fiscal years ending 2022, 2021, and 2020, the Company recognized charges of \$33.3, \$11.0 and \$9.8, respectively, that was recorded to Other income (expense).

⁽³⁾Special termination benefits and curtailment loss as of December 31, 2020 is a combination of pension value plan, post-retirement medical plan, offset by a reduction in the Company's net benefit obligation. The increase is due to voluntary retirement programs in 2020.

The Company records the service component of net periodic benefit cost in operating profit and the non-service components of net periodic benefit cost (i.e., interest cost, expected return on plan assets, amortization of prior service cost, special termination benefits, and net actuarial gains or losses) as part of non-operating income.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

The components of the pension benefit plan expense for the U.K. plans and the assumptions used to determine benefit obligations for each of the periods ended December 31, 2022, 2021, and 2020 are as follows:

U.K. Prestwick Plan	Pension Benefits		
	Periods Ended December 31,		
	2022	2021	2020
Components of net periodic benefit cost (income):			
Service cost	\$ 1.7	\$ 1.2	\$ 0.9
Interest cost	1.1	1.0	1.2
Expected return on plan assets	(1.7)	(1.4)	(1.7)
Settlement gain (loss)	0.6	(0.2)	(0.4)
Net periodic benefit cost (income)	\$ 1.7	\$ 0.6	\$ —
Other changes recognized in OCI:			
Total cost (income) recognized in OCI	\$ 13.9	\$ 1.2	\$ (0.9)
Total recognized in net periodic benefit cost and OCI	\$ 15.6	\$ 1.8	\$ (0.9)
Assumptions used to determine net periodic benefit costs:			
Discount rate	1.75%	1.45%	2.10%
Expected return on plan assets	2.00%	1.40%	2.00%
Salary increases	3.50%	3.10%	3.15%

The components of the pension benefit plan expense for the Belfast plans and the assumptions used to determine benefit obligations for each of the periods ended December 31, 2022, 2021, and 2020 are as follows:

U.K. Belfast Plans	Pension Benefits			Other Post-Retirement Benefits		
	Periods Ended December 31,			Periods Ended December 31,		
	2022	2021	2020	2022	2021	2020
Components of net periodic benefit cost (income):						
Service cost	\$ 1.3	\$ 39.3	\$ 6.3	\$ —	\$ 0.1	\$ —
Interest cost	39.9	36.3	5.9	—	—	—
Curtailment (gain) recognized ⁽¹⁾	—	(61.0)	—	—	—	—
Expected return on plan assets	(92.0)	(95.2)	(14.0)	—	—	—
Net periodic benefit (income) cost	\$ (50.8)	\$ (80.6)	\$ (1.8)	\$ —	\$ 0.1	\$ —
Other changes recognized in OCI:						
Total (income) recognized in OCI	\$ 24.7	\$ (98.1)	\$ 96.6	\$ (0.4)	\$ —	\$ —
Total recognized in net periodic benefit cost and OCI	\$ (26.1)	\$ (178.7)	\$ 94.8	\$ (0.4)	\$ 0.1	\$ —
Assumptions used to determine net periodic benefit costs:						
Discount rate	1.80%	1.45%	1.75%	1.80%	1.45%	1.75%
Expected return on plan assets	4.10%	4.20%	4.20%	N/A	N/A	N/A
Salary increases	N/A	2.90%	2.75%	N/A	N/A	N/A

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

	Pension Benefits			Other Post-Retirement Benefits		
	Periods Ended December 31,			Periods Ended December 31,		
U.K. Belfast Plans	2022	2021	2020	2022	2021	2020
Medical Assumptions:						
Trend assumed for the year	N/A	N/A	N/A	5.75%	5.75%	5.50%
Ultimate trend rate	N/A	N/A	N/A	5.75%	5.75%	5.50%
Year that ultimate trend rate is reached	N/A	N/A	N/A	N/A	N/A	N/A

⁽¹⁾In the fourth quarter of 2021, the Shorts Pension Defined Benefit plan was closed out and a new defined contribution plan was opened for affected employees. This closure resulted in a curtailment gain of \$61.0.

Assumptions

The Company sets the discount rate assumption annually for each of its retirement-related benefit plans as of the measurement date, based on a review of projected cash flow and a long-term high-quality corporate bond yield curve. The discount rate determined on each measurement date is used to calculate the benefit obligation as of that date, and is also used to calculate the net periodic benefit (income)/cost for the upcoming plan year. During 2015, the mortality assumption for the U.S. plans was updated to Mercer's MRP-2007 generational mortality tables for non-annuitants and Mercer's MILES-2010 generational tables for the Auto, Industrial Goods and Transportation group for annuitants both reflecting Mercer's MMP-2007 improvement scale. In 2018, the Company incorporated the MMP-2018 improvement scale. MMP-2018 is a Mercer-developed scale that uses the same basic model as the Society of Actuaries MP-2018 scale, but with different parameters and adjustments for actual experience since 2006. In 2019, the Company incorporated the MMP-2019 improvement scale which was utilized in 2020. In 2021, the Company incorporated the MMP-2021 improvement scale. MMP-2021 is a Mercer-developed scale that uses the same basic model as the Society of Actuaries MP-2019 scale, but with different parameters and adjustments for actual experience since 2006. A blue collar adjustment is reflected for the hourly union participants and a white collar adjustment is reflected for all other participants. Actuarial gains and losses are amortized using the corridor method over the average working lifetimes of active participants/membership.

The pension expected return on assets assumption is derived from the long-term expected returns based on the investment allocation by class

The Company's plans have asset allocations for the U.S., as of December 31, 2022 and December 31, 2021, as follows:

	2022	2021
Asset Category – U.S.		
Cash equivalents	29%	6%
Equity securities – U.S.	71%	22%
Equity securities – International	—%	3%
Debt securities	—%	67%
Real estate	—%	2%
Total	100%	100%

specified in the Company's investment policy. The expected return on plan assets determined on each measurement date is used to calculate the net periodic benefit (income)/cost of the upcoming plan year.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. To determine the health care cost trend rates the Company considers national health trends and adjusts for its specific plan design and locations. The trend and aging assumptions were updated during 2016 to reflect more current trends. These assumptions were reviewed in 2022 based on a review of updated national health trends.

U.S. PLANS

In the twelve months ended December 31, 2022, the Company adopted and communicated to participants a plan to terminate the PVP A. The Company's objective is to manage the assets as appropriate for the near-term termination and closing of the PVP A. The assets are invested solely in cash and diversified taxable fixed income bonds.

Investment guidelines include that no security, except issues of the U.S. Government, shall comprise more than 5% of total Plan assets and further, no individual portfolio shall hold more than 7% of its assets in the securities of any single entity, except issues of the U.S. Government. The following derivative transactions are prohibited – leverage, unrelated speculation and "exotic" collateralized mortgage obligations or CMOs. Investments in hedge funds, private placements, oil and gas and venture capital must be specifically approved by the Company in advance of their purchase.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)**U.K. PRESTWICK PLAN**

The Trustee's investment objective is to ensure that they can meet their obligation to the beneficiaries of the Plan. An additional objective is to achieve a return on the total Plan, which is compatible with the level of risk considered appropriate. The overall benchmark allocation of the Plan's assets is:

Equity securities	15 – 17%
Debt securities	82 – 84%
Property	1%

The Plan has asset allocations as of December 31, 2022 and December 31, 2021, as follows:

	2022	2021
Asset Category – U.K. Prestwick		
Equity securities	15%	15%
Debt securities	80%	80%
Other	5%	5%
Total	100%	100%

U.K. BELFAST PLANS

The Trustees' investment objective is to ensure that they can meet their obligation to the beneficiaries of the Plans. An additional objective is to achieve a return on the total Plan, which is compatible with the level of risk considered appropriate. The overall benchmark allocation of the Plan's assets is:

Equity securities	31%
Fixed Income	35%
Indexed-Linked Gilts	19%
Real Return Assets	13%
Money Market	2%

The Plans have asset allocations as of December 31, 2022 and December 31, 2021, as follows:

	2022	2021
Asset Category – U.K. Belfast		
Equity securities	29%	32%
Fixed Income	34%	34%
Indexed-Linked Gilts	21%	18%
Real Return Assets	13%	13%
Money Market	3%	3%
Total	100%	100%

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)**PROJECTED CONTRIBUTIONS AND BENEFIT PAYMENTS**

Required U.S. pension contributions under Employee Retirement Income Security Act (ERISA) regulations are expected to be zero in 2023 and discretionary contributions are not expected in 2023. SERP and post-retirement medical plan contributions in 2023 are expected to be \$9.3. Expected contributions to the U.K. Prestwick plan for 2023 are zero. Expected contributions to the U.K. (Belfast) plans for 2023 are \$1.8.

The Company monitors its defined benefit pension plan asset investments on a quarterly basis and believes that the Company is not exposed to any significant credit risk in these investments.

The total benefits expected to be paid over the next ten years from the plans' assets or the assets of the Company, by country, are as follows:

U.S.	Pension Plans	Other Post-Retirement Benefit Plans
2023	\$ 494.6	\$ 9.2
2024	\$ 0.1	\$ 7.0
2025	\$ 0.1	\$ 4.8
2026	\$ 0.1	\$ 3.7
2027	\$ 0.1	\$ 3.4
2028 – 2032	\$ 0.4	\$ 9.6

U.K. Prestwick	Pension Plans
2023	\$ 3.6
2024	\$ 3.7
2025	\$ 3.8
2026	\$ 3.9
2027	\$ 4.1
2028 – 2032	\$ 22.5

U.K. Belfast	Pension Plans	Other Post-Retirement Benefit Plans
2023	\$ 57.2	\$ —
2024	\$ 60.8	\$ —
2025	\$ 64.4	\$ —
2026	\$ 69.6	\$ —
2027	\$ 73.8	\$ —
2028 – 2032	\$ 438.7	\$ 0.1

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)**FAIR VALUE MEASUREMENTS**

The pension plan assets are valued at fair value. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for the investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Temporary Cash Investments – These investments consist of U.S. dollars and foreign currencies held in master trust accounts. Foreign currencies held are reported in terms of U.S. dollars based on currency exchange rates readily available in active markets. These temporary cash investments are classified as level 1 investments.

Collective Investment Trusts – These investments are public investment vehicles valued using market prices and performance of the fund. The

trust allocates notional units to the policy holder based on the underlying notional unit buy (offer) price using the middle market price plus transaction costs. These investments are classified within level 2 of the valuation hierarchy. In addition, the collective investment trust includes a real estate fund, which is classified within level 3 of the valuation hierarchy.

Commingled Equity and Bond Funds – These investments are valued at the closing price reported by the Plan Trustee. These investments are not being traded in an active market, but are backed by various investment securities managed by the Bank of New York. Fair value is being calculated using inputs that rely on the Bank of New York's own assumptions, which are based on underlying investments that are traded on an active market and classified within level 2 of the valuation hierarchy.

As of December 31, 2022 and December 31, 2021, the pension plan assets measured at fair value on a recurring basis were as follows:

Description	At December 31, 2022 Using			
	December 31, 2022 Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>Temporary Cash Investments</i>	\$ 193.6	\$ 193.6	\$ —	\$ —
<i>Collective Investment Trusts</i>	1,894.8	—	1,894.8	—
<i>Commingled Equity and Bond Funds</i>	43.9	—	42.4	1.5
	\$ 2,132.3	\$ 193.6	\$ 1,937.2	\$ 1.5

Description	At December 31, 2021 Using			
	December 31, 2021 Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>Temporary Cash Investments</i>	\$ 80.4	\$ 80.4	\$ —	\$ —
<i>Collective Investment Trusts</i>	97.6	—	95.7	1.9
<i>Commingled Equity and Bond Funds</i>	3,700.1	—	3,700.1	—
	\$ 3,878.1	\$ 80.4	\$ 3,795.8	\$ 1.9

The table below sets forth a summary of changes in the fair value of the Plan's level 3 investment assets and liabilities for the years ended December 31, 2022 and December 31, 2021:

Description	December 31, 2022					
	Beginning Fair Value	Purchases	Gain (Loss)	Sales, Maturities, Settlements, Net	Exchange rate	Ending Fair Value
<i>Collective Investment Trusts</i>	\$ 1.9	\$ —	\$ (0.2)	\$ —	\$ (0.2)	\$ 1.5
	\$ 1.9	\$ —	\$ (0.2)	\$ —	\$ (0.2)	\$ 1.5

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

							December 31, 2021		
Description	Beginning Fair Value	Purchases	Gain (Loss)	Sales, Maturities, Settlements, Net	Exchange rate	Ending Fair Value			
<i>Collective Investment Trusts</i>	\$ 3.4	\$ —	\$ 0.2	\$ (1.7)	\$ —	\$ 1.9			
	\$ 3.4	\$ —	\$ 0.2	\$ (1.7)	\$ —	\$ 1.9			

18. CAPITAL STOCK

Holdings has authorized 210,000,000 shares of stock. Of that, 200,000,000 shares are Common Stock, par value \$0.01 per share, one vote per share and 10,000,000 shares are preferred stock, par value \$0.01 per share.

In association with the Boeing Acquisition, Spirit executives with balances in Boeing's Supplemental Executive Retirement Plan ("SERP") were authorized to purchase a fixed number of units of Holdings "phantom stock" at \$3.33 per unit based on the present value of their SERP balances. Any payment on account of units may be made in cash or shares of Common Stock at the sole discretion of Holdings. The balance of SERP units was 16,023, 16,023 and 28,950 as of December 31, 2022, 2021, and 2020, respectively.

Repurchases of Common Stock

As of December 31, 2022, there was \$925.0 remaining under the Board-authorized share repurchase program. During the twelve months ended December 31, 2022, no shares were repurchased under the Board-authorized share repurchase program. Share repurchases are currently on hold due to the impacts of the B737 MAX grounding and the COVID-19 pandemic. The Credit Agreement imposes additional restrictions on the Company's ability to repurchase shares.

During the twelve months ended December 31, 2022, 163,126 shares were transferred to us from employees in satisfaction of tax withholding obligations associated with the vesting of restricted stock awards and restricted stock units under the Omnibus Plan.

19. STOCK COMPENSATION

Holdings has established the stockholder-approved 2014 Omnibus Incentive Plan, as amended (the "Omnibus Plan") to grant cash and equity awards to certain individuals. Compensation values are based on the value of Holdings' Common Stock on the grant date, which is added to equity and charged to period expense. The Company's Omnibus Plan was amended in October 2019 to allow for participants to make tax elections with respect to their equity awards.

Holdings has recognized a net total of \$36.6, \$25.8, and \$24.2 of stock compensation expense for the twelve months ended December 31, 2022, 2021, and 2020, respectively.

During the twelve months ended December 31, 2022, 93,565 shares of Common Stock with aggregate grant date fair value of \$3.0 were granted, and vested immediately, to employees in connection with the ratification of new labor contracts.

Short-Term Incentive Plan

The Short-Term Incentive Program under the Omnibus Plan enables eligible employees to receive incentive benefits in the form of cash as determined by the Compensation Committee.

Board of Directors Stock Awards

The Company's Omnibus Plan provides non-employee directors the opportunity to receive grants of restricted shares of Common Stock, or Restricted Stock Units ("RSUs") or a combination of both Common Stock and RSUs. The Common Stock grants and RSU grants vest one year from the grant date subject to the director's compliance with the one-year service condition; however, the RSU grants are not payable until the director's separation from service. The Board of Directors is authorized to make discretionary grants of shares or RSUs from time to time. Compensation values are based on the value of Holdings' Common Stock on the grant date, which is added to equity and charged to period expense.

The Company expensed a net amount of \$1.6, \$1.5, and \$1.4 for the restricted shares of Common Stock and RSUs for the twelve months ended December 31, 2022, 2021, and 2020, respectively. As of December 31, 2022, the Company's unamortized stock compensation related to these restricted shares of Common Stock and RSUs is \$0.7, which will be recognized over a weighted average remaining period of 4 months. The intrinsic value of the unvested restricted shares of Common Stock and RSUs, based on the value of the Company's stock at December 31, 2022, was \$1.9, based on the value of the Company's Common Stock and the number of unvested shares of restricted Common Stock and RSUs.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

The following table summarizes grants of restricted Common Stock and RSUs to members of the Company's Board of Directors for the twelve months ended December 31, 2022, 2021, and 2020:

	Shares Class A (Thousands)	Value ⁽¹⁾ Class A
Board of Directors Stock Grants		
Nonvested at December 31, 2019	17	1.4
Granted during period	65	1.3
Vested during period	(17)	(1.5)
Forfeited during period	—	—
Nonvested at December 31, 2020	65	1.2
Granted during period	36	1.6
Vested during period	(65)	(1.2)
Forfeited during period	—	—
Nonvested at December 31, 2021	36	1.6
Granted during period	68	\$ 2.2
Vested during period	(41)	\$ (1.8)
Forfeited during period	—	\$ —
Nonvested at December 31, 2022	63	\$ 2.0

⁽¹⁾Value represents grant date fair value per share.

Long-Term Incentive Awards

Holdings has established the Long-Term Incentive Plan (the "LTIP") under the Omnibus Plan to grant equity awards to certain employees.

Generally, specified employees are entitled to receive a long-term incentive award that, for the 2022 year, consisted of the following:

- 50% of the award consisted of time-based, service-condition restricted Common Stock that vests in equal installments over a three-year period (restricted stock units ("RSUs")). Values for these awards are based on the value of Common Stock on the grant date.
- 50% of the award consisted of performance-based, market-condition restricted Common Stock that vests on the three-year anniversary of the grant date contingent upon TSR compared to the Company's peers (the "TSR Award"). Values for these awards are initially measured on the grant date using estimated payout levels derived from a Monte Carlo valuation model.

For the 2021 year, specified employees were entitled to receive a long-term incentive award that generally consisted of the following:

- 60% of the award consisted of time-based, service-condition restricted Common Stock that vests in equal installments over a three-year period (restricted stock awards ("RSAs") or restricted stock units ("RSUs")). Values for these awards are based on the value of Common Stock on the grant date.
- 40% of the award consisted of performance-based, market-condition restricted Common Stock that vests on the three-year anniversary of the grant date contingent upon TSR compared to the

Company's peers (the "TSR Award"). Values for these awards are initially measured on the grant date using estimated payout levels derived from a Monte Carlo valuation model.

For the 2020 year, specified employees were entitled to receive a long-term incentive award that generally consisted of the following:

- 60% of the award consisted of time-based, service-condition restricted Common Stock that vests in equal installments over a three-year period (the "RS Award"). Values for these awards are based on the value of Common Stock on the grant date.
- 20% of the award consisted of performance-based, market-condition restricted Common Stock that vests on the three-year anniversary of the grant date contingent upon TSR compared to the Company's peers (the "TSR Award"). Values for these awards are initially measured on the grant date using estimated payout levels derived from a Monte Carlo valuation model.
- 20% of the award consisted of performance-based, (performance-condition) restricted Common Stock that vests on the three-year anniversary of the grant date contingent upon the Company's cumulative three-year free cash flow as a percentage of the Company's cumulative three-year revenues meeting certain pre-established goals (the "FCF Percentage Award"). Values for these awards are based on the dividend adjusted value of Common Stock on the grant date.

For the twelve months ended December 31, 2022, 553,578 time or service-based restricted stock units ("RSUs") were granted with aggregate date fair values of \$24.0 under the Company's LTIP. In

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

addition, 284,653 performance-based restricted stock units ("PBRsUs") were granted with aggregate grant date fair value of \$22.0 under the Company's LTIP.

For the twelve months ended December 31, 2021, 570,914 time or service-based restricted stock units ("RSUs") and 30,024 time or service-based restricted stock awards ("RSAs") were granted with aggregate date fair values of \$26.9 under the Company's LTIP. In addition, 162,102 performance-based restricted stock units ("PBRsUs") were granted with aggregate grant date fair value of shares of \$9.8 under the Company's LTIP.

For the twelve months ended December 31, 2020, 515,788 shares of Common Stock with an aggregate grant date fair value of \$21.0 were granted as RS Awards under the Company's LTIP. In addition, 385,887

shares of Common Stock with an aggregate grant date fair value of \$16.1 were granted as TSR Awards under the Company's LTIP.

The Company expensed a net total of \$32.1, \$24.3, and \$22.8 for share of Common Stock issued under the LTIP for the twelve months ended December 31, 2022, 2021, and 2020, respectively.

As of December 31, 2022, the Company's unamortized stock compensation related to these unvested shares of Common Stock is \$37.5, which will be recognized over a weighted average remaining period of 1.7 years. The intrinsic value of the unvested shares of Common Stock issued under the LTIP at December 31, 2022 was \$50.6, based on the value of the Company's Common Stock and the number of unvested shares.

The following table summarizes the activity of the restricted shares under the LTIP for the twelve months ended December 31, 2022, 2021, and 2020:

	Shares Common Stock (Thousands)	Value ⁽¹⁾ Common Stock
Long-Term Incentive Plan/Long-Term Incentive Award under Omnibus Plan		
Nonvested at December 31, 2019	1,304	\$ 94.0
Granted during period	940	39.6
Vested during period	(573)	(39.1)
Forfeited during period	(192)	(14.0)
Nonvested at December 31, 2020	1,479	80.5
Granted during period	763	36.7
Vested during period	(305)	(20.6)
Forfeited during period	(535)	(27.7)
Nonvested at December 31, 2021	1,402	68.9
Granted during period	839	46.0
Vested during period	(396)	(20.6)
Forfeited during period	(142)	(11.6)
Nonvested at December 31, 2022	1,703	\$ 82.7

⁽¹⁾Value represents grant date fair value.

20. INCOME TAXES

Income Before Income Taxes: The sources of income before income taxes are:

	2022	2021	2020
U.S.	\$ (467.2)	\$ (553.3)	\$ (1,046.7)
International	(72.2)	(1.9)	(39.2)
Total (before equity earnings)	\$ (539.4)	\$ (555.2)	\$ (1,085.9)

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

Income taxes are accounted for in accordance with FASB authoritative guidance on accounting for income taxes. Deferred income tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts for existing assets and liabilities and their respective tax bases. Tax rate changes impacting these assets and liabilities are recognized in the period during which the rate change occurs.

The Company records an income tax expense or benefit based on the income earned or loss incurred in each tax jurisdiction and the tax rate applicable to that income or loss. In the ordinary course of business,

there are transactions for which the ultimate tax outcome is uncertain. These uncertainties are accounted for in accordance with FASB authoritative guidance on accounting for the uncertainty in income taxes. The final tax outcome for these matters may be different than management's original estimates made in determining the income tax provision. A change to these estimates could impact the effective tax rate and net income or loss in subsequent periods. The Company uses the flow-through accounting method for tax credits. Under this method, tax credits reduce income tax expense.

Provision for Income Tax Taxes: The income tax (benefit) expense contains the following components:

	2022		2021		2020	
Current						
Federal	\$	(4.5)	\$	(11.4)	\$	(301.0)
State		(0.7)		(0.2)		(5.5)
Foreign		1.7		0.9		(8.1)
Total current	\$	(3.5)	\$	(10.7)	\$	(314.6)
Deferred						
Federal	\$	10.2	\$	(14.0)	\$	(16.2)
State		2.5		15.9		106.9
Foreign		(4.0)		(8.4)		3.7
Total deferred		8.7		(6.5)		94.4
Total income tax provision (benefit)	\$	5.2	\$	(17.2)	\$	(220.2)

Reconciliation of Effective Income Tax Rate: The income tax provision from operations differs from the tax provision computed at the U.S. federal statutory income tax rate due to the following:

	2022		2021		2020	
Tax at U.S. Federal statutory rate	\$	(113.3)	21.0%	\$	(116.5)	21.0%
State income taxes, net of Federal benefit		(9.6)	1.8		(24.9)	4.5
State income tax credits, net of Federal benefit		(15.6)	2.9		(7.4)	1.3
Foreign rate differences		(3.5)	0.6		(5.2)	0.9
Research and experimentation		(5.2)	1.0		(1.6)	0.3
Excess tax benefits		0.4	(0.1)		0.8	(0.1)
Non-deductible expenses		4.2	(0.8)		1.9	(0.3)
Re-measurement of Deferred Taxes		(7.1)	1.3		(58.8)	10.6
Global Intangible Low-Taxed Income (GILTI) Tax		(1.8)	0.3		0.9	(0.2)
Valuation Allowance		170.6	(31.6)		204.2	(36.9)
NOL Utilized at 35% vs 21%		—	—		(5.3)	1.0
Previously unrecognized tax benefit		(10.6)	2.0		—	—
Other		(3.3)	0.6		(5.3)	1.0
Total income tax provision (benefit)	\$	5.2	(1.0)%	\$	(17.2)	3.1%
				\$	(220.2)	20.3%

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

The income tax provision (benefit) for the twelve months ended December 31, 2022, was \$5.2 compared to (\$17.2) for the prior year. The 2022 effective tax rate was (1.0%) as compared to 3.1% for 2021.

The FASB Staff Q&A, Topic 740, No. 5, Accounting for Global Intangible Low-Taxed Income, states that an entity can make an accounting policy election to either recognize deferred taxes for temporary basis differences expected to reverse as GILTI in future years or to provide for the tax expense related to GILTI cost in the year the tax is incurred as a period expense only. The Company has elected to account for GILTI as a period cost in the year the tax is incurred. As of December 31, 2022, there was \$1.8 of GILTI tax benefit primarily due to the refundable U.K. research credits being credited against prior years' GILTI tax expense. As of December 31, 2021, there was \$0.9 of GILTI tax expense due to the finalization of the 2020 U.K. NOL carryback to 2019 that will result in an increase to U.S. GILTI tax. As of December 31, 2020 there was a \$3.9 of GILTI tax expense due to the preliminary 2020 U.K. NOL carryback to 2019 that resulted in an increase to U.S. GILTI tax.

The 2021 and 2022 U.S. Net Operating Losses will be carried forward while the 2020 U.S. Net Operating Loss has been carried back to 2015 and 2016. The tax rate in the carryback years is 35% compared to the current tax rate of 21%. The impact of this rate difference was included in the 2020 year tax provision. The difference between the 2020 provision and the 2020 U.S. Income Tax return impacted the 2020 net operating loss available to be carried back. This difference times the tax rate difference is included in the 2021 year tax provision.

The CARES Act allows net operating losses from 2018, 2019 and 2020 to be carried back to the previous five years, when the federal tax rate was 35%. As of December 31, 2020 the Company reported a net operating loss when it filed its fiscal year 2020 tax return. A

preliminary net operating loss carryback claim was filed in March 2021 requesting a refund of \$305 which was received in 2021. A second net operating loss carryback claim using the finalized 2020 U.S. Net Operating Loss was filed in December 2021 requesting an additional \$11.6 federal refund, which was received in 2022. The Company had \$3.9 and \$14.0 of income tax receivable as of December 31, 2022 and December 31, 2021, respectively, which is reflected within other current assets on the balance sheet as well as \$0.4 and \$0.9 of income tax payable as of December 31, 2022 and December 31, 2021, respectively, which is reflected within other current liabilities on the balance sheet. The Company had \$1.5 and \$1.6 of non-current income tax payable as of December 31, 2022 and December 31, 2021, respectively, which is reflected within other liabilities on the balance sheet.

Additionally, as allowed by the CARES Act, the Company had deferred \$33.0 of employer payroll taxes as of December 31, 2020, of which 50% was deposited by December 2021 and the remaining 50% was credited against the outstanding pre-tax employee retention credit refund claim in 2022. The Company has filed a claim for a pre-tax employee retention credit of \$18.8 for 2020 and \$1.0 for 2021. The outstanding pre-tax employee retention credit refund claim as of December 31, 2022 was \$3.1. In addition, as of December 31, 2020, the Company had recorded a deferral of \$31.5 of VAT payments with the option to pay in smaller payments through the end of March 31, 2022 interest free under the United Kingdom deferral scheme. There is no outstanding deferral of VAT payments as of December 31, 2022.

Oklahoma follows the CARES Act and also allows 2018, 2019 and 2020 net operating losses to be carried back to the previous five years. The 2020 Oklahoma Net Operating Loss was carried back to 2015 and 2016 resulting in a \$3.1 refund claim that was received during 2022.

Deferred Income Taxes: Significant tax effected temporary differences comprising the net deferred tax asset, prior to valuation allowance, are as follows:

	2022	2021
Depreciation and amortization	\$ (116.6)	\$ (159.6)
Long-term contracts	113.3	144.2
State income tax credits	145.2	130.1
Net operating loss carryforward	438.1	321.7
Accruals and reserves	46.2	47.8
Employee compensation accruals	21.1	40.0
Pension and other employee benefit plans	(32.8)	(78.3)
Interest expense limitation	30.7	27.1
Postretirement benefits other than pensions	7.9	10.2
Other	64.0	30.7
Inventory	0.5	1.0
Interest swap contracts	0.6	0.5
Net deferred tax asset before valuation allowance	718.2	515.4
Valuation allowance	(714.7)	(536.8)
Net deferred tax (liability)	3.5	(21.4)

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

Deferred tax detail above is included in the balance sheet and supplemental information as follows:

	2022	2021
Non-current deferred tax assets	4.8	0.4
Non-current deferred tax liabilities	(1.3)	(21.8)
Net non-current deferred tax asset (liability)	\$ 3.5	\$ (21.4)
Total deferred tax asset (liability)	\$ 3.5	\$ (21.4)

The following is a roll forward of the deferred tax valuation allowance at December 31, 2022, 2021, and 2020:

	2022	2021	2020
Balance at January 1	\$ 536.8	\$ 340.9	\$ 10.2
Bombardier Acquisition opening balance sheet	—	13.6	163.6
Corporate rate remeasurement	(0.2)	63.0	—
State income tax credits	18.3	6.8	110.1
Net operating losses	155.3	135.4	20.7
Depreciation and amortization	0.2	0.2	—
Other	(3.0)	(1.3)	19.4
Other comprehensive income adjustment	7.3	(21.8)	16.9
Balance at December 31	\$ 714.7	\$ 536.8	\$ 340.9

Deferred tax assets are periodically evaluated to determine their recoverability and whether or not a valuation allowance is necessary. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized. When determining the amount of net deferred tax assets that are more likely than not to be realized, the Company assesses all available positive and negative evidence. The weight given to the positive and negative evidence is commensurate with the extent the evidence may be objectively verified. As such, it is generally difficult for positive evidence regarding projected future taxable income exclusive of reversing taxable temporary differences to outweigh objective negative evidence of recent financial reporting losses.

Based on these criteria and the relative weighting of both the positive and negative evidence available, and in particular the activity surrounding the Company's prior earnings history including the forward losses previously recognized in the U.S., Management determined that it was necessary to establish a valuation allowance against nearly all of its net U.S. deferred tax assets at December 31, 2022 and December 31, 2021. This determination was made as the Company entered into a U.S. cumulative loss position during 2021. Once a company enters a cumulative three year loss position, there is a presumption that a company should no longer rely solely on projected future income in determining whether the deferred tax asset is more likely than not to be realized. As of December 31, 2022, the total net U.S. deferred tax asset, prior to valuation allowance, was \$436.2. The net U.S. deferred tax asset after recording valuation allowances is \$1.0. Valuation allowances recorded against the consolidated net U.S. deferred tax asset in the current year were \$139.0 for a total valuation allowance of \$435.2 for the U.S.

The Company has determined a valuation allowance on certain U.K. deferred tax assets is needed based upon historic cumulative losses and current year losses generated in the U.K. The Company recorded a portion of the increase in the valuation allowance to income tax expense in continuing operations \$31.4, a portion to OCI \$7.3. Valuation allowances recorded against U.K. deferred tax assets in the current year were \$38.7 for a total valuation allowance of \$279.3 for the U.K.

Included in the deferred tax assets at December 31, 2022 are \$125.7 in Kansas High Performance Incentive Program ("HPIP") Credit, \$12.8 in Kansas Research & Development ("R&D") Credit and \$1.4 in Kansas Qualified Vendor ("QV") Credit, totaling \$139.9 in gross Kansas state income tax credit carryforwards, net of federal benefit. The HPIP Credit provides a 10% investment tax credit for qualified business facilities located in Kansas. This credit can be carried forward 16 years. The Kansas R&D Credit provides a credit for qualified research and development expenditures conducted within Kansas. This credit can be carried forward indefinitely. The QV Credit is equal to 15% of the amount for approved expenditures of goods and services purchased from a qualified vendor, not to exceed \$0.5 per qualified vendor per tax year. The QV Credit can be carried forward 4 years.

The one-time transition tax and GILTI provisions within the TCJA effectively transitioned the U.S. to a territorial system and eliminated the deferral of U.S. taxation for certain amounts of income which is not taxed at a minimum level. To the extent a dividend is declared, the tax impact of repatriating earnings would not be significant as substantially all of the net prior unrepatriated earnings have been subject to U.S. tax. Additionally, any foreign tax withholding would not be significant.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

During 2021, the Company made a one-time distribution from Malaysia to the U.S. resulting in an insignificant amount of U.S. income tax recorded to the financial statements. The Company continues to maintain that the remaining earnings of all foreign operating subsidiaries are indefinitely invested outside the U.S. As a result, no additional income taxes have been provided on any remaining undistributed foreign earnings not subject to the transition tax, or any additional outside basis difference inherent in these entities.

Determining the amount of unrecognized deferred tax liability related to any remaining undistributed foreign earnings not subject to the transition tax and additional outside basis difference in these entities (i.e., basis difference in excess of that subject to the one-time transition tax) is not practicable at this time. Accordingly, no deferred taxes have been provided for withholding taxes or other taxes on permanently reinvested earnings.

Unrecognized Tax Benefits: The beginning and ending unrecognized tax benefits reconciliation is as follows:

	2022	2021	2020
Beginning balance at January 1	\$ 18.3	\$ 16.5	\$ 5.4
Bombardier Acquisition opening balance sheet	—	—	14.0
Remeasurement for tax rate change	—	2.0	—
Gross increases related to current period tax positions	0.4	0.4	0.4
Statute of limitations' expiration	(10.6)	(0.6)	(3.3)
Ending balance at December 31	\$ 8.1	\$ 18.3	\$ 16.5

Included in the December 31, 2022 balance was \$8.1 in unrecognized tax benefits of which \$6.9 would reduce the Company's effective tax rate if ultimately recognized.

The Company reports interest and penalties, if any, related to unrecognized tax benefits in the income tax provision. As of December 31, 2022, 2021, and 2020, there was no accrued interest on the unrecognized tax benefit liability included in the balance sheets and income statements during 2022, 2021, and 2020.

The Company files income tax returns in all jurisdictions in which it operates.

The Company's federal audit is conducted under the IRS Compliance Assurance Process ("CAP") program and is essentially complete for the 2020 tax year. The Company will continue to participate in the CAP program for 2021 and 2022. The CAP program's objective is to resolve issues in a timely, contemporaneous manner and eliminate the need for a lengthy post-filing examination. The Company has an open tax audit in the Kingdom of Morocco for tax years ending prior to the Company's ownership of the Moroccan legal entity. There are ongoing audits in other jurisdictions that are not material to the financial statements and the Company believes appropriate provisions for all outstanding tax issues have been made for all jurisdictions and years.

21. EQUITY*Employee Stock Purchase Plan*

The Company maintains the Spirit AeroSystems Holdings, Inc. Employee Stock Purchase Plan (the "ESPP"), which became effective on October 1, 2017 and was amended and restated on January 21, 2020. The ESPP is implemented over consecutive six-month offering periods, beginning on April 1 and October 1 of each year and ending on the last day of September and March, respectively. Shares are issued on the last trading day of each six-month offering period. Generally, any person who is employed by the Company, Spirit or by a subsidiary or affiliate of the Company that has been designated by the Compensation Committee may participate in the ESPP. As of December 31, 2022, the number of remaining ESPP shares available for future issuances was 616,953.

The maximum number of shares of the Company's Common Stock that may be purchased under the ESPP will be 1,000,000 shares, subject to adjustment for stock dividends, stock splits or combinations of shares of the Company's stock. The per-share purchase price for the Company's

Common Stock purchased under the ESPP is 95% of the fair market value of a share of such stock on the last day of the offering period.

Dividends

On February 6, 2020, the Company announced that its Board of Directors reduced its quarterly dividend to a penny per share to preserve liquidity. For each of the four quarters in 2022, the Company paid a quarterly dividend to stockholders of \$0.01 per share. The total amount of dividends paid during 2022 was \$4.2. On November 3, 2022, the Company announced that the Board had suspended payments of dividends. The Board regularly evaluates the Company's capital allocation strategy and dividend policy. Any future determination to pay dividends will be at the discretion of the Company's Board of Directors and will depend upon, among other factors, the Company's results of operations, financial condition, capital requirements and contractual restrictions, including the requirements of financing agreements to which the Company may be a party. No assurance can be given that cash dividends will be declared and paid at historical levels or at all.

SPIRIT AEROSYSTEMS HOLDINGS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

Earnings per Share Calculation

Basic net income per share is computed using the weighted-average number of outstanding shares of Common Stock during the measurement period. Diluted net income per share is computed using the weighted-average number of outstanding shares of Common Stock and, when dilutive, potential outstanding shares of Common Stock during the measurement period.

The following table sets forth the computation of basic and diluted earnings per share:

	For the Twelve Months Ended								
	December 31, 2022			December 31, 2021			December 31, 2020		
	Loss	Shares	Per Share Amount	Loss	Shares	Per Share Amount	Loss	Shares	Per Share Amount
Basic EPS									
Loss available to common shareholders	\$ (545.7)	104.6	\$ (5.21)	\$ (540.8)	104.2	\$ (5.19)	\$ (870.3)	103.9	\$ (8.38)
Income allocated to participating securities	—	—		—	—		—	—	
Net loss	\$ (545.7)			\$ (540.8)			\$ (870.3)		
Diluted potential common shares	—								
Diluted EPS									
Net loss	\$ (545.7)	104.6	\$ (5.21)	\$ (540.8)	104.2	\$ (5.19)	\$ (870.3)	103.9	\$ (8.38)

Included in the outstanding common shares were 0.4 million, 0.7 million and 1.5 million of issued but unvested shares at December 31, 2022, 2021 and 2020, respectively, which are excluded from the basic EPS calculation.

Common shares of 0.6 million were excluded from diluted EPS as a result of incurring a net loss for the twelve-month period ended December 31, 2022, as the effect would have been antidilutive. Additionally, diluted EPS for the twelve-month period ended December 31, 2022 excludes 0.3 million shares that may be dilutive common shares in the future, but were not included in the computation

of diluted EPS because the effect was either antidilutive or the performance condition was not met.

Common shares of 0.6 million were excluded from diluted EPS as a result of incurring a net loss for the twelve-month period ended December 31, 2021, as the effect would have been antidilutive. Additionally, diluted EPS for the twelve-month period ended December 31, 2021 excluded 0.3 million shares that were not included in the computation of diluted EPS because the effect was either antidilutive or the performance condition was not met.

Accumulated Other Comprehensive Loss

Accumulated Other Comprehensive Loss, net of tax, is summarized by component as follows:

	December 31, 2022	December 31, 2021
Pension ⁽¹⁾	\$ (95.4)	\$ 26.6
SERP/ Retiree medical	12.7	12.1
Derivatives – foreign currency hedge	(7.1)	(2.0)
Foreign currency impact on long term intercompany loan	(16.4)	(12.2)
Currency translation adjustment	(97.7)	(48.2)
Total accumulated other comprehensive loss	\$ (203.9)	\$ (23.7)

⁽¹⁾The change in Pension related accumulated other comprehensive (loss) income from December 31, 2021 to December 31, 2022 is primarily related to the termination of the PVP A plan. See Note 17, *Pension and Other Post-Retirement Benefits*.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

Amortization or settlement cost recognition of the pension plans' net gain/(loss) reclassified from accumulated other comprehensive loss and realized into costs of sales and selling, general and administrative on the consolidated statements of operations was (\$107.0), \$2.1 and (\$9.5) for the twelve months ended December 31, 2022, 2021 and 2020, respectively.

Non-controlling Interest

Non-controlling interest at December 31, 2022 was \$3.7, representing \$0.5 non-controlling interest in the Company's KIESC subsidiary, the value of which remains unchanged from prior year, and a \$3.2 non-controlling interest in the Company's subsidiary Spirit Evergreen Aftermarket Solutions Co., Ltd., a joint venture with Evergreen Technologies Corporation to provide MRO services to the Asia-Pacific market.

Repurchases of Common Stock

The Company accounts for treasury stock under the cost method and includes treasury stock as a component of stockholders' equity. As of

December 31, 2022, no treasury shares have been reissued or retired. The number of treasury stock shares as of December 31, 2022 includes a minor adjustment related to the October 19, 2021 court ruling described in Note 22, Commitments, Contingencies and Guarantees for certain shares that were previously awarded to the Company's former Chief Executive Officer that were not settled in stock per the terms of the ruling.

During the twelve-month periods ended December 31, 2022 and December 31, 2021 the Company purchased zero shares of its Common Stock under this share repurchase program. The total authorization amount remaining under the current share repurchase program is approximately \$925.0. Share repurchases are currently on hold. The Credit Agreement imposes additional restrictions on the Company's ability to repurchase shares.

During the twelve months ended December 31, 2022, 163,126 shares were transferred to us from employees in satisfaction of tax withholding obligations associated with the vesting of restricted stock awards and restricted stock units under the Omnibus Plan.

22. COMMITMENTS, CONTINGENCIES AND GUARANTEES**Litigation**

On February 10, 2020, February 24, 2020, and March 24, 2020, three separate private securities class action lawsuits were filed against the Company in the U.S. District Court for the Northern District of Oklahoma, its Chief Executive Officer, Tom Gentile III, former Chief Financial Officer, Jose Garcia, and former Controller (principal accounting officer), John Gilson. On April 20, 2020, the Class Actions were consolidated by the court (the "Consolidated Class Action"), and on July 20, 2020, the plaintiffs filed a Consolidated Class Action Complaint which added Shawn Campbell, the Company's former Vice President for the 737NG and B737 MAX program, as a defendant. Allegations in the Consolidated Class Action include (i) violations of Section 10(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 10b-5 promulgated thereunder against the Company and Messrs. Gentile, Garcia and Gilson, (ii) violations of Section 20(a) of the Exchange Act against the individual defendants, and (iii) violations of Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c) promulgated thereunder against all defendants.

On June 11, 2020, a shareholder derivative lawsuit (the "Derivative Action 1") was filed against the Company (as nominal defendant), all members of the Company's Board of Directors, and Messrs. Garcia and Gilson in the U.S. District Court for the Northern District of Oklahoma. Allegations in the Derivative Action 1 include (i) breach of fiduciary duty, (ii) abuse of control, and (iii) gross mismanagement. On October 5, 2020, a shareholder derivative lawsuit (the "Derivative Action 2" and, together with Derivative Action 1, the "Derivative Actions") was filed against the Company (as nominal defendant), all members of the Company's Board of Directors, and Messrs. Garcia and Gilson in the Eighteenth Judicial District, District Court of Sedgwick County, Kansas. Allegations in the Derivative Action 2 include (i) breach of fiduciary duty, (ii) waste of corporate assets, and (iii) unjust enrichment.

The facts underlying the Consolidated Class Action and Derivative Actions relate to the accounting process compliance independent

review (the "Accounting Review") discussed in the Company's January 30, 2020 press release and described under *Management's Discussion and Analysis of Financial Condition and Results of Operations – Accounting Review* in Part II, Item 7 of the Annual Report on Form 10-K for the year ended December 31, 2019, and its resulting conclusions. The Company voluntarily reported to the SEC the determination that, with respect to the third quarter of 2019, the Company did not comply with its established accounting processes related to potential third quarter contingent liabilities received after the quarter-end. On March 24, 2020, the Staff of the SEC Enforcement Division informed the Company that it had determined to close its inquiry without recommending any enforcement action against the Company. In addition, the facts underlying the Consolidated Class Action and Derivative Actions relate to the Company's disclosures regarding the B737 MAX grounding and Spirit's production rate (and related matters) after the grounding. On September 18, 2020, the Company and individual defendants filed a motion to dismiss the Consolidated Class Action. That motion was granted by the U.S. District Court on January 7, 2022, which denied leave to amend and dismissed the Consolidated Class Action with prejudice. On February 4, 2022, the plaintiffs in the Consolidated Class Action appealed this decision to the Tenth Circuit Court of Appeals. Briefings have been filed and oral argument was held before the 10th Circuit on November 18, 2022. The Derivative Actions remain stayed at this point. The Company and the individual defendants have denied, and continue to deny, the allegations in the Consolidated Class Action and the Derivative Actions.

Spirit is also involved in litigation with its former Chief Executive Officer related to a disputed violation of restrictive covenants in his retirement agreement. On October 19, 2021, the U.S. District Court for the District of Kansas ruled in favor of the former Chief Executive Officer and awarded him \$44.8 for benefits withheld in connection with the disputed violation. The Company has appealed this decision to the Tenth Circuit Court of Appeals. The matter has been fully briefed by both parties, and oral argument was held on November 15, 2022. A liability for the full amount of the award, plus accrued interest, has

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

been recognized in the Consolidated Balance Sheets as of December 31, 2022 and December 31, 2021.

From time to time, in the ordinary course of business and similar to others in the industry, the Company receives requests for information from government agencies in connection with their regulatory or investigational authority. Such requests can include subpoenas or demand letters for documents to assist the government in audits or investigations. The Company reviews such requests and notices and takes appropriate action. Additionally, the Company is subject to federal and state requirements for protection of the environment, including those for disposal of hazardous waste and remediation of contaminated sites. As a result, the Company is required to participate in certain government investigations regarding environmental remediation actions.

In addition to the items addressed above, from time to time, the Company is subject to, and is presently involved in, litigation, legal proceedings, or other claims arising in the ordinary course of business. While the final outcome of these matters cannot be predicted with certainty, considering, among other things, the meritorious legal defenses available, the Company believes that, on a basis of information presently available, none of these items, when finally resolved, will have a material adverse effect on the Company's long-term financial position or liquidity.

Customer and Vendor Claims

The Company receives, and is currently subject to, customer and vendor claims arising in the ordinary course of business, including, but not limited to, those related to product quality and late delivery. The Company accrues for matters when losses are deemed probable and reasonably estimable. In evaluating matters for accrual and disclosure purposes, the Company takes into consideration multiple factors including without limitation its historical experience with matters of a similar nature, the specific facts and circumstances asserted, the likelihood of an unfavorable outcome, and the severity of any potential loss. Any accruals deemed necessary are reevaluated at least quarterly and updated as matters progress over time.

The Company has evaluated and refined management's original estimate of costs related to rework on the B787 aircraft, including a preliminary assessment related to rework on the forward section of the fuselage, for which the Company identified an additional fit and finish issue in the prior year. The Company continues to coordinate with Boeing for necessary rework. The Company cannot reasonably estimate the amount of any potential claims related to this issue at this time.

On June 25, 2022, the Company received notice of a claim from a key customer seeking cost recovery primarily related to alleged product quality issues associated with the Company's performance from 2018 through 2020 as well as onsite manufacturing support costs incurred by the customer. The Company has continued to evaluate the details included within the claim, however, the Company cannot currently reasonably estimate the amount of a range of possible losses due to various reasons, including, among others: (i) that there is uncertainty as to the outcome of this claim, (ii) that there are significant factual, commercial, and/or legal issues to be resolved, and (iii) the availability of data required to complete an assessment of the potential loss.

While the final outcome of these matters cannot be predicted with certainty, considering, among other things, the factual and legal defenses available, it is the opinion of the Company that none of these items, when finally resolved, will have a material adverse effect on the

Company's long-term financial position or liquidity. However, it is possible that the Company's results of operations in a specific period could be materially affected by one or more of these other matters.

Commitments

The Company's future aggregate capital commitments totaled \$110.2 and \$137.5 at December 31, 2022 and December 31, 2021, respectively.

Contingencies

In the fourth quarter of 2022, the Company updated its estimated cost to satisfy all customer firm orders on the B787, A350, and A220 production programs. Based on forecasted backlog and rates of production, each of these programs anticipate production will extend beyond the period of time for which the Company has recorded forward losses. The Company has recorded forward losses on the A220 and A350 programs for forecasted production through the end of 2025 and has recognized forward losses on the B787 program for forecasted production through May of 2026. As a result of the Company's assessment on existing cost estimates and the impact macroeconomic factors may have on the Company's cost to complete all firm orders, as well as ongoing discussions with its customers, the Company now believes it is reasonably possible one or more of these programs could be performed at a loss incremental to forward losses previously recorded for production outside of the timeframe highlighted above, and the cumulative range of such loss across these programs is between \$0 and \$220 million. As the Company does not currently believe incremental losses are evident on any of these programs, the Company has not recognized any such losses in its financial results for the period ended December 31, 2022.

Guarantees

Contingent liabilities in the form of letters of guarantee have been provided by the Company. Outstanding guarantees were \$13.9 and \$15.9 at December 31, 2022 and December 31, 2021, respectively.

Restricted Cash – Collateral Requirements

The Company was required to maintain \$19.6 and \$19.5 of restricted cash as of December 31, 2022 and December 31, 2021, respectively, related to certain collateral requirements for obligations under its workers' compensation programs. Restricted cash is included in "Other assets" in the Company's Consolidated Balance Sheet.

Indemnification

The Company has entered into customary indemnification agreements with its non-employee directors, and its bylaws and certain executive employment agreements include indemnification and advancement provisions. Pursuant to the terms of the bylaws and, with respect to Jose Garcia, his employment agreement, the Company is providing Messrs. Garcia and Gilson and all other individual defendants with defense costs and provisional indemnity with respect to the Consolidated Class Action and Derivative Actions, as appropriate. Under the bylaws and any applicable agreements, the Company agrees to indemnify each of these individuals against claims arising out of events or occurrences related to that individual's service as the Company's agent or the agent of any of its subsidiaries to the fullest extent legally permitted.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

The Company has agreed to indemnify parties for specified liabilities incurred, or that may be incurred, in connection with transactions they have entered into with the Company. The Company is unable to assess the potential number of future claims that may be asserted under these indemnities, nor the amounts thereof (if any). As a result, the Company cannot estimate the maximum potential amount of future payments under these indemnities and therefore, no liability has been recorded.

Service and Product Warranties and Extraordinary Rework

Provisions for estimated expenses related to service and product warranties and certain extraordinary rework are evaluated on a quarterly basis. These costs are accrued and are recorded to unallocated cost of goods sold. These estimates are established using historical information on the nature, frequency, and average cost of warranty claims, including the experience of industry peers. In the case of new development products or new customers, the Company considers other factors including the experience of other entities in the same business and management judgment, among others. Service warranty and extraordinary work is reported in current liabilities and other liabilities on the balance sheet.

The warranty balance presented in the table below includes unresolved warranty claims that are in dispute in regards to their value as well as their contractual liability. The Company estimated the total costs related to some of these claims, however there is significant uncertainty surrounding the disposition of these disputed claims and as such, the ultimate determination of the provision's adequacy requires significant management judgment. The amount of the specific provisions recorded against disputed warranty claims was \$2.3 as of December 31, 2022 and December 31, 2021. These specific provisions represent the Company's best estimate of probable warranty claims. Should the Company incur higher than expected warranty costs and/or discover new or additional information related to these warranty provisions, the Company may incur additional charges that exceed these recorded provisions. The Company utilized available information to make appropriate assessments, however the Company recognizes that data on actual claims experience is of limited duration and therefore, claims projections are subject to significant judgment. The amount of the reasonably possible disputed warranty claims in excess of the specific warranty provision was \$3.4 as of December 31, 2022 and December 31, 2021.

The following is a roll forward of the service warranty and extraordinary rework balance at December 31, 2022, 2021 and 2020:

	2022	2021	2020
Balance, January 1	\$ 71.3	\$ 76.9	\$ 64.7
Charges to costs and expenses	6.7	12.3	3.3
Payouts	(2.7)	(17.7)	(1.9)
Bombardier Acquisition ⁽¹⁾	—	—	10.3
Exchange rate	(0.4)	(0.2)	0.5
Balance, December 31	\$ 74.9	\$ 71.3	\$ 76.9

⁽¹⁾Warranty liabilities acquired in the Bombardier acquisition.

Bonds

Since its incorporation, Spirit has periodically utilized City of Wichita issued Industrial Revenue Bonds ("IRBs") to finance self-constructed and purchased real property at its Wichita site. Tax benefits associated with IRBs include provisions for a ten-year complete property tax abatement and a Kansas Department of Revenue sales tax exemption on all IRB funded purchases. Spirit purchased these IRBs so they are bondholders and debtor / lessee for the property purchased with the IRB proceeds.

Spirit recorded the property net of a finance lease obligation to repay the IRB proceeds on its balance sheet. Gross assets and liabilities associated with these IRBs were \$393.2 as of December 31, 2022 and December 31, 2021.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)**23. OTHER (EXPENSE) INCOME, NET**

Other (expense) income, net is summarized as follows:

	For the Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Kansas Development Finance Authority bond	\$ 2.4	\$ 2.8	\$ 3.0
Pension (loss) income ⁽¹⁾	(30.2)	150.1	(36.8)
Interest income	6.2	1.8	10.0
Loss on foreign currency forward contract and interest rate swaps	(17.1)	(1.0)	(10.5)
Loss on sale of accounts receivable	(23.4)	(6.7)	(8.9)
Foreign currency gains (losses) ⁽²⁾	21.6	1.4	(27.0)
Excise tax on pension assets reversion ⁽³⁾	(6.8)	—	—
Gain on settlement of financial instrument ⁽⁴⁾	20.7	—	—
Other ⁽⁵⁾	12.5	(1.8)	(7.6)
Total Other (Expense) Income, net	\$ (14.1)	\$ 146.6	\$ (77.8)

⁽¹⁾Pension expense for the twelve months ended December 31, 2022 includes a \$73.5 non-cash, pre-tax non-operating charge for amortization of prior service costs and \$33.3 of settlement loss. See also Note 17 *Pension and Other Post-Retirement Benefits*. Pension income for the twelve months ended December 31, 2021 includes \$119.8 of income related to pension plans for current and former employees at the Belfast location, including the impact of the closure of the Shorts Pension which resulted in a curtailment gain of \$61.0 for the twelve months ended December 31, 2021. Pension expense for the twelve months ended December 31, 2020 included \$86.5 of expenses related to the voluntary retirement program.

⁽²⁾Foreign currency losses are due to the impact of movement in foreign currency exchange rates on an intercompany revolver and long-term contractual rights/obligations, as well as trade and intercompany receivables/payables that are denominated in a currency other than the entity's functional currency.

⁽³⁾Excise tax related to the reversion of excess plan assets for the twelve months ended December 31, 2022. See Note 17 *Pension and Other Post-Retirement Benefits*.

⁽⁴⁾The twelve-month period ended December 31, 2022 includes a \$20.7 gain related to a deed of release and related cash payment that fully settled the existing repayable investment agreement between the Company and the U.K.'s Department for Business, Energy and Industrial Strategy ("BEIS"). The repayable investment obligation, which was denominated in GBP, was included on the Company's Consolidated Balance Sheet as of December 31, 2021, as \$41.7 recorded to "Other current liabilities" and \$301.9 recorded to "Other non-current liabilities". In January 2022, the Company made repayments of \$25.6 to the UK's Department for Business Energy and Industrial Strategy for units sold, including interest, in respect to the agreement. In April 2022, the deed of release settled the remaining outstanding repayment obligation, including current year interest accrual and foreign currency measurement impacts, in exchange for a payment of \$292.8. The portion of the payments related to interest expense and the portion of the payments related to principal repayment are included in net cash used in operating activities and net cash used in financing activities, respectively, on the Company's Consolidated Statement of Cash Flows for the period ended December 31, 2022.

⁽⁵⁾The twelve-month period ended December 31, 2022 include a gain of \$10.0 related to the termination of a previously existing joint venture agreement within the period.

24. SIGNIFICANT CONCENTRATIONS OF RISK**Economic Dependence**

The Company's largest customer (Boeing) accounted for approximately 60%, 56%, and 60% of the revenues for the twelve months ended December 31, 2022, 2021, and 2020, respectively. Approximately 28% and 24% of the Company's accounts receivable balance at December 31, 2022, and 2021, respectively, was attributable to Boeing.

The Company's second largest customer (Airbus) accounted for approximately 22%, 24%, and 23% of the revenues for the twelve months ended December 31, 2022, 2021, and 2020, respectively. Approximately 36% and 27% of the Company's accounts receivable balance at December 31, 2022, and 2021, respectively, was attributable to Airbus.

Employees

At December 31, 2022, the Company had approximately 18,235 employees: 12,735 located in its six U.S. facilities, 3,200 located in its Belfast facilities, 1000 located at its Prestwick facility, 950 located in its Malaysia facility, 250 located in its Morocco facility, and 100 located in its France facility. Of the employees located in the Company's six U.S. facilities, 11,000 were located in Wichita,

Kansas; 850 were located in Tulsa Oklahoma; 450 were located in Kinston, North Carolina; 300 were located in Biddeford, Maine; 100 were located in Dallas, Texas; and 35 were located in Woonsocket, Rhode Island.

Approximately 83% of the Company's U.S. employees are represented by unions. Approximately 57% of U.S. employees are represented by the International Association of Machinists and Aerospace Workers (IAM) collective bargaining agreement. There are two IAM collective bargaining agreements that will expire in June 2023 and November 2027. Approximately 55% of U.S. employees are represented by the IAM on the collective bargaining agreement that will expire in June 2023. Approximately 20% of the Company's U.S. employees are represented by the Society of Professional Engineering Employees in Aerospace (SPEEA) collective bargaining agreement. There are two SPEEA agreements that will expire in December 2024 and January 2026. Approximately 5% of the Company's U.S. employees are represented by the International Union, Automobile, Aerospace and Agricultural Implement Workers of America (UAW) collective bargaining agreement that will expire in December 2025. Approximately 1% of the Company's U.S. employees are represented by an International Brotherhood of Electrical Workers (IBEW) collective bargaining agreement that will expire in September 2023.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

Approximately 91% of the Company's Prestwick employees are part of the collective bargaining group represented by one union, Unite (Amicus Section). In 2013, the Company negotiated two separate ten-year pay agreements with the Manual Staff bargaining and the Monthly Staff bargaining groups of the Unite union. These agreements cover basic pay and variable at risk pay, while other employee terms and conditions generally remain the same from year to year until both parties agree to change them. In the first quarter of 2021, the Company negotiated and agreed with Unite, a three-year extension to the pay agreements which are effective from January 2023 to December 2025. The elements of the contract extension remain the same as those in the ten-year agreements.

In the U.K. (Belfast), approximately 84% of the employees are part of the collective group represented by the Trade Unions. Unite the Union is the largest representing approximately 94% of such employees, with General, Municipal, Boilermakers making up the balance. The current agreement covers the period from January 2020 to December 2023.

In France, the Company's employees are represented by CFTC ("Confédération Française des Travailleurs Chrétiens" or "French Confederation of Christian Workers") and FO ("Force Ouvrière" or "Labor Force"). The Company negotiates yearly on compensation and once every four years on issues related to gender equality and work-life balance. The next election to determine union representation will occur in July 2023.

In Morocco, approximately 65% of the Company's employees are represented by Union Marocain du Travail ("UMT"). The Company negotiated a three year agreement with UMT that expires in December 2025.

None of the Company's Malaysia employees are currently represented by a union.

25. SUPPLEMENTAL BALANCE SHEET INFORMATION

Accrued expenses and other liabilities consist of the following:

	December 31, 2022	December 31, 2021
Accrued expenses		
Accrued wages and bonuses	\$ 56.3	\$ 49.8
Accrued fringe benefits	110.7	104.3
Accrued payroll taxes	8.6	24.0
Accrued interest	31.6	34.9
Workers' compensation	7.6	7.6
Property and sales tax	23.4	25.4
Warranty/extraordinary rework reserve – current	1.5	2.9
Former executive officer liability ⁽⁴⁾	47.0	44.8
Other ⁽¹⁾	125.0	82.4
Total	\$ 411.7	\$ 376.1
Other liabilities		
Repayable investment agreement ⁽²⁾	\$ —	\$ 301.9
Warranty/extraordinary rework reserve – non-current	73.4	68.4
Other ⁽³⁾	68.2	53.6
Total	\$ 141.6	\$ 423.9

⁽¹⁾Balance as of December 31, 2022 includes \$86.1 of general and production material accruals and \$13.3 of B787 program liabilities. Balance as of December 21, 2021 includes \$61.3 of general and production material accruals and \$13.9 of B787 program liabilities.

⁽²⁾As a result of the acquisition of the acquired Bombardier Business, Spirit assumed financial obligations related to a repayable investment agreement with the Department for Business, Energy and Industrial Strategy of the Government of the United Kingdom. The balance above is the long term portion. Current portion of \$0.0 and \$41.8 as of December 31, 2022 and December 31, 2021, respectively, is within Other Liabilities – Short Term on the Balance Sheet. See Note 28, *Acquisitions*

⁽³⁾Balance as of December 31, 2022 includes \$8.2 of deferred grant in Morocco, \$8.3 various tax credits, \$10.7 of estimated workers compensation liability, \$8.5 earn-out provision, \$17.8 of provisions related to the suspension of activities in Russia, and \$8.0 of deferred compensation.

⁽⁴⁾On October 19, 2021, the U.S. District Court for the District of Kansas ruled in favor of the Company's former Chief Executive Officer and awarded him \$44.8 plus interest for benefits withheld in connection with a disputed violation of restrictive covenants in his retirement agreement. See Note 22, *Commitments, Contingencies, Guarantees*.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)**26. SEGMENT AND GEOGRAPHICAL INFORMATION**

The Company operates in three principal segments: Commercial, Defense & Space and Aftermarket. Approximately 82% of the Company's net revenues for the twelve months ended December 31, 2022 came from the Company's two largest customers, Boeing and Airbus. Boeing represents a substantial portion of the Company's revenues across segments. Airbus also represent a substantial portion of revenues in the Commercial segment. The Company's primary profitability measure to review a segment's operating performance is segment operating income before corporate selling, general and administrative expenses, research and development and unallocated cost of sales.

Corporate selling, general and administrative expenses include centralized functions such as accounting, treasury and human resources that are not specifically related to the Company's operating segments and are not allocated in measuring the operating segments' profitability and performance and net profit margins. Research and development includes research and development efforts that benefit the Company as a whole and are not unique to a specific segment. All of these items are not specifically related to the Company's operating segments and are not utilized in measuring the operating segments' profitability and performance.

The Company's Commercial segment includes design and manufacturing of forward, mid and rear fuselage sections and systems, struts/pylons, nacelles (including thrust reversers) and related engine structural components, wings and wing components (including flight control surfaces), as well as other miscellaneous structural parts for large commercial aircraft and/or business/regional jets. Sales from this segment are primarily to the aircraft OEMs or engine OEMs of large commercial aircraft and/or business/regional jet programs. Approximately 65%, 60%, and 64% of Commercial segment net revenues came from the Company's contracts with Boeing for the twelve months ended December 31, 2022, 2021, and 2020, respectively. Approximately 27%, 30%, and 28% of Commercial segment net revenues came from the Company's contracts with Airbus for the twelve months ended December 31, 2022, 2021, and 2020, respectively. The Commercial segment manufactures products at the Company's facilities in Wichita, Kansas; Tulsa, Oklahoma; Kinston, North Carolina; Prestwick, Scotland; Casablanca, Morocco; Belfast, Northern Ireland; and Subang, Malaysia. The Commercial segment also includes an assembly plant for the A350 XWB aircraft in Saint-Nazaire, France.

The Company's Defense & Space segment includes design and manufacturing of fuselage, strut, nacelle, and wing aerostructures (primarily) for U.S. Government defense programs, including Boeing P-8, C40, and KC-46 Tanker, which are commercial aircraft that are modified for military use. The segment also includes fabrication, bonding, assembly, testing tooling, processing, engineering analysis, and training on fixed wing aircraft aerostructures, missiles and hypersonics work, including solid rocket motor throats and nozzles and

re-entry vehicle thermal protections systems, and forward cockpit and cabin, and fuselage work on rotorcraft aerostructures. Sales from this segment are primarily to the prime contractors on various U.S. Government defense program contracts for which the Company is a sub-contractor. A significant portion of the Defense & Space segment revenues are represented by defense business that is classified by the U.S. Government and cannot be specifically described. Approximately 34%, 36%, and 28% of Defense & Space segment net revenues came from the Company's contracts with an individual customer for the twelve months ended December 31, 2022, 2021, and 2020, respectively. In addition, a customer accounted for approximately 30%, 39%, and 44% of Defense & Space segment net revenues for the twelve months ended December 31, 2022, 2021, and 2020, respectively. The Defense & Space segment manufactures products at the Company's facilities in Wichita, KS; Tulsa, OK; Biddeford, ME; Woonsocket, RI; Belfast, Northern Ireland; and Prestwick, Scotland.

The Company's Aftermarket segment includes design, manufacturing, and marketing of spare parts and MRO services, repairs for flight control surfaces and nacelles, radome repairs, rotatable assets, engineering services, advanced composite repair, and other repair and overhaul (MRO) services. Approximately 48%, 44%, and 80% of Aftermarket segment net revenues came from the Company's contracts with a single customer for the twelve months ended December 31, 2022, 2021, and 2020, respectively. The Aftermarket segment manufactures products at the Company's facilities in Wichita, KS; Tulsa, OK; Dallas, TX; Prestwick, Scotland; Casablanca, Morocco; and Belfast, Northern Ireland.

The Company's segments are consistent with the organization and responsibilities of management reporting to the chief operating decision-maker for the purpose of assessing performance. The Company's definition of segment operating income differs from Operating income as presented in its primary financial statements and a reconciliation of the segment and consolidated results is provided in the table set forth below.

While some working capital accounts are maintained on a segment basis, much of the Company's assets are not managed or maintained on a segment basis. Property, plant and equipment, including tooling, is used in the design and production of products for each of the segments and, therefore, is not allocated to any individual segment. In addition, cash, prepaid expenses, other assets, and deferred taxes are managed and maintained on a consolidated basis and generally do not pertain to any particular segment. Raw materials and certain component parts are used in aerostructure production across all segments. Work-in-process inventory is identifiable by segment, but is managed and evaluated at the program level. As there is no segmentation of the Company's productive assets, depreciation expense (included in fixed manufacturing costs and selling, general and administrative expenses) and capital expenditures, no allocation of these amounts has been made solely for purposes of segment disclosure requirements.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

The following table shows segment revenues and operating income for the twelve months ended December 31, 2022, 2021 and 2020:

	Twelve Months Ended December 31, 2022	Twelve Months Ended December 31, 2021	Twelve Months Ended December 31, 2020
Segment Revenues			
Commercial	\$ 4,068.4	\$ 3,128.1	\$ 2,711.3
Defense & Space	649.8	585.0	491.3
Aftermarket	311.4	239.9	202.2
	\$ 5,029.6	\$ 3,953.0	\$ 3,404.8
Segment Operating (loss) income⁽¹⁾			
Commercial ⁽²⁾	\$ (82.9)	\$ (220.6)	\$ (620.6)
Defense & Space ⁽³⁾	72.8	44.3	47.0
Aftermarket ⁽⁴⁾	58.5	50.3	37.0
	48.4	(126.0)	(536.6)
Corporate SG&A	(279.2)	(279.9)	(237.4)
Research and development	(50.4)	(53.3)	(38.8)
Total operating (loss) income	\$ (281.2)	\$ (459.2)	\$ (812.8)

⁽¹⁾Inclusive of forward losses, changes in estimate on loss programs and cumulative catch-up adjustments. These changes in estimates for the periods ended December 31, 2022, 2021, and 2020 are further detailed in Note 5, *Changes in Estimates*.

⁽²⁾The twelve months ended December 31, 2022 include the impact of \$24.7 of the total charge, mentioned above, in relation to the suspension of activities in Russia. The twelve months ended December 31, 2022 include excess capacity production costs of \$149.5 related to temporary B737 MAX, A320 and A220 production schedule changes, \$9.6 of temporary workforce adjustment costs as a result of the COVID-19 pandemic net of a U.S. employee retention credit and U.K. government subsidies, and net (\$25.5) of restructuring costs and other costs, including offset related to AMJPP. The year ended December 31, 2021 includes excess capacity production costs of \$206.7 related to the temporary B737 MAX and A220 production schedule changes, abnormal costs of \$12.0 for workforce adjustments as a result of COVID-19 production pause, net of a U.S. employee retention credit and U.K. government subsidies, \$6.8 of restructuring costs, and a \$35.9 offset related to AMJPP. The year ended December 31, 2020 includes excess capacity production costs of \$265.5 related to the temporary B737 MAX and A220 production schedule changes, abnormal costs of \$33.7 for workforce adjustments as a result of COVID-19 production pause, net of U.S. employee retention credit and U.K. government subsidies, and \$64.0 of restructuring costs.

⁽³⁾The twelve months ended December 31, 2022 include excess capacity production costs of \$7.8 related to the temporary B737 production schedule changes and a \$2.3 offset to costs related to AMJPP. The year ended December 31, 2021 includes excess capacity production costs of \$10.8, \$1.1 of restructuring costs, and a \$3.0 offset related to AMJPP. The year ended December 31, 2020 includes excess capacity production costs of \$13.4 related to the temporary B737 production schedule changes, and \$3.8 of restructuring costs.

⁽⁴⁾The twelve months ended December 31, 2022 include the impact of \$4.4 of the total charge, mentioned above, in relation to the suspension of activities in Russia. The twelve months ended December 31, 2022 include \$1.9 offset to costs related to AMJPP. The year ended December 31, 2021 includes \$0.3 restructuring costs, and a \$2.2 offset to costs related to AMJPP. The year ended December 31, 2020 includes \$5.2 of restructuring costs.

Most of the Company's revenue is obtained from sales inside the U.S. However, the Company does generate international sales, primarily from sales to Airbus. The following chart illustrates the split between domestic and foreign revenues:

Revenue Source ⁽¹⁾	Year Ended December 31, 2022		Year Ended December 31, 2021		Year Ended December 31, 2020	
	Net Revenues	Percent of Total Net Revenues	Net Revenues	Percent of Total Net Revenues	Net Revenues	Percent of Total Net Revenues
United States	\$ 3,814.5	76%	\$ 2,822.2	71%	\$ 2,637.6	77%
International						
United Kingdom	632.8	13%	580.4	15%	433.5	13%
Other	582.3	11%	550.4	14%	333.7	10%
Total International	1,215.1	24%	1,130.8	29%	767.2	23%
Total Revenues	\$ 5,029.6	100%	\$ 3,953.0	100%	\$ 3,404.8	100%

⁽¹⁾Net Revenues are attributable to countries based on destination where goods are delivered.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

As of December 31, 2022, most of the Company's property, plant and equipment are located within the U.S. Approximately 18% of the Company's property, plant and equipment based on book value are located in the U.K., with approximately another 4% of the Company's total property, plant and equipment located in countries outside the U.S. and the U.K. The following chart illustrates the split between domestic and foreign assets:

Asset Location	Year Ended December 31, 2022		Year Ended December 31, 2021		Year Ended December 31, 2020	
	Total PPE	Percent of PPE	Total PPE	Percent of Total PPE	Total PPE	Percent of Total PPE
United States	\$ 1,708.2	78%	\$ 1,833.7	77%	\$ 1,931.0	77%
International						
United Kingdom	404.1	18%	451.3	19%	466.2	19%
Other	93.6	4%	100.5	4%	106.6	4%
Total International	497.7	22%	551.8	23%	572.8	23%
Total Property, Plant & Equipment	\$ 2,205.9	100%	\$ 2,385.5	100%	\$ 2,503.8	100%

27. RESTRUCTURING COSTS

The Company's results of operations for twelve months ended December 31, 2022 and December 31, 2021 include restructuring costs related to actions the Company has taken to align costs to updated production levels that have been directed by the Company's customers. Largely beginning in the first quarter of 2020, the Company's customers, including Boeing and Airbus, significantly reduced their overall production rates as a result of the COVID-19 pandemic and, in the case of Boeing, the B737 MAX grounding. The restructuring activity materially affected the scope of operations and manner in which business is conducted by the Company compared to periods prior to the restructuring activity.

Restructuring costs are presented separately as a component of operating loss on the Consolidated Statements of Operations. Total restructuring costs were \$0.2 for the twelve months ended December 31, 2022. For the twelve months ended December 31,

2021, total restructuring costs were \$8.2, comprised largely of costs related to McAlester and San Antonio site closures. For the twelve months ended December 31, 2020, total restructuring costs of \$73.0 was comprised of \$51.4 and \$21.6, respectively, related to involuntary workforce reductions and a voluntary retirement program.

The costs of the restructuring plan are included in segment operating margins. The total amount of \$0.2 for the twelve months ended December 31, 2022 is included in segment operating margins for the Commercial Segment. The total amount for the twelve months ended December 31, 2021 for each segment was \$6.8 for the Commercial Segment, \$1.1 for the Defense & Space Segment, and \$0.3 for the Aftermarket Segment. The total amount for the twelve months ended December 31, 2020 for each segment was \$64.0 for the Commercial segment, \$3.8 for the Defense & Space segment, and \$5.2 for the Aftermarket segment.

28. ACQUISITIONS

T.E.A.M., Inc.

On November 23, 2022, Spirit AeroSystems Textiles, LLC ("Spirit Textiles"), a fully owned subsidiary of Spirit AeroSystems, Inc. closed its purchase of substantially all of the assets and all of the liabilities of T.E.A.M., Inc., a Rhode Island corporation, which is engaged in the business of manufacturing and engineering textiles, composites, and textile and composite products, for cash consideration of \$31.3. The acquisition was accounted for as a business combination in accordance with ASC Topic 805, *Business Combinations*. The purchase price has been allocated among assets acquired and liabilities assumed at fair value based on information currently available, with the excess purchase price recorded as goodwill, which is fully allocated to the Defense & Space segment. As of December 31, 2022, the Company has preliminarily concluded, but not finalized, its assessment and purchase price allocation of the acquisition. The final

fair value determination is subject to a contractual post-closing working capital true-up, which the Company expects to conclude in the first quarter of 2023. The final purchase price allocation is not expected to result in material adjustments to the assets acquired and the liabilities assumed that have been recorded as of the acquisition date, which are included in the Consolidated Balance Sheet as of December 31, 2022, including \$8.3 of property, plant and equipment, \$2.3 of working capital, \$13.5 of intangible assets and \$7.1 allocated to goodwill, which is expected to be deductible for tax purposes. Operating income, as of the acquisition date, from the acquired business was immaterial and reported within the Defense & Space segment.

Acquisition-related expenses were \$1.2 for the twelve months ended December 31, 2022, and are included in selling, general and administrative costs on the Consolidated Statements of Operations.

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)**Applied Aerodynamics**

On April 26, 2021, the Company acquired the assets of Applied Aerodynamics, an MRO company based in Farmers Branch, Texas, for a purchase price of \$29.6, including cash consideration of \$21.1. The acquisition was accounted for as a business combination in accordance with ASC Topic 805, *Business Combinations*. The purchase price has been allocated among assets acquired and liabilities assumed at fair value based on information currently available, with the excess purchase price recorded as goodwill, which is fully allocated to the Aftermarket segment. As of December 31, 2021, the Company concluded its assessment and purchase price allocation of the acquisition. The purchase price allocation of the assets acquired and the liabilities assumed was recorded as of the acquisition date, and those assets and liabilities were included in the Consolidated Balance Sheet as of December 31, 2021, including \$3.0 of property, plant and equipment, \$2.3 of working capital, \$6.2 of intangible assets and \$18.1 allocated to goodwill, which is expected to be deductible for tax purposes. Operating income from the acquired business is reported within the Aftermarket segment.

Acquisition-related expenses were \$0.6 for the twelve months ended December 31, 2021 and are included in selling, general and administrative costs on the Consolidated Statements of Operations.

Bombardier Acquisition

On October 30, 2020, Spirit and Spirit AeroSystems Global Holdings Limited ("Spirit UK"), wholly owned subsidiaries of the Company, completed their previously announced acquisition of the outstanding equity of Short Brothers plc ("Shorts") and Bombardier Aerospace North Africa SAS ("BANA"), and substantially all the assets of the maintenance, repair and overhaul business in Dallas, Texas (collectively, the "Bombardier Acquired Business"), along with the assumption of certain liabilities of Shorts and BANA (the "Bombardier Acquisition").

The Bombardier Acquired Businesses are global leaders in aerostructures and fabrication, delivering composite and metallic wing components, nacelles, fuselages and tail assemblies, along with high-value mechanical assemblies made out of aluminum, titanium and steel. The backlog of work includes long-term contracts on the Airbus aircraft family, along with Bombardier business and regional jets. The acquisition is in line with the Company's growth strategy of increasing Airbus content, developing low-cost country footprint, and growing the Company's aftermarket business. The Bombardier Acquired Businesses are included within the Commercial and Aftermarket reporting segments. Refer to Note 26, *Segment and Geographical Information* for additional information about the Company's segments.

The Company, acting through certain of its subsidiaries, also assumed net pension liabilities of approximately \$316. In addition, Spirit assumed financial obligations related to a repayable investment agreement with the Department for Business, Energy and Industrial Strategy of the Government of the United Kingdom. As a result of its obligation to make future payments under this agreement, the Company recorded the assumed obligation from this transaction as a liability on its Consolidated Balance Sheet that will be accounted for using the interest method over the estimated life of the agreement. As a result, the Company imputes interest on the transaction and recorded imputed interest expense at the estimated interest rate. The Company's estimate of the interest rate under the agreement is based on the amount of payments expected to be made over the remaining life of the agreement. The Company utilizes future sales projections and growth

rates to further develop this estimate. The projected amount of payments expected to be made involves the use of significant estimates and assumptions with respect to the number of units expected to be sold. The Company periodically assesses the expected payments to be made using a combination of historical results and forecasts from market data sources. To the extent such payments are greater or less than its initial estimates or the timing of such payments is materially different than its original estimates, the Company will adjust the amortization of the liability prospectively. The Company determined the fair value of the liability at the acquisition date to be \$304 which is included within the liabilities assumed, with a current effective annual imputed interest rate of 6.78%. Cash payments made related to the principal component of the liability will be classified as a financing outflow on the Consolidated Statements of Cash Flows, while payments made related to the interest component will be presented within operating cash flows.

The \$275 cash consideration, along with these assumed liabilities, resulted in a total enterprise value of \$895 as of October 30, 2020. The Company agreed to procure payment of a special contribution of £100 million to the Shorts pension scheme (the "Shorts Pension") on October 30, 2021. In addition, included within the liabilities assumed is approximately \$320 in forward loss contracts.

Acquisition-related expenses were \$3.3 and \$11.0 for the twelve months ended December 31, 2021 and December 31, 2020, respectively, and are included in selling, general and administrative costs on the Consolidated Statements of Operations.

The acquisition was accounted for as a business combination in accordance with ASC Topic 805, *Business Combinations*. The purchase price has been allocated among assets acquired and liabilities assumed at fair value based on information currently available, with the excess purchase price recorded as goodwill. Determining the fair value of assets acquired and liabilities assumed requires significant judgment, including the amount and timing of expected future cash flows, long-term growth rates and discount rates. In some cases, the Company used discounted cash flow analyses, which were based on the Company's best estimate of future sales, earnings and cash flows after considering such factors as general market conditions, customer budgets, existing firm and future orders, changes in working capital, long-term business plans and recent operating performance. Use of different estimates and judgments could yield materially different results.

The Company also identified contractual obligations with customers on certain contracts with economic returns that are lower than could be realized in market transactions as of the acquisition date. The Company measured these liabilities under the measurement provisions of FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, which is based on the price to transfer the obligation to a market participant at the measurement date, assuming that the liability will remain outstanding in the marketplace. Significant assumptions were used to determine the fair value of the loss contract reserves using the discounted cash flow model including discount rates, forecasted quantities of products to be sold under the long-term contracts and market prices for respective products. These were forward looking assumptions that could be affected by future economic and market conditions. Based on the estimated net cash outflows of the programs plus a reasonable contracting profit margin required to transfer the contracts to market participants, the Company recorded assumed liabilities of approximately \$320.1 in connection with the Bombardier Acquisition. These liabilities will be liquidated in accordance with the underlying pattern of obligations, as reflected by the expenses incurred on the contracts, as a reduction to

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

cost of sales. These liabilities, net of amortization to date, are shown within the forward loss provision on the Consolidated Balance Sheets for the period ended December 31, 2022.

The Company has concluded its assessment and purchase price allocation of the Bombardier Acquisition. Based on additional information obtained during the nine month period ended September 30, 2021, the Company recognized the following adjustments to its preliminary purchase price allocation, which are included in the final purchase price allocation below: intangible assets increased by \$4.9, forward loss liability increased by \$38.5, other non-current liabilities increased by \$4.3, working capital decreased by \$2.3. As a result of these adjustments, as of September 30, 2021, the recognized goodwill was adjusted from \$486.8 to \$527.0. There were no measurement period adjustments materially impacting earnings that would have been recorded in previous reporting periods if the adjustments had been recognized as of the acquisition date.

The purchase price allocation of the assets acquired and the liabilities assumed at the acquisition date is as follows:

At October 30, 2020	
Cash and cash equivalents	\$ 4.4
Accounts receivable, net	91.9
Inventory	251.6
Other current assets	11.4
Intangible assets, net	193.0
Other non-current assets	11.7
Property and equipment, net	373.6
Right of use asset	27.7
Goodwill	527.0
Total assets acquired	\$ 1,492.3
Accounts payable	90.4
Accrued payroll and employee benefits	113.8
Forward loss provision, short-term	33.8
Other current liabilities	31.5
Forward loss provision, long-term	286.3
Other non-current liabilities	317.7
Operating lease liabilities, long-term	27.5
Retirement benefits	316.3
Total liabilities assumed	1,217.3
Net assets acquired	\$ 275.0

The amounts allocated to the intangible assets identified above are as follows:

	Amount	Amortization Period (in years)
Developed Technology	\$ 62.0	15.0
Customer Relationships	\$ 131.0	18.0
Total intangible assets	\$ 193.0	

SPIRIT AEROSYSTEMS HOLDINGS, INC.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — (CONTINUED)**
(\$, €, £, AND RM IN MILLIONS OTHER THAN PER SHARE AMOUNTS)

The customer relationships intangible asset consists of estimated future revenues. The customer relationships intangible asset was valued using the excess earnings method (income approach) in which the value is derived from an estimation of the after-tax cash flows specifically attributable to the customer relationships. The analysis included assumptions for projections of revenues and expenses, contributory asset charges, discount rates, and a tax amortization benefit. The developed technology intangible asset was valued using the relief from royalty method (income approach) in which the value is derived by estimation of the after-tax royalty savings attributable to owning the assets. Assumptions in this analysis included projections of revenues, royalty rates representing costs avoided due to ownership of the assets, discount rates, and a tax amortization benefit.

The goodwill recognized is attributable primarily to expected synergies and intangible assets that do not qualify for separate recognition, such as the acquired assembled workforce. The Company expects \$24.8 of the goodwill to be deductible for income tax purposes. The Company's allocation of goodwill to its reportable segments is based on the fair value of projected earnings as of the acquisition date. The goodwill is allocated \$228.8 to the Commercial segment and \$298.2 to the Aftermarket segment.

The results of operations of the Bombardier Acquired Businesses have been included in the Company's consolidated statements of operations as of the acquisition date. The following table provides the results of operations for the Bombardier Acquired Businesses included in the Company's consolidated statements of operations for the year ended December 31, 2020.

Net revenue	93.4
Net income attributable to the Bombardier Acquired Businesses	(26.5)

The following summary, prepared on a pro forma basis, presents the unaudited consolidated results of operations for the twelve months ended December 31, 2020 as if the Bombardier Acquisition had been completed as of January 1, 2020. The pro forma results include the impact of any post-acquisition adjustments directly attributable to the acquisition and the impact of adjustments such as the recognition of additional depreciation and amortization expense, and the related income tax effects. This pro forma presentation does not include any impact of transaction synergies. The pro forma results are not necessarily indicative of what the results of operations would have been had the Bombardier Acquisition occurred during the periods presented, nor does it purport to represent results for any future periods.

	For the Twelve Months Ended
	December 31, 2020
Revenue – as reported	\$ 3,404.8
Revenue – pro forma	\$ 3,983.6
Net loss – as reported	\$ (870.3)
Net loss – pro forma	\$ (883.2)
Earnings Per Share – Diluted – as reported	\$ (8.38)
Earnings Per Share – Diluted – pro forma	(8.50)

Asco Acquisition

On May 1, 2018, the Company and its wholly-owned subsidiary Spirit AeroSystems Belgium Holdings BVBA ("Spirit Belgium") entered into a definitive agreement (as amended, the "Asco Purchase Agreement") with certain private sellers providing for the purchase by Spirit Belgium of all of the issued and outstanding equity of S.R.I.F. N.V., the parent company of Asco Industries N.V. ("Asco"), subject to certain customary closing adjustments, including foreign currency adjustments (the "Asco Acquisition"). On September 25, 2020, the Company, Spirit Belgium and the Sellers entered into an amendment to the Asco Purchase Agreement (the "Termination Agreement") pursuant to which the parties agreed to terminate the Asco Purchase Agreement, including all schedules and annexes thereto (other than certain confidentiality agreements) (collectively with the Asco Purchase Agreement, the "Transaction Documents"), effective as of September 25, 2020. Under the Termination Agreement, the parties also agreed to release each other from any and all claims, rights of action, howsoever arising, of every kind and nature, in connection with, arising out of, based upon or related to, directly or indirectly, the Transaction Documents, including any breach, non-performance, action or failure to act under the Transaction Documents.

Acquisition-related expenses were \$20.0 for the twelve months ended December 31, 2020, and are included in selling, general and administrative costs on the Consolidated Statement of Operations.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Our management with the participation of our President and Chief Executive Officer (principal executive officer) and Senior Vice President and Chief Financial Officer (principal financial officer) has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2022 and has concluded that these disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or the “Exchange Act”) were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized, and reported within the time period specified by the SEC’s rules and forms. These disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to management of the Company, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act). Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by the Company’s Board, management and other personnel to provide reasonable assurance of the reliability of our financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

- (1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the Company’s assets;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that the Company’s receipts and expenditures are being made only in accordance with authorizations of the Company’s management and directors; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatement. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this assessment, our management concluded that our internal control over financial reporting was effective as of December 31, 2022. The effectiveness of the Company’s internal control over financial reporting as of December 31, 2022 has been audited by the Company’s independent registered public accounting firm, Ernst & Young LLP, as stated in their report appearing herein.

CHANGE IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in our internal control over financial reporting that occurred during the fourth quarter of 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Spirit AeroSystems Holdings, Inc.

OPINION ON INTERNAL CONTROL OVER FINANCIAL REPORTING

We have audited Spirit AeroSystems Holdings, Inc. internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Spirit AeroSystems Holdings, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of Spirit AeroSystems Holdings, Inc. as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and our report dated February 17, 2023 expressed an unqualified opinion thereon.

BASIS FOR OPINION

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

DEFINITION AND LIMITATIONS OF INTERNAL CONTROL OVER FINANCIAL REPORTING

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Wichita, Kansas

February 17, 2023

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information concerning the executive officers of the Company is included in Part I of this Annual Report on Form 10-K and is incorporated by reference herein. The information otherwise required by Items 401, 405, 406, and 407(c)(3), (d)(4), and (d)(5) of Regulation S-K will be provided in the Company's proxy statement for its 2023 annual meeting of stockholders, which will be filed with the SEC no later than 120 days after the end of the fiscal year (the "2023 Proxy Statement") and is incorporated by reference herein.

The Company has adopted a Code of Conduct (the "Code") and a Finance Code of Professional Conduct that applies to the Company's Principal Executive Officer, Principal Financial Officer, Principal Accounting Officer, and persons performing similar functions. Copies of the Code and Finance Code of Professional Conduct are available on the Company's website at <https://investor.spiritaero.com/corporate-governance/govdocs/>, and any waiver from the Code or Finance Code of Professional Conduct will be timely disclosed on the Company's website or a Current Report on Form 8-K, as will any amendments to the Code or Finance Code of Professional Conduct.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 402 and Item 407(e)(4) and (e)(5) of Regulation S-K will be provided in the 2023 Proxy Statement and is incorporated by reference herein.

Pursuant to the rules and regulations of the SEC under the Exchange Act, the information under Item 407(e)(5) incorporated by reference from the 2023 Proxy Statement shall not be deemed to be "soliciting material," or to be "filed" with the SEC, or subject to Regulation 14A or 14C or the liabilities of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information concerning the securities authorized for issuance under equity compensation plans included in Part II, Item 5 of this Annual Report is incorporated by reference herein. The information required by Item 403 of Regulation S-K will be provided in the 2023 Proxy Statement and is incorporated by reference herein.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Items 404 and 407(a) of Regulation S-K will be provided in the 2023 Proxy Statement and is incorporated by reference herein.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 9(e) of Schedule 14A will be provided in the 2023 Proxy Statement and is incorporated by reference herein.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
2.1	Asset Purchase Agreement, dated as of February 22, 2005, between Spirit AeroSystems, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.) and The Boeing Company	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 2.1
2.2	First Amendment to Asset Purchase Agreement, dated June 15, 2005, between Spirit AeroSystems, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.) and The Boeing Company	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 2.2
2.3	Asset Purchase Agreement, between Spirit AeroSystems Inc., Triumph Aerostructures – Tulsa LLC and Triumph Group, Inc., dated as of December 8, 2014	Current Report on Form 8-K (File No. 001-33160), filed January 6, 2015, Exhibit 2.1
2.4	Amendment 1 to Asset Purchase Agreement, between Spirit AeroSystems, Inc., Triumph Aerostructures - Tulsa, LLC and Triumph Group, Inc., dated as of December 30, 2014	Current Report on Form 8-K (File No. 001-33160), filed January 6, 2015, Exhibit 2.2
3.1	Third Amended and Restated Certificate of Incorporation of Spirit AeroSystems Holdings, Inc.	Current Report on Form 8-K (File No. 001-33160), filed May 1, 2017, Exhibit 3.1
3.2	Seventh Amended and Restated By Laws of Spirit AeroSystems Holdings, Inc.	Current Report on Form 8-K (File No. 001-33160), filed July 27, 2018, Exhibit 3.2
3.3	Eighth Amended and Restated Bylaws of Spirit AeroSystems Holdings, Inc.	Current Report on Form 8-K (File No. 001-33160), filed September 30, 2021, Exhibit 3.1
4.1	Form of Class A Common Stock Certificate	Amendment No. 5 to Registration Statement on Form S-1/A (File No. 333-135486), filed November 17, 2006, Exhibit 4.1
4.2	Description of Spirit AeroSystems Holdings, Inc. Securities Registered under Section 12 of the Exchange Act.	*
4.3	Indenture dated as of June 1, 2016, governing the 3.850% Senior Notes due 2026, by and among Spirit, the guarantors identified therein and The Bank of New York Mellon Trust Company, N.A.	Current Report on Form 8-K (File No. 001-33160), filed June 7, 2016, Exhibit 4.1
4.4	Form of 3.850% Senior Note due 2026	Current Report on Form 8-K (File No. 001-33160), filed June 7, 2016, Exhibit 4.2
4.5	Supplemental Indenture, dated December 5, 2016, governing the 3.850% Senior Notes due 2026	Annual Report on Form 10-K (File No. 001-33160), filed February 10, 2017, Exhibit 4.9
4.6	Second Supplemental Indenture, dated as of February 24, 2020, among Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc., Spirit AeroSystems North Carolina, Inc., and The Bank of New York Mellon Trust Company, N.A., as Trustee.	Current Report on Form 8-K (File No. 001-33160), filed February 25, 2020, Exhibit 4.1
4.7	Third Supplemental Indenture, dated as of April 17, 2020, among Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc., Spirit AeroSystems North Carolina, Inc., and The Bank of New York Mellon Trust Company, N.A., as Trustee.	Current Report on Form 8-K (File No. 001-33160), filed April 17, 2020, Exhibit 4.3
4.8	Fourth Supplemental Indenture, dated as of October 5, 2020, among Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc., Spirit AeroSystems North Carolina, Inc., and The Bank of New York Mellon Trust Company, N.A., as Trustee.	Current Report on Form 8-K (File No. 001-33160), filed October 5, 2020, Exhibit 4.3
4.9	Indenture, dated as of May 30, 2018, among Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc. and the Bank of New York Mellon Trust Company.	Current Report on Form 8-K (File No. 001-33160), filed May 30, 2018, Exhibit 4.1
4.10	Form of 3.950% Senior Note due 2023	Current Report on Form 8-K (File No. 001-33160), filed May 30, 2018, Exhibit 4.3

PART IV: **ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
4.11	Form of 4.600% Senior Note due 2028	Current Report on Form 8-K (File No. 001-33160), filed May 30, 2018, Exhibit 4.4
4.12	Indenture, dated as of April 17, 2020, among Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc., Spirit AeroSystems North Carolina, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent.	Current Report on Form 8-K (File No. 001-33160), filed April 17, 2020, Exhibit 4.1
4.13	Form of 7.500% Senior Secured Second Lien Note due 2025.	Current Report on Form 8-K (File No. 001-33160), filed April 17, 2020, Exhibit 4.2 (included as Exhibit A to Exhibit 4.1 thereto)
4.14	Indenture, dated as of October 5, 2020, among Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc., Spirit AeroSystems North Carolina, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent.	Current Report on Form 8-K (File No. 001-33160), filed October 5, 2020, Exhibit 4.1
4.15	Form of 5.500% Senior Secured First Lien Notes due 2025	Current Report on Form 8-K (File No. 001-33160), filed October 5, 2020, Exhibit 4.2 (included as Exhibit A to Exhibit 4.1 thereto)
4.16	Fifth Supplemental Indenture, dated as of November 23, 2022, among Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc., Spirit AeroSystems North Carolina, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee.	Current Report on Form 8-K (File No. 001-33160), filed November 23, 2022, Exhibit 4.3
4.17	First Supplemental Indenture, dated as of November 23, 2022, among Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc., Spirit AeroSystems North Carolina, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent.	Current Report on Form 8-K (File No. 001-33160), filed November 23, 2022, Exhibit 4.4
4.18	Indenture, dated as of November 23, 2022, among Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc., Spirit AeroSystems North Carolina, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee and collateral agent.	Current Report on Form 8-K (File No. 001-33160), filed November 23, 2022, Exhibit 4.1
4.19	Form of 9.375% Senior Secured First Lien Notes due 2029.	Current Report on Form 8-K (File No. 001-33160), filed November 23, 2022, Exhibit 4.1 (included as Exhibit A to Exhibit 4.1)
10.1	Form of Indemnification Agreement	Amendment No. 1 to Registration Statement on Form S-1/A (File No. 333-135486), filed August 29, 2006, Exhibit 10.14
10.2†	Spirit AeroSystems Holdings, Inc. Amended and Restated Deferred Compensation Plan, As Amended	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 6, 2011, Exhibit 10.34
10.3†	Spirit AeroSystems Holdings, Inc. Second Amended and Restated Director Stock Plan	Registration Statement on Form S-8 (File No. 333-150402), filed April 23, 2008, Exhibit 10.1
10.4†	Spirit AeroSystems Holdings, Inc. 2014 Omnibus Incentive Plan	Registration Statement on Form S-8 (File No. 333-195790), filed May 8, 2014, Exhibit 10.1.
10.5†	First Amendment to the Spirit AeroSystems Holdings, Inc. 2014 Omnibus Incentive Plan, dated January 25, 2017	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2017, Exhibit 10.1
10.6†	Second Amendment to the Spirit AeroSystems Holdings, Inc. 2014 Omnibus Incentive Plan, dated October 23, 2019	Annual Report on Form 10-K (File No. 001-33160), filed February 28, 2020, Exhibit 10.5
10.7†	Employment Agreement between Spirit AeroSystems, Inc. and Samantha Marnick, effective as of February 22, 2006 and annual Executive Compensation Letter, dated May 3, 2013	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 2, 2014, Exhibit 10.1
10.8†	Employment Agreement between Spirit AeroSystems, Inc. and Duane Hawkins, effective as of June 17, 2013	Annual Report on Form 10-K (File No. 001-33160), filed February 13, 2015, Exhibit 10.44
10.9†	Amendment to Employment Agreement between Spirit AeroSystems, Inc. and Duane Hawkins, effective as of June 17, 2013	Annual Report on Form 10-K (File No. 001-33160), filed February 13, 2015, Exhibit 10.45
10.10†	Retirement Agreement and General Release between Spirit AeroSystems, Inc. and Duane Hawkins, dated January 16, 2023.	Current Report on Form 8-K (File No. 001-33160), filed January 16, 2023, Exhibit 10.1
10.11†	Employment Agreement, dated as of February 13, 2016, between Spirit AeroSystems, Inc. and Thomas C. Gentile III	Current Report on Form 8-K (File No. 001-33160), filed February 16, 2016, Exhibit 10.1

PART IV: **ITEM 15.** EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
10.12†	Employment Agreement between Spirit AeroSystems, Inc. and Bill Brown, effective as of May 5, 2014	Annual Report on Form 10-K (File No. 001-33160), filed February 9, 2018, Exhibit 10.17
10.13†	Employment Agreement, dated January 29, 2020, between Spirit AeroSystems, Inc. and Mark Suchinski.	Current Report on Form 8-K (File No. 001-33160), filed January 30, 2020, Exhibit 10.1
10.14†	Long-Term Incentive Program under the Spirit AeroSystems Holdings, Inc. 2014 Omnibus Incentive Plan, as amended and restated effective January 25, 2017	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2017, Exhibit 10.3
10.15†	Long-Term Incentive Program under the Spirit AeroSystems Holdings, Inc. 2014 Omnibus Plan, as amended and restated effective January 23, 2019	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 1, 2019, Exhibit 10.1
10.16†	Short-Term Incentive Program under the Spirit AeroSystems Holdings, Inc. 2014 Omnibus Incentive Plan, as amended and restated effective January 25, 2017	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2017, Exhibit 10.4
10.17†	Director Stock Program under the Spirit AeroSystems Holdings, Inc. 2014 Omnibus Incentive Plan, effective April 25, 2018	Annual Report on Form 10-K (File No. 001-33160), filed February 8, 2019, Exhibit 10.20
10.18†	Director Stock Program under the Spirit AeroSystems Holdings, Inc. 2014 Omnibus Incentive Plan, effective April 28, 2021	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2021, Exhibit 10.1
10.19†	Non-Employee Director Compensation Overview Effective with 2021-2022 Term	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 4, 2021, Exhibit 10.1
10.20†	Spirit AeroSystems Holdings, Inc. Supplemental Executive Retirement Plan, as amended and restated effective January 25, 2017	Annual Report on Form 10-K (File No. 001-33160), filed February 10, 2017, Exhibit 10.5
10.21†	Employee Stock Purchase Plan	Registration Statement on Form S-8 (File No. 333-220358), filed September 6, 2017, Exhibit 4.2
10.22†	Amended and Restated Employee Stock Purchase Plan, effective January 21, 2020	Annual Report on Form 10-K (File No. 001-33160), filed February 28, 2020, Exhibit 10.19
10.23†	Amended and Restated Employee Stock Purchase Plan, effective October 26, 2021	Annual Report on Form 10-K (File No. 001-33160), filed February 15, 2022, Exhibit 10.22
10.24†	Form of Time-Based Restricted Stock Award Agreement	Annual Report on Form 10-K (File No. 001-33160), filed February 28, 2020, Exhibit 10.20
10.25†	Form of Time-Based Restricted Stock Unit Award Agreement (U.S. Participants)	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2021, Exhibit 10.2
10.26†	Form of Performance-Based Restricted Stock Award Agreement	Annual Report on Form 10-K (File No. 001-33160), filed February 28, 2020, Exhibit 10.21
10.27†	Form of Performance-Based Restricted Stock Unit Award Agreement (U.S. Participants)	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2021, Exhibit 10.3
10.28†	Form of Non-Employee Director Award Agreement	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2021, Exhibit 10.4
10.29†	Form of Time-Based Restricted Stock Unit Award Agreement (Non-U.S. Participants)	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2021, Exhibit 10.5
10.30†	Form of Performance-Based Restricted Stock Unit Award Agreement (Non-U.S. Participants)	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2021, Exhibit 10.6
10.31†	Perquisite Allowance Plan	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2021, Exhibit 10.7
10.32†	Retirement and Consulting Agreement and General Release, dated June 7, 2016, between Spirit AeroSystems, Inc. and Larry A. Lawson	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 5, 2016, Exhibit 10.3
10.33†	Agreement and General Release, dated January 31, 2020, between Spirit AeroSystems Holdings, Inc., Spirit AeroSystems, Inc. and Jose Garcia.	Current Report on Form 8-K (File No. 001-33160), filed January 31, 2020, Exhibit 10.1
10.34†	Resignation and General Release, dated April 3, 2020, among Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc., and John Gilson.	Current Report on Form 8-K (File No. 001-33160), filed April 8, 2020, Exhibit 10.1
10.35†	Retirement Agreement and General Release with John Pilla, dated July 29, 2020.	Current Report on Form 8-K (File No. 001-33160), filed July 30, 2020, Exhibit 10.1

PART IV: **ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
10.36†	Second Amended and Restated Credit Agreement, dated as of July 12, 2018, among Spirit AeroSystems Inc., as borrower, Spirit AeroSystems Holdings, Inc., as parent guarantor, the lenders party thereto, Bank of America, N.A., as administrative agent, and the other agents named therein	Current Report on Form 8-K (File No. 001-33160), filed July 13, 2018, Exhibit 10.1
10.37	First Amendment to the Second Amended and Restated Credit Agreement, dated as of February 24, 2020, among Spirit AeroSystems, Inc., as borrower, Spirit AeroSystems Holdings, Inc., as parent guarantor, the lenders party thereto, Bank of America, N.A., as administrative agent and collateral agent.	Current Report on Form 8-K (File No. 001-33160), filed February 25, 2020, Exhibit 10.1
10.38	Delayed Draw Term Loan Credit Agreement, dated as of February 24, 2020, among Spirit AeroSystems, Inc., as borrower, Spirit AeroSystems Holdings, Inc., as parent guarantor, Spirit AeroSystems North Carolina, Inc., as subsidiary guarantor, and the lenders party thereto, Bank of America, N.A., as administrative agent.	Current Report on Form 8-K (File No. 001-33160), filed February 25, 2020, Exhibit 10.2
10.39	Second Amendment, dated as of March 30, 2020, to the Second Amended and Restated Credit Agreement among Spirit AeroSystems, Inc., as borrower, Spirit AeroSystems Holdings, Inc., as parent guarantor, the lenders party thereto, and Bank of America, N.A., as administrative agent and collateral agent.	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 6, 2020, Exhibit 10.8
10.40	Third Amendment, dated as of April 10, 2020, to the Second Amended and Restated Credit Agreement among Spirit AeroSystems, Inc., as borrower, Spirit AeroSystems Holdings, Inc., as parent guarantor, the lenders party thereto, and Bank of America, N.A., as administrative agent and collateral agent.	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 6, 2020, Exhibit 10.9
10.41	Fourth Amendment, dated as of April 13, 2020, to the Second Amended and Restated Credit Agreement among Spirit AeroSystems, Inc., as borrower, Spirit AeroSystems Holdings, Inc., as parent guarantor, the lenders party thereto, and Bank of America, N.A., as administrative agent and collateral agent.	Current Report on Form 8-K (File No. 001-33160), filed April 17, 2020, Exhibit 10.1
10.42	Fifth Amendment, dated as of April 20, 2020, to the Second Amended and Restated Credit Agreement among Spirit AeroSystems, Inc., as borrower, Spirit AeroSystems Holdings, Inc., as parent guarantor, the lenders party thereto, and Bank of America, N.A., as administrative agent and collateral agent.	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 6, 2020, Exhibit 10.12
10.43	Sixth Amendment, dated as of July 31, 2020, to the Second Amended and Restated Credit Agreement among Spirit AeroSystems, Inc., as borrower, Spirit AeroSystems Holdings, Inc., as parent guarantor, Spirit AeroSystems North Carolina, Inc., as a guarantor, the lenders party thereto, and Bank of America, N.A., as administrative agent and collateral agent.	Current Report on Form 8-K (File No. 001-33160), filed August 3, 2020, Exhibit 10.1
10.44	Term Loan Credit Agreement, dated as of October 5, 2020, by and among Spirit AeroSystems, Inc., the lenders from time to time party thereto, and Bank of America, N.A., as administrative agent and collateral agent.	Current Report on Form 8-K (File No. 001-33160), filed October 5, 2020, Exhibit 10.1
10.45	First Refinancing, Incremental Assumption and Amendment Agreement, dated as of November 15, 2021, among Spirit AeroSystems, Inc., as borrower, Spirit AeroSystems Holdings, Inc. and Spirit AeroSystems North Carolina, Inc., each as a guarantor, the lenders party thereto, and Bank of America, N.A., as administrative agent.	Current Report on Form 8-K (File No. 001-33160), filed November 15, 2021, Exhibit 10.1
10.46	Second Refinancing Amendment to Term Loan Credit Agreement, dated as of November 23, 2022, among Spirit AeroSystems, Inc., the guarantors party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent.	Current Report on Form 8-K (File No. 001-33160), filed November 23, 2022, Exhibit 10.1
10.47††	General Terms Agreement (Sustaining and others), dated as of June 16, 2005, between The Boeing Company and Spirit AeroSystems, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.)	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 10.24

PART IV: **ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
10.48††	Hardware Material Services General Terms Agreement, dated as of June 16, 2005, between The Boeing Company and Spirit AeroSystems, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.)	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 10.25
10.49††	Ancillary Know-How Supplemental License Agreement, dated as of June 16, 2005, between The Boeing Company and Spirit AeroSystems, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.)	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 10.26
10.50††	Sublease Agreement, dated as of June 16, 2005, among The Boeing Company, Boeing IRB Asset Trust and Spirit AeroSystems, Inc. (f/k/a Mid-Western Aircraft Systems, Inc.)	Registration Statement on Form S-1 (File No. 333-135486), filed June 30, 2006, Exhibit 10.27
10.51††	Special Business Provisions (Sustaining), as amended through February 6, 2013, between The Boeing Company and Spirit AeroSystems, Inc.	Annual Report on Form 10-K (File No. 001-33160), filed February 19, 2014, Exhibit 10.17
10.52††	Amendment 9 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems Inc., dated as of September 4, 2014	Quarterly Report on Form 10-Q (File No. 001-33160), filed October 31, 2014, Exhibit 10.1
10.53††	Amendment 10 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems Inc., dated as of September 26, 2014	Quarterly Report on Form 10-Q (File No. 001-33160), filed October 31, 2014, Exhibit 10.2
10.54††	Amendment 2, dated March 4, 2011, to General Terms Agreement (Sustaining and Others) between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 5, 2012, Exhibit 10.2
10.55††	Amendment 3, dated January 30, 2014, to General Terms Agreement (Sustaining and Others) between The Boeing Company and Spirit AeroSystems, Inc.	Annual Report on Form 10-K (File No. 001-33160), filed February 15, 2022, Exhibit 10.52
10.56	Amendment 4, dated January 18, 2021, to General Terms Agreement BCA-65530-0016 between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2021, Exhibit 10.11
10.57††	Memorandum of Agreement, between The Boeing Company and Spirit AeroSystems, Inc., made as of March 9, 2012, amending Special Business Provisions (Sustaining)	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 5, 2012, Exhibit 10.4
10.58††	Memorandum of Agreement (737 MAX Non-Recurring Agreement), between The Boeing Company and Spirit AeroSystems, Inc., made as of April 7, 2014, amending Spirit's long-term supply agreement with Boeing	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 1, 2014, Exhibit 10.2
10.59††	Memorandum of Agreement (Pricing Agreement), between The Boeing Company and Spirit AeroSystems, Inc., made as of April 8, 2014, amending Spirit's long-term supply agreement with Boeing	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 1, 2014, Exhibit 10.3
10.60††	Amendment 11 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems, Inc., dated as of March 10, 2015	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 1, 2015, Exhibit 10.1
10.61††	Amendment 12 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems, Inc., dated as of April 9, 2015	Quarterly Report on Form 10-Q (File No. 001-33160), filed July 31, 2015, Exhibit 10.1
10.62††	Amendment 13 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems, Inc., dated as of January 4, 2016	Annual Report on Form 10-K (File No. 001-33160), filed February 12, 2016, Exhibit 10.57
10.63††	Amendment 14 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems, Inc., dated as of April 21, 2015	Quarterly Report on Form 10-Q (File No. 001-33160), filed July 31, 2015, Exhibit 10.2
10.64††	Amendment 17 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems, Inc., dated as of December 23, 2015	Annual Report on Form 10-K (File No. 001-33160), filed February 12, 2016, Exhibit 10.58
10.65††	Amendment 20 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems, Inc., dated as of November 1, 2015	Annual Report on Form 10-K (File No. 001-33160), filed February 12, 2016, Exhibit 10.59
10.66††	Amendment 21 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems, Inc., dated as of May 9, 2016	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 5, 2016, Exhibit 10.4

PART IV: **ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
10.67††	Amendment 22 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems, Inc., dated as of November 2, 2016	Annual Report on Form 10-K (File No. 001-33160), filed February 10, 2017, Exhibit 10.53
10.68††	Amendment 23 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems, Inc., dated as of December 16, 2016	Annual Report on Form 10-K (File No. 001-33160), filed February 10, 2017, Exhibit 10.54
10.69††	Amendment 24 to Special Business Provisions, between The Boeing Company and Spirit AeroSystems, Inc., dated as of December 20, 2016	Annual Report on Form 10-K (File No. 001-33160), filed February 10, 2017, Exhibit 10.55
10.70††	Amendment 25 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of March 16, 2017	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2017, Exhibit 10.7
10.71††	Amendment 26 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of March 23, 2017	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2017, Exhibit 10.8
10.72††	Amendment 27 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of March 31, 2017	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2017, Exhibit 10.9
10.73††	Amendment 28 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of June 22, 2017	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 4, 2017, Exhibit 10.1
10.74††	Amendment 29 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of July 20, 2017	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 4, 2017, Exhibit 10.2
10.75††	Amendment 30 to Special Business Provisions (SBP) MS-65530-0016, dated September 22, 2017, between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 3, 2017, Exhibit 10.2
10.76††	Amendment 31 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of October 18, 2017	Annual Report on Form 10-K (File No. 001-33160), filed February 9, 2018, Exhibit 10.59
10.77††	Amendment 32 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of November 15, 2017	Annual Report on Form 10-K (File No. 001-33160), filed February 9, 2018, Exhibit 10.60
10.78††	Amendment 33 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of November 30, 2017	Annual Report on Form 10-K (File No. 001-33160), filed February 9, 2018, Exhibit 10.61
10.79††	Amendment 34 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of February 23, 2018	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 3, 2018, Exhibit 10.1
10.80††	Amendment 35 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of April 18, 2018	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 1, 2018, Exhibit 10.4
10.81††	Amendment 36 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of June 20, 2018	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 1, 2018, Exhibit 10.5
10.82††	Amendment 37 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of August 17, 2018	Quarterly Report on Form 10-Q (File No. 001-33160), filed October 31, 2018, Exhibit 10.1
10.83††	Collective Resolution Memorandum of Understanding between the Boeing Company and Spirit AeroSystems, Inc., dated as of August 1, 2017	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 4, 2017, Exhibit 10.3
10.84††	Amendment 38 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of November 1, 2018	Annual Report on Form 10-K (File No. 001-33160), filed February 2, 2019, Exhibit 10.67
10.85††	Amendment 39 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of November 2, 2018	Annual Report on Form 10-K (File No. 001-33160), filed February 2, 2019, Exhibit 10.68

PART IV: **ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
10.86††	Collective Resolution 2.0 Memorandum of Agreement between the Boeing Company and Spirit AeroSystems, Inc., dated as of December 21, 2018	Annual Report on Form 10-K (File No. 001-33160), filed February 2, 2019, Exhibit 10.69
10.87††	Amendment 40 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of January 30, 2019	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 1, 2019, Exhibit 10.5
10.88††	Amendment 41 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of March 29, 2019	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 1, 2019, Exhibit 10.6
10.89††	Memorandum of Agreement between the Boeing Company and Spirit AeroSystems, Inc., 737 Production Rate Adjustments, dated as of April 12, 2019.	Quarterly Report on Form 10-Q (File No. 001-33160), filed July 31, 2019, Exhibit 10.1
10.90††	Amendment 43 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of May 22, 2019.	Quarterly Report on Form 10-Q (File No. 001-33160), filed July 31, 2019, Exhibit 10.2
10.91††	Amendment 44 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of July 19, 2019.	Quarterly Report on Form 10-Q (File No. 001-33160), filed October 31, 2019, Exhibit 10.1
10.92††	Amendment 45 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of October 3, 2019.	Annual Report on Form 10-K (File No. 001-33160), filed February 28, 2020, Exhibit 10.69
10.93††	Amendment 46 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of October 3, 2019.	Annual Report on Form 10-K (File No. 001-33160), filed February 28, 2020, Exhibit 10.70
10.94††	Memorandum of Agreement, dated February 6, 2020, between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 6, 2020, Exhibit 10.13
10.95††	Amendment 47 to Special Business Provisions MS-65530-0016, between the Boeing Company and Spirit AeroSystems, Inc., dated as of May 5, 2020.	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 4, 2020, Exhibit 10.7
10.96††	Amendment 48 to Special Business Provisions (SBP) MS-65530-0016 between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2021, Exhibit 10.8
10.97††	737 Production Rate Adjustment and Other Settlements Memorandum of Agreement, dated May 5, 2020, between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 4, 2020, Exhibit 10.6
10.98††	B787 General Terms Agreement BCA-65520-0032 between The Boeing Company and Spirit AeroSystems, Inc., conformed to incorporate the General Terms Agreement, dated June 16, 2005, Amendment 1 thereto, dated June 19, 2009, and Amendment 2 thereto, dated May 12, 2011	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 3, 2017, Exhibit 10.3
10.99	Amendment 3, dated January 19, 2021, to General Terms Agreement BCA-65520-0032 Between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2021, Exhibit 10.10
10.100††	B787 Special Business Provisions BCA-MS-65530-0019, dated August 20, 2012, between The Boeing Company and Spirit AeroSystems, Inc., conformed to incorporate the Special Business Provisions, dated June 16, 2005, and Amendments 1 through 19 thereto	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 3, 2017, Exhibit 10.4
10.101††	Amendment 20 to B787 Special Business Provisions BCA-MS-65530-0019, dated June 5, 2013, between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 3, 2017, Exhibit 10.5
10.102††	Amendment 21 to B787 Special Business Provisions BCA-MS-65530-0019, dated July 1, 2014, between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 3, 2017, Exhibit 10.6
10.103††	Amendment 22 Revision 1 to B787 Special Business Provisions BCA-MS-65530-0019, dated December 4, 2014, between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 3, 2017, Exhibit 10.7

PART IV: **ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
10.104††	Amendment 23 to B787 Special Business Provisions BCA-MS-65530-0019, dated August 3, 2015, between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 3, 2017, Exhibit 10.8
10.105††	Amendment 24 to B787 Special Business Provisions BCA-MS-65530-0019, dated December 16, 2015, between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 3, 2017, Exhibit 10.9
10.106††	Amendment 25 to B787 Special Business Provisions (SBP) BCA-MS-65530-0019, dated September 22, 2017, between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed November 3, 2017, Exhibit 10.10
10.107††	Amendment 26 to B787 Special Business Provisions (SBP) BCA-MS-65530-0019, dated December 14, 2017, between The Boeing Company and Spirit AeroSystems, Inc.	Annual Report on Form 10-K (File No. 001-33160), filed February 9, 2018, Exhibit 10.71
10.108††	Amendment 27 to B787 Special Business Provisions BCA-MS-65530-0019, between The Boeing Company and Spirit AeroSystems, Inc., dated as of August 17, 2018	Quarterly Report on Form 10-Q (File No. 001-33160), filed October 31, 2018, Exhibit 10.2
10.109††	Amendment 28 to B787 Special Business Provisions (SBP) BCA-MS-65530-0019, between The Boeing Company and Spirit AeroSystems, Inc., dated as of January 30, 2019	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 1, 2019, Exhibit 10.4
10.110††	Amendment 29 to B787 Special Business Provisions (CBP) BCA-MS-65530-0019, between the Boeing Company and Spirit AeroSystems, Inc., dated as of May 14, 2019.	Quarterly Report on Form 10-Q (File No. 001-33160), filed July 31, 2019, Exhibit 10.3
10.111††	Amendment 30 to B787 Special Business Provisions (CBP) BCA-MS-65530-0019, between the Boeing Company and Spirit AeroSystems, Inc., dated as of August 12, 2019.	Quarterly Report on Form 10-Q (File No. 001-33160), filed October 31, 2019, Exhibit 10.2
10.112††	Amendment 31 to B787 Special Business Provisions (CBP) BCA-MS-65530-0019, between the Boeing Company and Spirit AeroSystems, Inc., dated as of October 3, 2019.	Annual Report on Form 10-K (File No. 001-33160), filed February 28, 2020, Exhibit 10.84
10.113††	Amendment 32 to B787 Special Business Provisions (CBP) BCA-MS-65530-0019, between the Boeing Company and Spirit AeroSystems, Inc., dated as of April 15, 2020.	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 4, 2020, Exhibit 10.8
10.114††	Amendment 33 to Special Business Provisions (SBP) BCA-MS-65530-0019 between The Boeing Company and Spirit AeroSystems, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2021, Exhibit 10.9
10.115††	Amendment No. 34 to Special Business Provisions (SBP) BCA-MS-65530-0019, dated June 30, 2021, by and between Spirit AeroSystems, Inc. and The Boeing Company	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 4, 2021, Exhibit 10.2
10.116††	Amendment No. 35 to Special Business Provisions (SBP) BCA-MS-65530-0019, dated June 30, 2021, by and between Spirit AeroSystems, Inc. and The Boeing Company	Annual Report on Form 10-K (File No. 001-33160), filed February 15, 2022, Exhibit 10.113
10.117	737 Recalculated Pre-Payment Letter Agreement, dated February 5, 2021, by and between Spirit AeroSystems, Inc. and The Boeing Company	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 4, 2021, Exhibit 10.3
10.118	Agreement for the Sale and Purchase of Shares of S.R.I.F. N.V., dated May 1, 2018, by and between Christian Boas, Emile Boas, DREDA, Sylvie Boas, Spirit AeroSystems Belgium Holdings BVBA and Spirit AeroSystems Holdings, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed August 1, 2018, Exhibit 10.3
10.119	Letter Agreement, dated March 19, 2019, RE; Agreement for the Sale and Purchase of Shares of S.R.I.F. N.V., dated May 1, 2018, by and between Christian Boas, Emile Boas, DREDA, Sylvie Boas, Spirit	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 1, 2019, Exhibit 10.2
10.120	Letter Agreement, dated March 27, 2019, RE; Agreement for the Sale and Purchase of Shares of S.R.I.F. N.V., dated May 1, 2018, by and between Christian Boas, Emile Boas, DREDA, Sylvie Boas, Spirit	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 1, 2019, Exhibit 10.3

PART IV: **ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
10.121	Letter Agreement, dated May 3, 2019, RE; Agreement for the Sale and Purchase of Shares of S.R.I.F. N.V., dated May 1, 2018 (as amended), by and between Christian Boas, Emilie Boas, DREDA, Sylvie Boas, Spirit AeroSystems Belgium Holdings BVBA, and Spirit AeroSystems Holdings, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed July 31, 2019, Exhibit 10.4
10.122	Amended and Restated Agreement for the Sale and Purchase of Shares of S.R.I.F. N.V., dated May 14, 2019 (as amended), by and between Christian Boas, Emilie Boas, DREDA, Sylvie Boas, Spirit AeroSystems Belgium Holdings BVBA, and Spirit AeroSystems Holdings, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed July 31, 2019, Exhibit 10.5
10.123	Letter Agreement, dated June 3, 2019, RE; Agreement for the Sale and Purchase of Shares of S.R.I.F. N.V. (as amended), by and between Christian Boas, Emilie Boas, DREDA, Sylvie Boas, Spirit AeroSystems Belgium Holdings BVBA, and Spirit AeroSystems Holdings, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed July 31, 2019, Exhibit 10.6
10.124	Letter Agreement, dated July 14, 2019, RE; Agreement for the Sale and Purchase of Shares of S.R.I.F. N.V.(as amended), by and between Christian Boas, Emilie Boas, DREDA, Sylvie Boas, Spirit AeroSystems Belgium Holdings BVBA, and Spirit AeroSystems Holdings, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed July 31, 2019, Exhibit 10.7
10.125	Amended and Restated Agreement for the Sale and Purchase of Shares of S.R.I.F. N.V., dated October 28, 2019 (as amended), by and between Christian Boas, Emilie Boas, DREDA, Sylvie Boas, Spirit AeroSystems Belgium Holdings BVBA, and Spirit AeroSystems Holdings, Inc.	Quarterly Report on Form 10-Q (File No. 001-33160), filed October 31, 2019, Exhibit 10.3
10.126	Letter Agreement, dated January 29, 2020, RE; Agreement for the Sale and Purchase of Shares of S.R.I.F. N.V.(as amended), by and between Christian Boas, Emilie Boas, DREDA, Sylvie Boas, Spirit AeroSystems Belgium Holdings BVBA, and Spirit AeroSystems Holdings, Inc.	Annual Report on Form 10-K (File No. 001-33160), filed February 28, 2020, Exhibit 10.93
10.127	Termination Agreement dated September 25, 2020 by and among Spirit AeroSystems Holdings, Inc., Spirit AeroSystems Belgium Holdings BVBA and certain private sellers.	Current Report on Form 8-K (File No. 001-33160), filed September 25, 2020, Exhibit 10.1
10.128††	Agreement for the Sale and Purchase of (1) the Entire Issued Share Capital of Short Brothers plc and Bombardier Aerospace North Africa SAS and (2) Certain Other Assets, dated October 31, 2019, by and between Bombardier Inc., Bombardier Aerospace UK Limited, Bombardier Finance Inc., Bombardier Services Corporation, Spirit AeroSystems Global Holdings Limited, and Spirit AeroSystems, Inc.	Annual Report on Form 10-K (File No. 001-33160), filed February 28, 2020, Exhibit 10.94
10.129	Deed of Amendment, dated as of October 16, 2020, by and among Spirit AeroSystems, Inc. and Spirit AeroSystems Global Holdings Limited, and Bombardier Inc., Bombardier Aerospace UK Limited, Bombardier Finance Inc. and Bombardier Services Corporation.	Current Report on Form 8-K (File No. 001-33160), filed October 30, 2020, Exhibit 10.2
10.130	Amendment, dated as of October 26, 2020, by and among Spirit AeroSystems, Inc., and Spirit AeroSystems Global Holdings Limited, and Bombardier Inc., Bombardier Aerospace UK Limited, Bombardier Finance Inc. and Bombardier Services Corporation.	Current Report on Form 8-K (File No. 001-33160), filed October 26, 2020, Exhibit 10.1)
10.131†	Separation Agreement and General Release, dated as of January 26, 2023, by and among Spirit AeroSystems, Inc., Spirit AeroSystems Holdings, Inc. and Kevin Matthies.	Current Report on Form 8-K (File No. 001-33160), filed January 27, 2023, Exhibit 10.1)
21.1	Subsidiaries of Spirit AeroSystems Holdings, Inc.	*
22.1	Guarantors and Issuers of Guaranteed Securities	Quarterly Report on Form 10-Q (File No. 001-33160), filed May 5, 2021, Exhibit 22.1
23.1	Consent of Ernst & Young LLP	*
31.1	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002	*

PART IV: **ITEM 15.** EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Article I. Exhibit Number	Section 1.01 Exhibit	Incorporated by Reference to the Following Documents
31.2	Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002	*
32.1	Certification of Chief Executive Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002	**
32.2	Certification of Chief Financial Officer pursuant to Section 906 of Sarbanes-Oxley Act of 2002	**
101.INS@	XBRL Instance Document	*
101.SCH@	XBRL Taxonomy Extension Schema Document	*
101.CAL@	XBRL Taxonomy Extension Calculation Linkbase Document	*
101.DEF@	XBRL Taxonomy Extension Definition Linkbase Document	*
101.LAB@	XBRL Taxonomy Extension Label Linkbase Document	*
101.PRE@	XBRL Taxonomy Extension Presentation Linkbase Document	*

† Indicates management contract or compensation plan or arrangement

†† Indicates that confidential portions of the exhibit have been omitted in accordance with the rules of the Securities and Exchange Commission

* Filed herewith

**Furnished herewith



Spirit AeroSystems is one of the world's largest manufacturers of aerostructures for commercial airplanes, defense platforms, and business/regional jets. With expertise in aluminum and advanced composite manufacturing solutions, the company's core products include fuselages, integrated wings and wing components, pylons, and nacelles. We are leveraging decades of design and manufacturing expertise to be the most innovative and reliable supplier of military aerostructures, and specialty high-temperature materials, enabling warfighters to execute complex, critical missions. Spirit also serves the aftermarket for commercial and business/regional jets. Headquartered in Wichita, Kansas, Spirit has facilities in the U.S., U.K., France, Malaysia and Morocco.

More information is available at www.spiritaero.com.

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