



Press release

RECARO AIRCRAFT SEATING REACHES AGREEMENT WITH GERMAN WORKS COUNCIL AND IG-METALL AND SÜDWESTMETALL

Schwaebisch Hall, November 16, 2020 - Negotiations at Recaro Aircraft Seating (Recaro) for securing the company and its workforce have concluded. The result secures the employment of the employees at the Schwaebisch Hall location until June 30, 2023. This is an important milestone for the future of Recaro.

A total of 95% of IG-Metall (IGM) members voted "yes" for the concessions made by employees and thus for an exclusion of dismissals for operational reasons. With 80% of the votes being accounted for, the result secures the employment of the employees at the Schwaebisch Hall site until June 30, 2023. This solution is widely supported by the workforce and demonstrates the strong connection and solidarity of the RECARO team. As a result, 1,100 employees have a crisis-proof workplace during this time of the economic crisis.

The aviation industry has been severely affected by the COVID-19 pandemic. This massive economic crisis also affects Recaro. Sales in 2020 are expected to be around 300 million euros, 60% below the previous year's level. The company already started preparing for a significant weakening of the market in 2019. International customs disputes have clouded the 2020 outlook, and airline insolvencies and challenges at aircraft manufacturers led to an already-tense market situation last year. The "Touch & Go" efficiency program was therefore launched in the fall of 2019, which has led to significant savings and is being energetically pursued.

Recaro has been using short-time work in Germany since April to compensate for the decline in production and orders. At the same time, future projects, new product developments, Lean Enterprise and the site expansion "space2grow" with its own flam lab and crash facility are being driven forward in order to emerge from the crisis stronger.

The primary goal is to secure and stabilize the company financially. From the very beginning, the management's focus was to navigate the crisis together with the workforce. The company is clearly committed to the Schwaebisch Hall location as its corporate headquarters.

In addition to short-time work, further concessions became necessary due to the deteriorating market situation. After the summer vacations, intensive negotiations started, in several rounds, between the Works Council, IGM, Südwestmetall and the company management. The workforce repeatedly

gave clear signals of its willingness to make concessions under collective agreements. By that, they sent a clear signal of the cohesion of the employees and their commitment to the company. The result of the negotiations reflects the importance of a sustainable future for the company, also in terms of corporate social responsibility for the team and the region.

Dr. Mark Hiller, CEO and Shareholder of Recaro Aircraft Seating says: "I am very pleased that together we have succeeded in achieving a negotiation result that meets a broad approval. In concrete terms, this means that employees subject to collective pay agreements will waive part of their pay from the end of 2020 until mid-2023. In return, employment security is guaranteed for the permanent workforce until June 30, 2023."

A total of 95% of IG-Metall (IGM) members voted "yes" for the this negotiation result. With 80% of the votes being accounted for, the result of the negotiations will be transferred by the collective bargaining parties Südwestmetall and IGM into a supplementary collective agreement. The formal steps necessary for this will be taken at short notice. All Recaro employees covered by the collective bargaining agreement will receive the results of the negotiations via corresponding supplementary company agreements.

Maria Schwarz, Chairwoman of the Works Council, says: "Top priority from the very beginning throughout the negotiations was job security. And we have succeeded accomplishing this to the full extent."

Martin Putsch, Shareholder and CEO of Recaro Holding, commented on the results of the negotiations: "The results of the negotiations show the great strength and unity of the Recaro team. This makes me very confident for the long-term success of Recaro Aircraft Seating".

About Recaro Aircraft Seating

Recaro Aircraft Seating sees itself as a solution provider for its customers. As a global supplier of premium aircraft seats for airlines and OEMs, the company focusses on its vision "driving comfort in the sky. Recaro has employed more than 2,700 people worldwide and completed 2019 with a revenue of €716 million. It is the global market leader in economy class seating. To secure its strategic position, Recaro is investing in product innovation and in business class seating. Over the next couple of years, it will also invest in expanding its headquarters in Schwaebisch Hall as well as its sites in China Poland and the US. The aim: become market leader in economy and business class seating while maintaining a permanent customer focus. For more information, please visit www.recaro-as.com.

About Recaro Group

The Recaro Group comprises the independently operating divisions Recaro Aircraft Seating in Schwaebisch Hall and Recaro Gaming in Stuttgart as well as the Recaro Holding located in Stuttgart. The automotive seating business as well as the child seat and stroller business are operated by licensees. For more information, please visit www.recaro.com.



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