

## Press release

# RUAG International realigns aircraft structure business

**Emmen, 27 February 2020.** Technology group RUAG International is realigning its Aerostructures division. At Emmen, Switzerland, the division will be shifting its focus towards complex technologies and surface treatments for structural aircraft components by the end of 2021. This move is being made primarily with a view to RUAG International establishing a profitable Aerospace Group by 2021 at the latest. Over the next two years, RUAG International expects to reduce the number of posts at its Emmen location by a maximum of 90, and intends to redeploy employees in other divisions or partner companies wherever possible. It is also putting a severance scheme in place.

Together with the RUAG Space division, RUAG Aerostructures will establish the foundation for the new Aerospace Group. RUAG Aerostructures operates in a complex, highly competitive market environment, with an economic position that has been experiencing added pressure from the decision to wind down A380 orders handled at the Emmen location. Looking ahead to the future privatisation of the aerospace group, aerostructure manufacturing must become more competitive. Urs Kiener, interim CEO of RUAG International, said: "We want to establish an Aerospace Group that is the preferred partner of aerospace integrators across the globe. This is the ideal time to both realign the Aerostructures division in a way that reflects the new strategy, and secure the future of the Emmen location." The past few years have seen RUAG repeatedly funnel investment into Emmen, most recently in the form of a new surface treatment facility that was built at a cost of 23 million Swiss francs.

## Pooling expertise at all three locations

The business model of the Aerostructures division will draw on the different areas of expertise present at three RUAG locations: Emmen, Oberpfaffenhofen in Germany and Eger in Hungary. At the Emmen location, Aerostructures will focus on surface treatment and complex technologies for rather small quantities. Oberpfaffenhofen, meanwhile, will deal with a large number of parts and put automation and productivity in the spotlight. The Eger location will primarily be concerned with manually processing structural aircraft parts. The past year has already seen RUAG Aerostructures establish a whole package of measures with the aim of reducing costs and boosting productivity. The realignment strategy at the Oberpfaffenhofen and Eger locations is proceeding well and profitability there has risen.

## New strategic focus for Emmen

The strategic realignment that RUAG Aerostructures is undertaking in Emmen is focusing on composite materials and adhesive processes, military component assembly (working with small numbers of parts) and surface treatment. In the future, the location's key areas of expertise will no longer include labour-intensive, manual activities such as producing sheet metal, assembling structural parts of civil aircraft, or machining. Instead, this work will be outsourced to the location's partners, purchased or relocated to Oberpfaffenhofen and Eger.

## **Post reduction by end of 2021 – Severance scheme in place**

The Aerostructures division believes that these measures will be accompanied by a reduction in the number of posts at the Emmen location, from 290 currently to 200 by the end of 2021. However, RUAG International is committed to minimising this kind of reduction over the next two years by instead taking advantage of a restrictive hiring policy, natural fluctuation, international job moves and transfers to external partners. It is also putting a severance scheme in place and has launched an internal consultation process with its employee representative.

.Apprentices will not be affected by the reduction in posts. Other divisions at the Emmen location (RUAG Space, MRO International and MRO Switzerland) will continue to follow their business strategies and are not affected by this measure. In these cases too, RUAG International is hoping to establish dialogue in order to keep Aerostructures employees at the Emmen location abreast of developments.

## **Another central supplier for aircraft manufacturers**

Through its Aerostructures division, RUAG International is a global first-tier supplier of aircraft structures and has been a long-term supplier to Airbus, Boeing, Pilatus and SAAB. To date, RUAG has delivered fuselage sections for more than 9,000 aircraft in the A320 family.

The Aerostructures division achieved another step forward in its strategy by [signing an agreement with Airbus](#) in December 2019, and will be supplying the company with central structural parts over the next six years. As well as this, the Eger location is set to receive certification from aeronautical authorities as an independent production facility, enabling it to take a leading role in the group of sites that it forms together with Oberpfaffenhofen and Emmen.

This press release can be found here: <https://www.ruag.com/news>

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**RUAG Aerostructures**, a globally operating tier 1 supplier of aircraft fuselage sections, wing components, flap modules and system modules, with a total of around 1,500 employees at its locations in Emmen (Switzerland), Oberpfaffenhofen (Germany) and Eger (Hungary), has a broad product portfolio for civil and military aerospace customers and OEMs.

**RUAG International** is a Swiss technology group focusing on the aerospace industry. Based in Zurich (Switzerland) and with production sites in 14 countries, the company is divided into four divisions: Space, Aerostructures, MRO International and Ammotec. RUAG Space is Europe's leading supplier of products used in the aerospace industry. RUAG Aerostructures is a global first-tier supplier in aircraft structure construction. With its strategic focus on aerospace, the company will consist of the two segments Aerostructures and Space in the medium term. RUAG International employs around 6,000 people, two thirds of whom work outside Switzerland. [www.ruag.com](http://www.ruag.com)