



## ASX ANNOUNCEMENT

28 September 2018

# FULL YEAR AUDITED FINANCIAL RESULTS

## UAV-focused strategy builds positive outlook for Orbital UAV

PERTH, AUSTRALIA: Orbital Corporation Limited (ASX: OEC) ("Orbital" or "the Company") today announces its full year audited results for the financial year ending 30 June 2018. The release of the Company's audited financial results follow the release of unaudited preliminary final results on 31 August 2018.

### Overview and financial results

The Company reported strong financial results for the year ended 30 June 2018 with revenue from continuing operations of \$21,000,000 (2017: \$13,661,000) and profit before tax from continuing operations of \$1,737,000 (2017: loss of \$3,970,000). The company reported a net profit after tax of \$2,218,000 (2017: loss of \$12,251,000).

The Company reports a strong balance sheet with cash and receivables of \$24,178,000 (2017: \$26,008,000) and net current assets of \$20,882,000 (2017: \$19,892,000).

Net cash used in operating activities during the period was \$8,778,000 (2017: \$4,853,000).

### Shareholder returns

	2018	2017	2016	2015	2014
Closing share price (\$)¹	0.36	0.50	0.69	0.49	0.16
Market capitalisation (\$m)	27.9	38.6	52.4	24.0	7.9
Basic EPS (cents)	2.87	(15.55)	2.73	(9.83)	3.39

¹ as at 30 June

### 2018 Milestones

Many of the key milestones achieved by the Company during the year ended 30 June 2018 reconfirmed our strategic focus on the tactical unmanned aerial vehicle (UAV) market.

The successful divestment of the Company's interest in REMSAFE for an unconditional cash consideration of \$2,200,000 in December 2017 diverted previously allocated working capital towards near term UAV priorities. This included our new operational facility in Oregon, USA and accelerated research and development. The new facility is now operational and will serve our key customer base, including Insitu (Boeing) – one of the world's leading suppliers of tactical UAVs into both military and commercial markets.

There were also significant milestones related to our ongoing partnership with Insitu. We successfully delivered all requested ScanEagle N20 propulsion systems to the company, on time and on budget. We also achieved the performance milestones specified within the \$900,000 N20 propulsion system engineering contract – delivering the targeted power improvements and weight reduction enhancements identified by Insitu.

These positive steps continue to cement Orbital as an emerging global leader in the supply of premium UAV propulsion systems.

### Management and Board transition

Mr Terry Stinson's role transitioned to Non-Executive Director as of 11 August 2017 after holding the dual Managing Director and CEO positions with Orbital for the past nine years. Mr Todd Alder, who after being appointed CFO and Company Secretary in December 2016, was appointed Managing Director and CEO on 11 August 2017. Following the transition of Mr Alder to Managing Director and CEO was the appointment of Ms Roulé Jones as CFO and Company Secretary.



On 1 May 2018, the Company appointed Mr Kyle Abbott to the Board of Directors. Mr Abbott is an experienced aerospace and defense industry executive and brings considerable knowledge and contacts to the Board, as the Company seeks to grow and diversify its existing customer relationships.

With these new appointments and transitions, Orbital has the leadership team to deliver on its strategic objectives and vision of delivering superiority in UAV propulsion systems and flight critical components.

## 2019 Outlook

The outlook for the Company remains positive, as we continue to target the growing tactical UAV market. We will build on our position as a global leader in the supply of premium UAV propulsion systems and flight critical components by further developing our relationships with our tier one customer base and identifying organic growth opportunities first and foremost. This includes the ongoing development of our Engine Family – a range of propulsion systems, capable of being integrated across multiple UAV platforms.

Where acquisition opportunities arise they will be aligned to the Company's core competencies of innovation and precision engine, fuel system and integrated component design and manufacturing expertise.

Our new operational facility in the U.S. will develop our client relationships and enhance our ability to meet their service requirements.

The Chairman and Managing Director would like to thank the ongoing commitment of the Company's shareholders and staff.

-ENDS-

## CONTACTS

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### About Orbital UAV

Orbital UAV provides integrated propulsion systems and flight critical components for tactical unmanned aerial vehicles (UAVs). Our design thinking and patented technology enable us to meet the long endurance and high reliability requirements of the UAV market. We have offices in Australia and the United States to serve our prestigious client base.

### About Insitu Inc.

Insitu is an industry-leading provider of information for superior decision making. With its headquarters in Bingen, Wash., and offices in the U.S., U.K., and Australia, the company creates and supports unmanned systems and software technology that deliver end-to-end solutions for collecting, processing and understanding sensor data.

### Forward-looking statements

*This release includes forward-looking statements that involve risks and uncertainties. These forward-looking statements are based upon management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company that could cause actual results to differ materially from such statements. Actual results and events may differ significantly from those projected in the forward-looking statements as a result of a number of factors including, but not limited to, those detailed from time to time in the Company's Annual Reports. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.*