



ASX ANNOUNCEMENT

27 February 2020

2020 HALF-YEAR FINANCIAL RESULTS

Key Highlights

- Consolidated revenue of \$11.4M
- Cash, term deposits and receivables of \$13.5M
- Two engine models in production under Insitu LTA
- On track for full-year revenue guidance of \$25-\$35M

PERTH, AUSTRALIA: Orbital Corporation Ltd (“Orbital UAV”, “the Company”) today publishes its audited half-year financial report for the six months ended 31 December 2019.

Financial review

The Group’s consolidated revenue for the period was \$11,405,000 (2018: \$2,229,000) with a loss from continuing operations of \$2,518,000 (2018: \$3,997,000). At 31 December 2019, cash, term deposits and receivables were \$13,556,000 (2019: \$15,127,000). Net cash used in operating activities during the period was \$3,364,000 (cash generated in the prior period 2018: \$2,675,000).

Focused on delivery

During the half-year ended 31 December 2019, Orbital UAV has continued to focus on the deliverables set out within its Long Term Agreement (“LTA”) with key customer Insitu Inc., a wholly owned subsidiary of The Boeing Company.

Revenue of \$11.4 million for this period was underpinned by shipments of the initial engine model under the LTA – an Orbital UAV designed system. Development of the second LTA engine model – an Insitu design – also continued during this period, with first shipments confirmed in January 2020 (see ASX Announcement 15 January 2020).

“I am pleased with our improved performance and financial results for the first six months of FY20,” said Todd Alder, CEO and Managing Director of Orbital UAV. “We are now shipping two world class engines from our Australia and USA facilities, demonstrating delivery on our commitments to Insitu and progress against our UAV strategy.”

The Company’s development team is now focused on the third engine design under its LTA with the Boeing subsidiary.

“Shipments of the first two production engine models will drive our revenue in the second half of FY20 and targeted profitability at the full year,” said Mr Alder.



“We look forward to building on the positive momentum we have achieved over the past six months, developing the third engine model under the LTA and maintaining our growth outlook,” he said.

The Company maintains its revenue guidance of \$25-35 million for FY20.

-ENDS-

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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.

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.

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