



ASX ANNOUNCEMENT

29 July 2020

ORBITAL UAV ACHIEVES FULL YEAR REVENUE OF \$34M

Orbital UAV delivers \$34M in revenue and full year profitability for Financial Year 2020 (unaudited)
Financial Year 2021 revenue guidance between \$40M to \$50M

FY20 FINANCIAL HIGHLIGHTS (UNAUDITED):

- **\$33.8M Revenue** – top end of guidance range (\$25M to \$35M)
- **\$2.3M Earnings Before Interest & Tax** – transition to sustainable underlying earnings
- **\$1.7M Net Profit After Tax** – commitment to ongoing profitability
- **\$14.7M Cash & Trade Receivables** – strong balance sheet to fund further growth

FY21 IMPROVED REVENUE GUIDANCE:

- **\$40M to \$50M Revenue** – product expansion and increasing sales

PERTH, AUSTRALIA: Orbital Corporation Ltd (“Orbital UAV”, “the Company”) is pleased to announce unaudited preliminary results for the Financial Year ending 30 June 2020 (“FY20”) and provide improved revenue guidance for the Financial Year ending 30 June 2021 (“FY21”).

Delivering on commitments

Orbital UAV’s unaudited results for FY20 demonstrate the Company achieved revenue of \$33.8 million (FY19: \$15.3 million) and delivered a net profit after tax of \$1.7 million (FY19: loss of \$5.9 million). FY20 revenue of \$33.8 million represents an increase from FY19 of 121% and is at the top end of the Company’s market guidance range of \$25 million to \$35 million.

Revenue in FY20 was underpinned by the production of engines under Orbital UAV’s Long Term Agreement (“LTA”) with Insitu Inc., a wholly owned subsidiary of the Boeing Company. The Company now has two engine models in continuous production for Insitu, with the third of the five engine models contracted under the LTA scheduled for production during 2021.

Orbital UAV’s customer demand remains strong and existing business and projected outlook has not been affected by the Coronavirus (“COVID-19”) pandemic. The Company has implemented a comprehensive response to COVID-19 to prioritise the safety of staff and to ensure supply chain and production capacity remains robust.

“Orbital UAV’s excellent progress against our strategic objectives during FY20 is reflected in our strong financial performance,” said Todd Alder, CEO and Managing Director of Orbital UAV.



“Delivering revenue at the top end of guidance, in spite of the COVID-19 environment, is testament to the commitment of our people and our ability to effectively manage our global supply chain,” said Mr Alder.

Building on the Insitu LTA

Orbital UAV is contracted to bring five engine models into production to power the entire unmanned aerial vehicle (UAV) fleet of Boeing subsidiary Insitu.

The Company began shipping units of the second engine model under the LTA in January 2020.

“With two engine models now in production and the third engine model in development, we see a strong year ahead for the business.”

“Delivering on our commitments to Insitu remains our priority and represents our most immediate opportunity to grow our revenue in FY21,” said Mr Alder.

Diversification of the customer base

Building on the successful Insitu LTA and partnership, Orbital UAV developed further growth opportunities in the global tactical UAV market during FY20.

In March 2020, the Company signed a new MoU with one of Singapore’s largest defence companies for the design, development and initial low rate production of a multi-fuel UAV engine.

In April 2020, Orbital UAV announced a new contract with leading aerospace and defence technology company Northrop Grumman to develop a hybrid propulsion system for a Vertical Take-Off and Landing UAV.

“The two new engine development contracts announced earlier this year demonstrate Orbital UAV’s growing reputation as a world leading engine manufacturer in the global tactical UAV market,” said Mr Alder.

“We will progress these exciting engineering development projects in FY21 while continuing to focus on our production priorities under the Insitu LTA,” he said.

Revenue guidance

Orbital UAV is targeting further revenue growth in FY21 and expects full year revenues to improve to between \$40 million and \$50 million.

Revenues are underpinned by production demand from the Insitu LTA and complemented by the Company’s engineering development work and sales of flight critical components. Revenue growth will be provided by a combination of increased product demand and an expansion of Orbital UAV’s product range.

“We look forward to demonstrating further progress against our UAV strategy throughout FY21 and continuing to deliver on our financial targets,” said Mr Alder.

An updated investor presentation has been released in support of today’s announcement of preliminary unaudited financial results for FY20 and is available on the ASX platform or at the Company’s website.

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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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