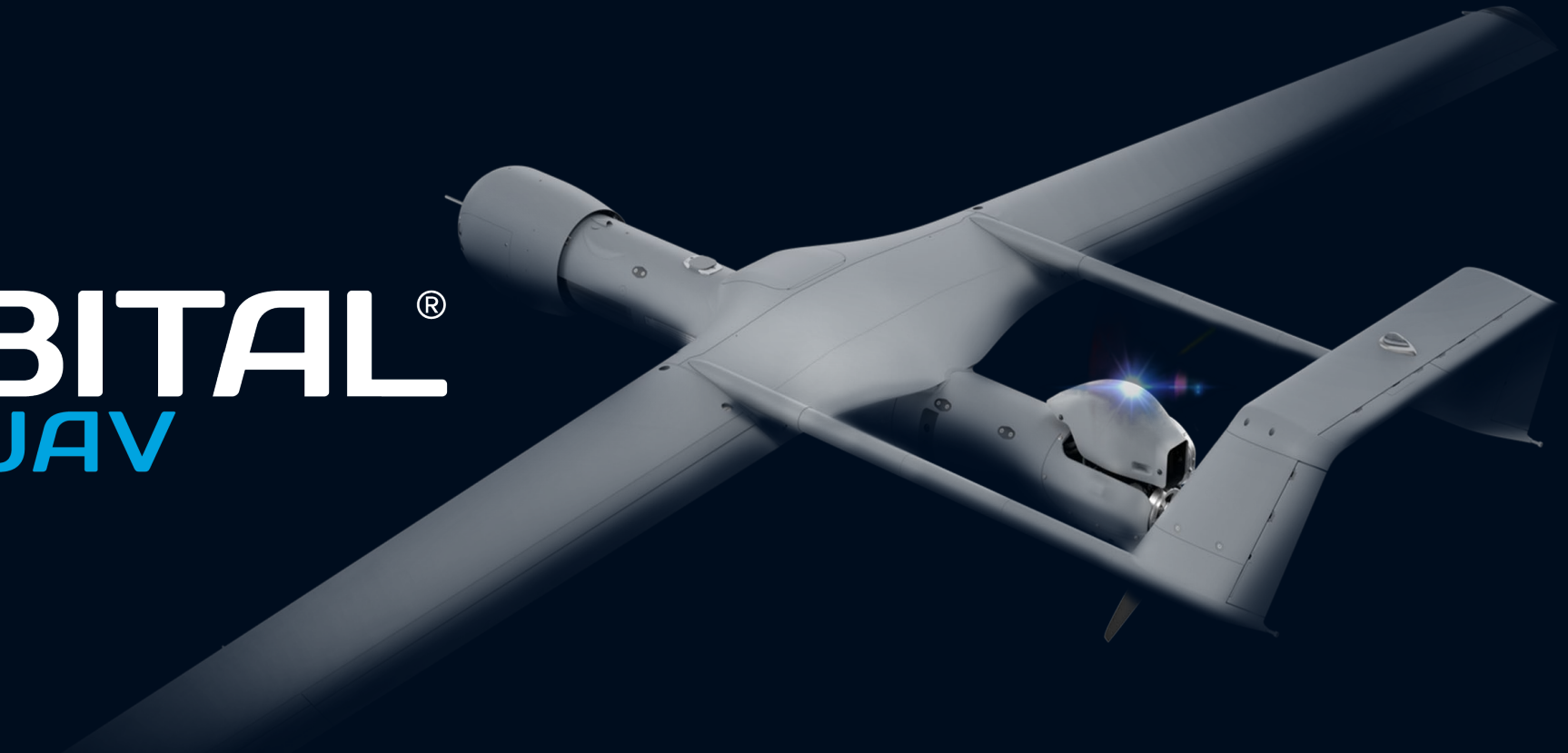




**ORBITAL<sup>®</sup>**  
UAV



# Investor Presentation

## FY21 Half-Year Financial Results

25 February 2021

# Cautionary statement

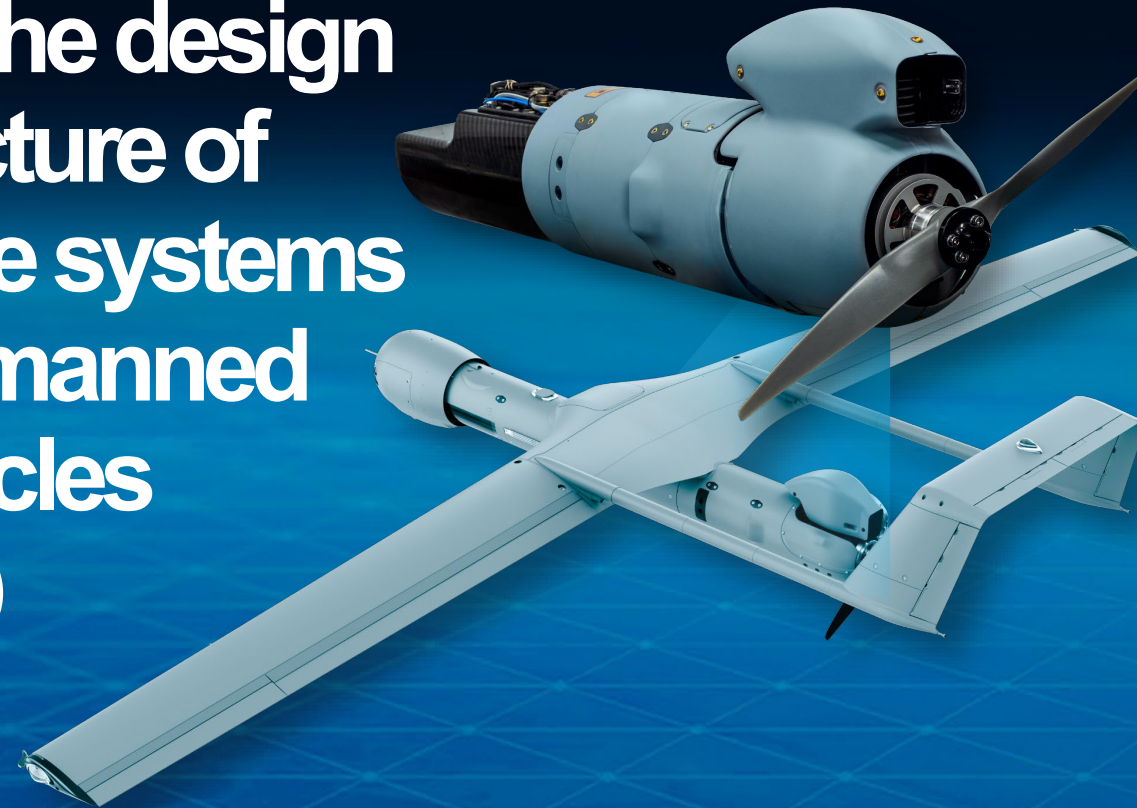


This presentation includes statements looking-forward that involve risks and uncertainties. These statements are based upon management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside 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. Orbital UAV makes no undertaking to subsequently update or revise the forward-looking statements made in this presentation to reflect events or circumstances after the date of this release.

# What we do



**World leader in the design  
and manufacture of  
integrated engine systems  
for tactical unmanned  
aerial vehicles  
(UAVs)**

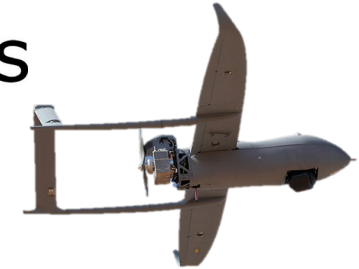




# Tactical UAV market



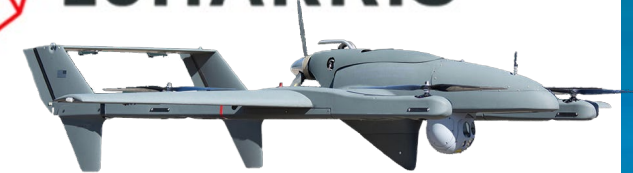
**TEXTRON** Systems



**Tactical UAV  
Production  
US\$15.7Bn\***



**L3HARRIS™**



**LOCKHEED MARTIN**



**Elbit Systems™**



# Corporate overview



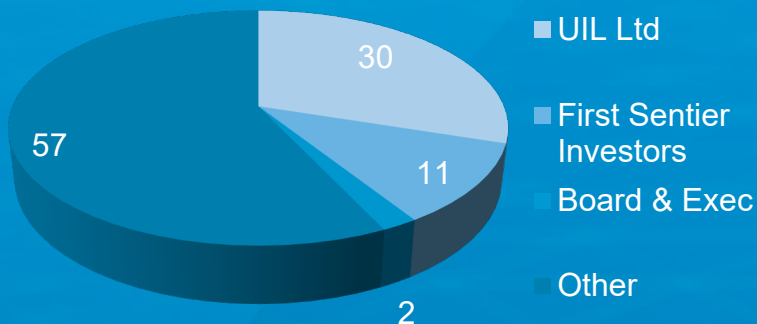
## Capital Structure *As at 24 February 2021*

Fully Paid Ordinary Shares	77.66M
Closing share price	\$0.825
Market Capitalisation	\$64.07M

## Our Financial Focus

- Year-on-year revenue growth
- Transition to sustainable underlying earnings
- Commitment to ongoing profitability
- Strong balance sheet to fund growth
- Deliver shareholder value

## Top Shareholders



### John Welborn

Chairman  
Non-Executive Director



- Appointed Chairman March 2015
- MD & CEO of Equatorial Resources Ltd

### Todd Alder

Managing Director  
& CEO



- Appointed CEO & MD in 2017
- Focusing on: financial discipline; strategy alignment; and operational efficiency

### Steve Gallagher

Non-Executive  
Director



- Board member since 2017
- 30 years experience as a CEO and director of global businesses

### Kyle Abbott

Non-Executive  
Director



- Experienced aerospace and defence industry executive
- MD of WA Specialty Alloys 1996-2015

# At a glance



Half-year revenue of \$19M (2019: \$11.4M )

Primary engine supplier to Insitu Inc. (a Boeing Company)

Two of five engine models in production for Boeing-Insitu,  
third engine model in development

Engine development contracts with Northrop Grumman and  
one of Singapore's largest defence companies

Customer diversification strategy

FY21 revenue guidance of \$30M - \$40M

# FY21 Half-Year Financials



# Profit & Loss

For the half-year ended 31 December 2020



\$ million	FY21 H1	FY20 H1
Revenue	19.0	11.4
Gross Profit	7.5	4.2
Overheads	(7.0)	(6.1)
<b>Operational Profit<sup>1</sup></b>	<b>0.6</b>	<b>(1.9)</b>
EBITDA	(1.3)	(1.1)
Net Profit / Loss After Tax	(3.9)	(2.5)

- **Year-on-year revenue growth**
- **Improved operating performance**
- **Net loss includes unrealised foreign exchange loss of \$2.4M & US Deferred Tax Asset write down of \$1.3M**

<sup>1</sup>Operational Profit of \$0.6M excludes Depreciation & Amortisation, Other Income, Unrealised FX, Finance & Tax expenses.



# Balance sheet

As at 31 December 2020



\$ million	FY21 H1	FY20 H1
Total current assets	25.3	24.8
Total non-current assets	11.0	13.1
<b>Total assets</b>	<b>36.3</b>	<b>37.8</b>
Total current liabilities	14.8	12.9
Total non-current liabilities	6.5	6.8
<b>Total liabilities</b>	<b>21.3</b>	<b>19.7</b>
<b>Net Assets</b>	<b>15.0</b>	<b>18.1</b>

- Cash, term deposits and trade receivables of \$12M (2019: \$13.6M)
- Sufficient working capital to deliver strategic objectives

# Cash flows

For the half-year ending 31 December 2020



\$ million	FY21 H1	FY20 H1
Net cash from operating activities	(5.0)	(2.9)
Net cash from investing activities	(1.0)	(0.3)
Net cash in financing activities	(0.7)	1.7
Net decrease in cash & cash equivalents	(6.6)	(1.5)
<b>Cash &amp; cash equivalents</b>	<b>1.5</b>	<b>5.7</b>

- **Increased inventory holdings \$12.1M (2019: \$9.4M) to support H2 ramp-up<sup>1</sup>**
- **\$0.4M capex on Australia facility upgrades for third engine production line**

<sup>1</sup>Boeing-Insitu subsequently reduced volumes on one production line, see ASX Announcement 1 February 2021

# Outlook & Growth Strategy

# Revenue guidance FY21



## Targeting Revenue of \$30M - \$40M in FY21

Continued sale of propulsion systems  
under Boeing-Insitu Long Term Agreement



Additional customer  
development programs

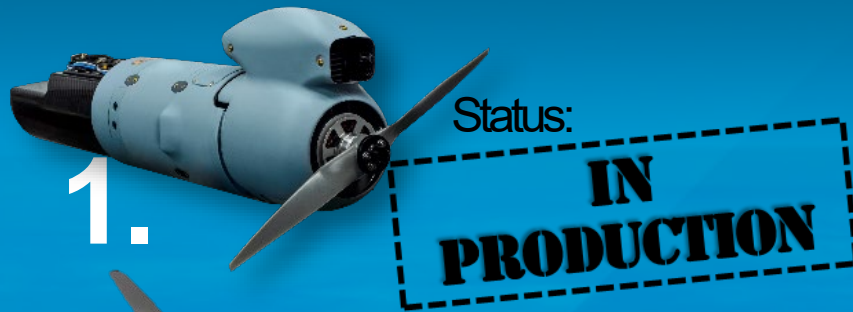




# Delivering on the Boeing-Insitu Long Term Agreement (LTA)



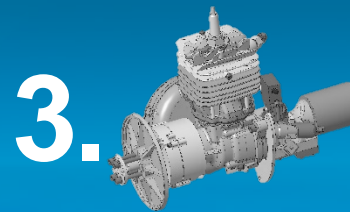
Orbital UAV is Boeing-Insitu's primary engine supplier.  
The current LTA includes the manufacture of 5 different engine models.



1.

Status:

**IN PRODUCTION**



3.

Status:

**IN DEVELOPMENT**



4.

Status:

**Development timeline TBD**



5.

Status:

**Development timeline TBD**

2.

Status:

**IN PRODUCTION**

Images stylised for confidentiality reasons

To power Insitu's entire UAV fleet



ScanEagle2



Integrator™



ScanEagle®



ScanEagle3

# Customer diversification



Primary engine supplier to power Insitu's entire fleet of UAVs



Contract to design and develop a hybrid propulsion system for the next generation of vertical take-off and landing UAVs



## TEXTRON Systems

Delivering flight critical components since 2013



**SINGAPORE  
DEFENCE  
COMPANY**

New engine design & development contract with one of Singapore's largest defence companies

# Our unique service offering

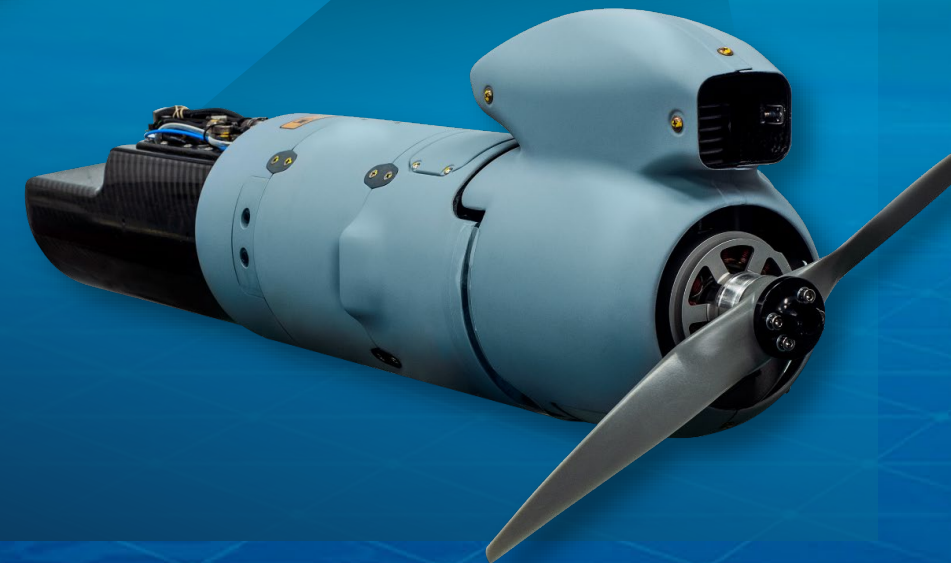


## Tactical UAV

Fully assembled and mission ready propulsion systems

	Orbital UAV	Others
Time between overhaul	500 hrs	~50 hrs
Cold start to launch	2 min	>20 min
x3 U.S. FAR33.49 endurance test	Yes	No

Image: ScanEagle3, courtesy Insitu Inc.

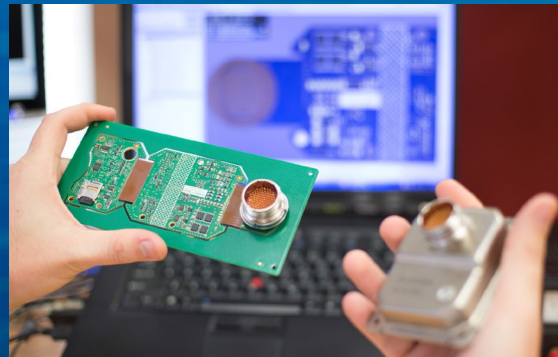




# Next steps

Third engine production line operational (Boeing-Insitu)

Accelerated customer diversification







# *Ready to fly...*

**Todd Alder**

Managing Director / CEO

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