

2 August 2023

FY23 PRELIMINARY RESULTS

Orbital UAV announces unaudited revenue and other income of **A\$22.7M** for FY23

FY23 FINANCIAL HIGHLIGHTS (UNAUDITED)

- A\$17.2M revenue
- A\$4.0M underlying EBITDA loss
- A\$5.6M other income
- A\$0.1M net profit after tax
- A\$2.8M in cash & cash equivalents

OVERVIEW

- Engine production revenue A\$12.8M and engineering services A\$4.4M
- Other income driven by WA Government loan repayment grants & R&D rebates
- Full year revenue impacted by Boeing Insitu shipping delays
- Inventory successfully managed down over the year to A\$7.6M
- Customer diversification strategy is maturing with engineering programs with Textron Systems, Singapore, and FIPL entering into production phases in new financial year.

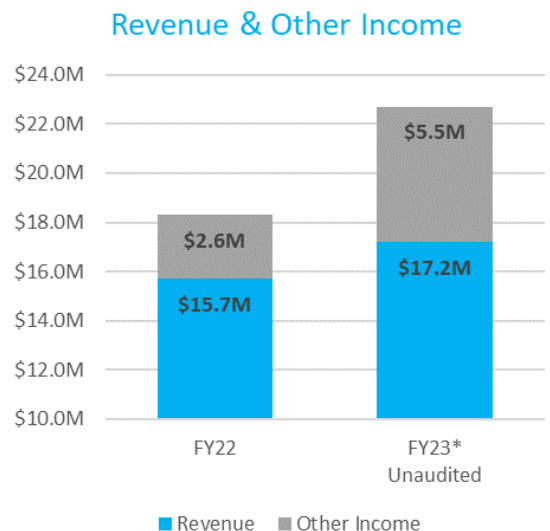
PERTH, AUSTRALIA: Orbital Corporation Ltd ('Orbital UAV', 'the Company') announces unaudited preliminary results for the Financial Year ending 30 June 2023 ('FY23').

FY23 financial performance

Orbital UAV's unaudited revenue and other income of A\$22.7M for FY23 achieved previous guidance and was impacted by shipping deferrals for Insitu Inc., a wholly owned subsidiary of The Boeing Company ('Boeing Insitu'), to allow for further engineering development and calibration works on the two engine models currently produced.

Underlying earnings before interest, tax, depreciation and amortisation ('EBITDA') was (A\$4.0M), with a net profit of A\$0.1M that also corresponds with previous guidance.

Cash and cash equivalents as at 30 June 2023, was A\$2.8M, with A\$7.6M of inventory on hand to meet current and expected orders over the next 12 – 18 months.



“We are pleased to achieve a net profit result for the year after delivering against production and engineering program schedules, implementing restructuring plans and successfully closing out the dispute with Boeing Insitu. The transition of engineering development programs into new production lines in FY24 is an exciting time for Orbital and highlights the efforts targeted toward customer and product diversification strategies that have been achieved,” said Mr Todd Alder, CEO and Managing Director of Orbital UAV.

FY24 outlook

Entering financial year 2024 (‘FY24’), production from the two established Boeing Insitu engine model lines is expected to be completed in the first half of the year. Upon maturity of the engineering programs for customers Textron, FIPL and one of Singapore’s largest defence companies, production of two new lines of engines will commence in the second half of FY24.

Revenue and other income for FY24 is forecast at between A\$18-20M and the Company is targeting net profitability similar to that achieved in FY23.

“Our continued investment in new products and delivering against our customers evolving needs will allow Orbital to drive future revenue performance and client expansion targets. With the lasting support of the WA government through grant allocations against our legacy loan, and a clear pathway to successful repayment, we continue to strengthen our balance sheet and competitive advantage in heavy fuel propulsion for the defence industry,” said Mr Alder.

Financial highlights (unaudited)

For the financial year ending 30 June 2023

	FY23 A\$M	FY22 A\$M
Revenue	17.2	15.7
Other Income	5.6	2.6
Underlying EBITDA	(4.0)	(6.0)
Underlying EBIT	0.1	(4.1)
NPAT	0.1	(8.9)
Cash & Cash Equivalents	2.8	2.9
Inventory	7.6	14.0
Loans	(4.0)	(8.5)
Net Assets	6.9	2.3

FY23 Commentary

Revenue & Other Income

- Underpinned by two engine model production lines
- Engineering incomes derived in FY23 will lead to future production revenues in subsequent years
- Other income driven by repayment offset milestones successfully met during the year

Underlying Trading Performance

- Underlying EBIT of (A\$4.0M) due to shipping deferrals on Boeing Insitu engine lines which will now be recognised in FY24

Cash & Inventory

- Cash flow performance impacted by EBIT loss
- Excess inventory from prior year has been successfully managed down in the current year and will continue to reduce as Boeing shipments recommence.

Loans

- WA Government debt levels have been halved with a clear path to full repayment by December 2024.

-ENDS-

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About Orbital UAV

Orbital UAV provides integrated propulsion systems and flight critical components for tactical uncrewed 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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