



ORBITAL®

ASX RELEASE

For Immediate Release: 29 August 2017

## FULL YEAR FINANCIAL RESULTS

**PERTH, AUSTRALIA:** Orbital Corporation Limited (ASX:OEC) (“Orbital” or “the Company”) today announces its full year result for the financial year ending 30 June 2017. The release of the Company’s audited financial results follow the release of preliminary results on 25 July 2017.

### OVERVIEW AND FINANCIAL RESULTS

The Company faced certain challenges over the past 12 months contributing to financial results below expectations. Revenue of \$14,370,000 (2016: \$11,751,000) was impacted by interruptions to the UAVE build program and lower than expected sales of REMSAFE hardware. The net loss after tax of \$12,251,000 (2016: profit of \$1,283,000) includes REMSAFE goodwill impairment of \$5,218,000 (2016: \$nil).

The Company reports a strong balance sheet with cash, receivables and short-term investments of \$23,754,000 and net current assets of \$19,892,000.

### FY2017 MILESTONES

Despite the disappointing financial result the UAVE business achieved a number of key milestones during the financial year, including the continued shipment of UAV engines to Insitu Inc. (a subsidiary of The Boeing Company), a second \$12,000,000 batch order, securing a Long Term Supply Agreement (LTA) worth up to \$120,000,000 over a three year period and a new \$800,000 engineering contract for the development and further evolution of the N20 engine.

In light of the tough market conditions facing REMSAFE the Company removed \$1,200,000 of operating costs from the business and launched lower cost automated isolation systems in the new Gen 5 and Mobile product, generating an increasingly positive and broader sales outlook.

### MANAGEMENT AND BOARD TRANSITION

Mr John Poynton retired as a Non-Executive Director in April 2017 after two years on the Board, and Mr Terry Stinson’s role has 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 Steve Gallagher joined the Board as a Non-Executive Director in April 2017, and Mr Todd Alder who after being appointed CFO & 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.

### FY2018 OUTLOOK

The outlook for Orbital remains positive given the significant UAVE opportunities and broader initiatives being investigated to unlock value within the REMSAFE business.

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# CONTACTS

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Chief Executive Officer

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## About Orbital

**ORBITAL is an innovative industrial technology company.**

*ORBITAL invents and builds smart technology that delivers improved performance outcomes for our clients in the aerospace, mining & industrial and consumer sectors.*

*ORBITAL operates on a global scale and is headquartered in Perth, Western Australia. From a world class facility, ORBITAL's innovation magic takes shape – from research and design to development, manufacturing and implementation.*

*Delivering state-of-the-art products and services within the industrial technology sector is what we do.*

*Orbital's® UAVE business produces and supplies engine and propulsion systems for unmanned aerial vehicles. REMSAFE offers a safety rated automated isolation system used on materials handling and process plant.*

## 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. Orbital 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.*