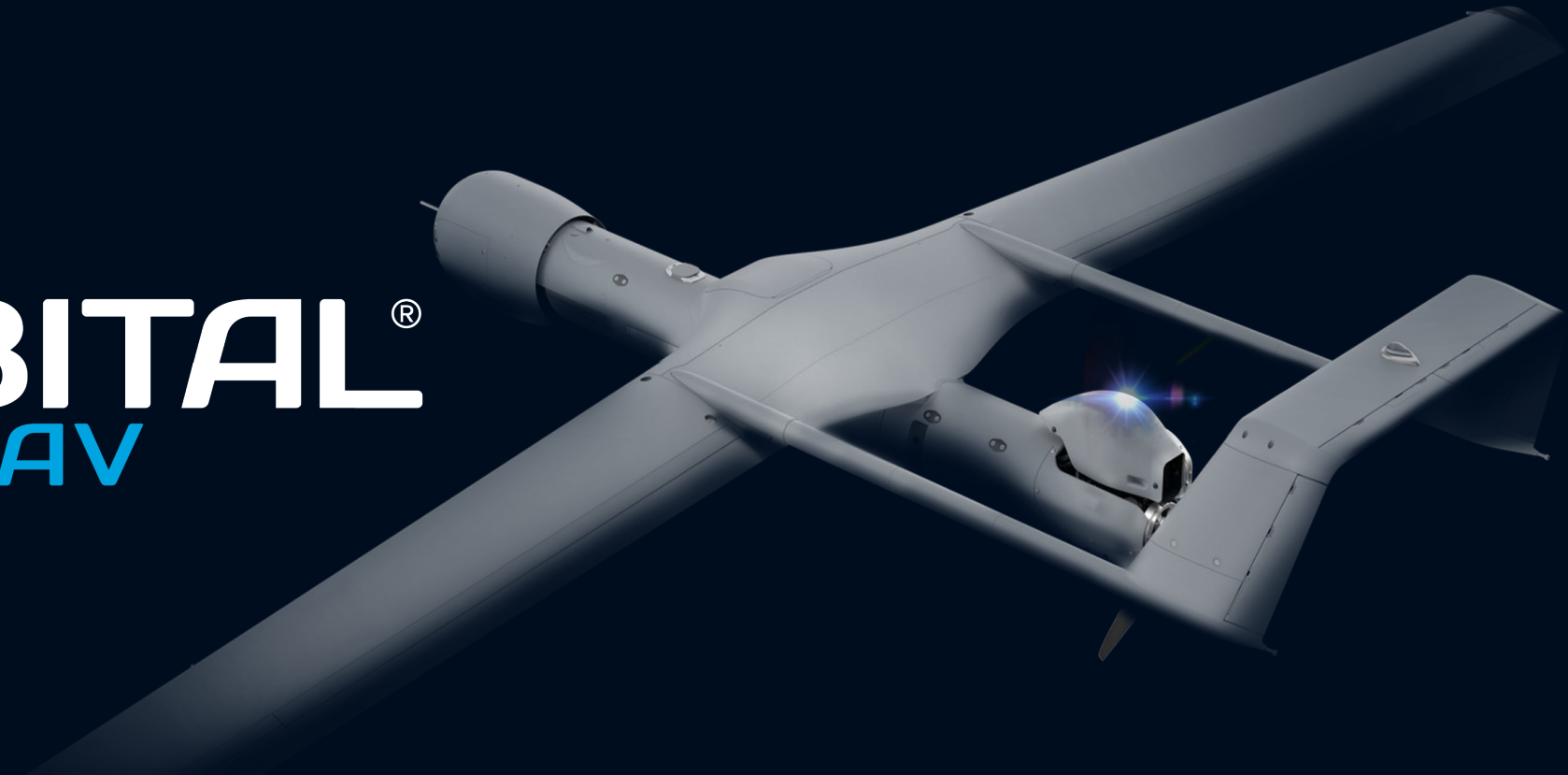




**ORBITAL<sup>®</sup>**  
UAV



# Investor Presentation

## FY20 Full Year Financial Results

28 August 2020

# 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.

# Presentation summary



FY20 revenue \$33.8M (FY20 revenue guidance \$25M to \$35M)

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

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

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

Maturing negotiations with additional Tier 1 defence companies

Targeted FY21 revenue guidance of \$40M - \$50M



# Statement on COVID-19



**Like many businesses in Australia, the USA and around the world, Orbital UAV is closely monitoring business risks presented by the Coronavirus (COVID-19). The physical wellbeing and mental health of all our employees is a priority.**

At our facilities in Perth, Western Australia and Hood River, Oregon we have implemented measures to minimise the risk of contracting and spreading the virus and are providing additional support where necessary.

## **Measures include:**

- Regular employee updates and the roll out of our Impact Implementation Plan;
- Adopting a working from home policy where possible;
- Implementing social distancing measures within all facilities;
- Providing additional resources such as hand sanitiser and cleaning equipment; and
- Communication of health and hygiene guidelines from relevant government agencies.

All measures are being taken to ensure government health guidelines in Australia and the USA are followed.

## **Customers**

As an advanced aerospace manufacturer supplying global defence prime contractors, our product demand remains unaffected by the COVID-19 outbreak and our development projects continue to progress as planned.

## **Suppliers**

We continue to work closely with our global supply chain and logistics partners to ensure we are able to deliver on our production requirements. Contingency plans remain in place should our current channels of supply and delivery be impacted.

## **Production**

Our sites in Australia and the USA remain fully operational and continue to manufacture as normal.

**Perth** – Western Australia entered Phase 4 of its COVID-19 recovery roadmap on 27 June 2020. All Perth-based employees have now returned to the facility while maintaining the necessary social distancing requirements.

**Hood River** – Hood River county in Oregon is currently in Phase 2 of the COVID-19 reopening plan and on the 'Watch List', as mandated by the State Government. Those Hood River-based employees not directly involved in the manufacture of product continue to work from home wherever possible. Those on site continue to adhere to the necessary health and safety measures and practice social distancing.

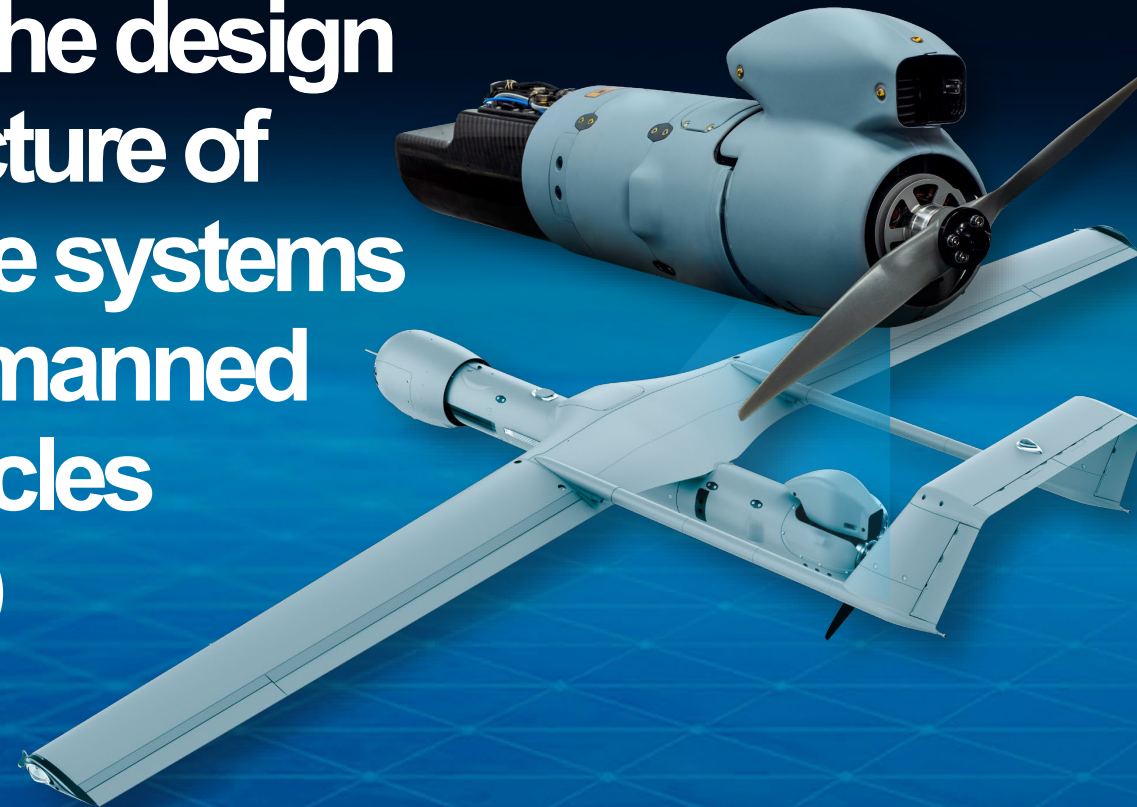
**Orbital UAV will continue to support the public health effort to minimise the spread of COVID-19 and will provide further external updates where necessary.**

# Business Overview

# What we do



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





# UAV landscape



## Combat UAV

- **Price per aircraft:** \$55 million - \$65 million\*
- **Payload:** up to 1,700 kg
- **Length:** up to 11 m
- **Wingspan:** up to 20 m
- **Max endurance:** 27 hours
- **Max altitude:** 50,000 ft

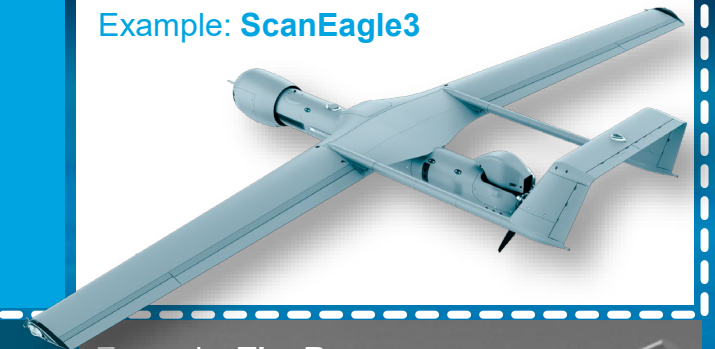
Example: MQ-9 Reaper



## Tactical UAV

- **Price per aircraft:** \$3.5 million - \$6 million per system\*\*
- **Payload:** up to 20 kg
- **Length:** up to 2 m
- **Wingspan:** up to 5 m
- **Max endurance:** 24 hours
- **Max altitude:** 20,000 ft

Example: ScanEagle3



Example: The Raven



## Mini UAV

- **Price per aircraft:** ~\$180,000 per system\*\*\*
- **Payload:** up to 3.5 kg
- **Length:** up to 0.9 m
- **Wingspan:** up to 1.5 m
- **Max endurance:** 60-90 minutes
- **Max altitude:** 500 ft

# Our unique service offering

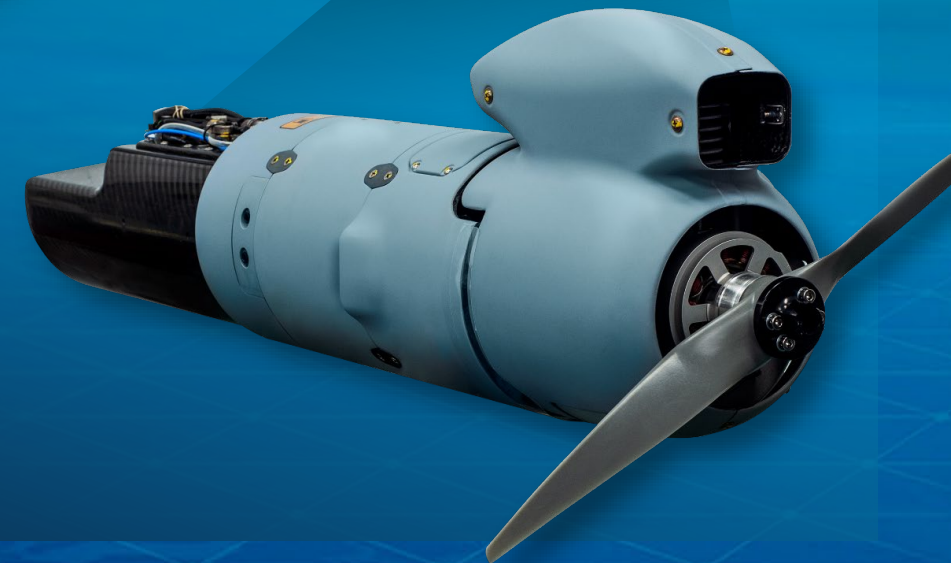


## Tactical UAV

Fully assembled and mission ready propulsion systems

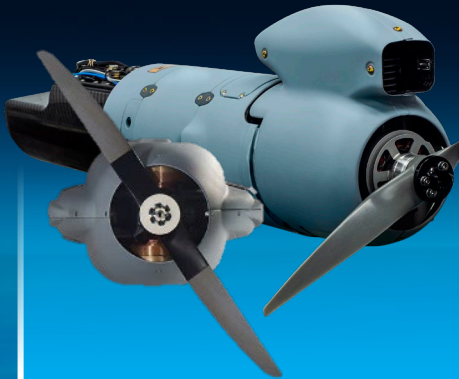
	Orbital UAV	Others
Time between overhaul	500 hrs	~50 hrs
Cold start to launch	2 min	>20 min
x3 U.S. FAR33.49 endurance test	Yes	No

Image: ScanEagle3, courtesy Insitu Inc.





# What we delivered in FY20



**Two engine models  
in full production  
under Insitu  
Long Term Agreement**



**Appointment  
of former  
U.S. Army Colonel  
Keith Hirschman –  
VP Global Growth**



**Designated  
Primary Supplier Status  
by Insitu**



**New  
engine development  
contract with large  
Singapore defence  
company**



**New hybrid engine  
development contract  
with leading aerospace  
and defence  
technology company  
Northrop Grumman**

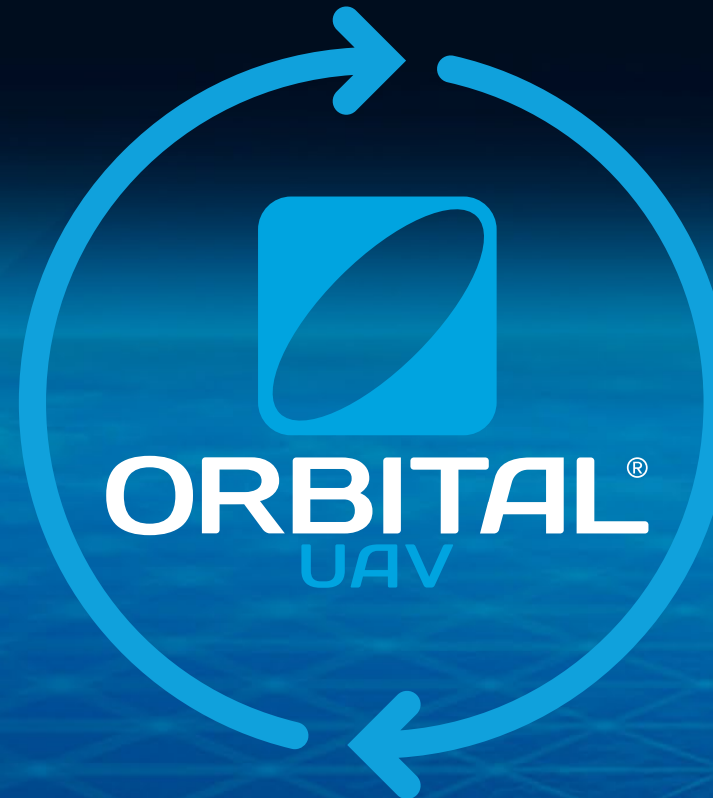
# Our Tier 1 client base



Designated Primary Supplier Status  
for 5 engine models 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

# FY20 Financials



# Corporate overview



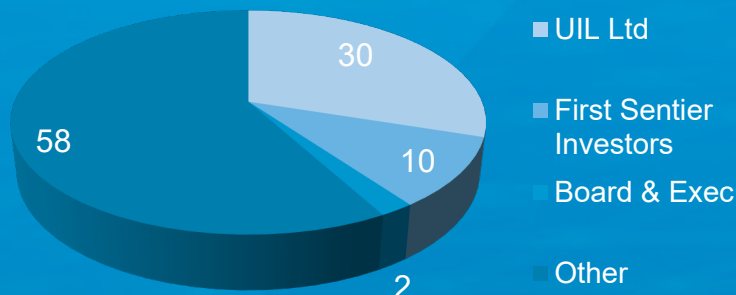
## Capital Structure As at 30 June 2020

Fully Paid Ordinary Shares	77.5M
Closing share price	\$0.745
Market Capitalisation	\$57.7M
Basic earnings per share (cents)	2.4 cents

## 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 Resolute Mining Ltd
- Director 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

# Profit & Loss



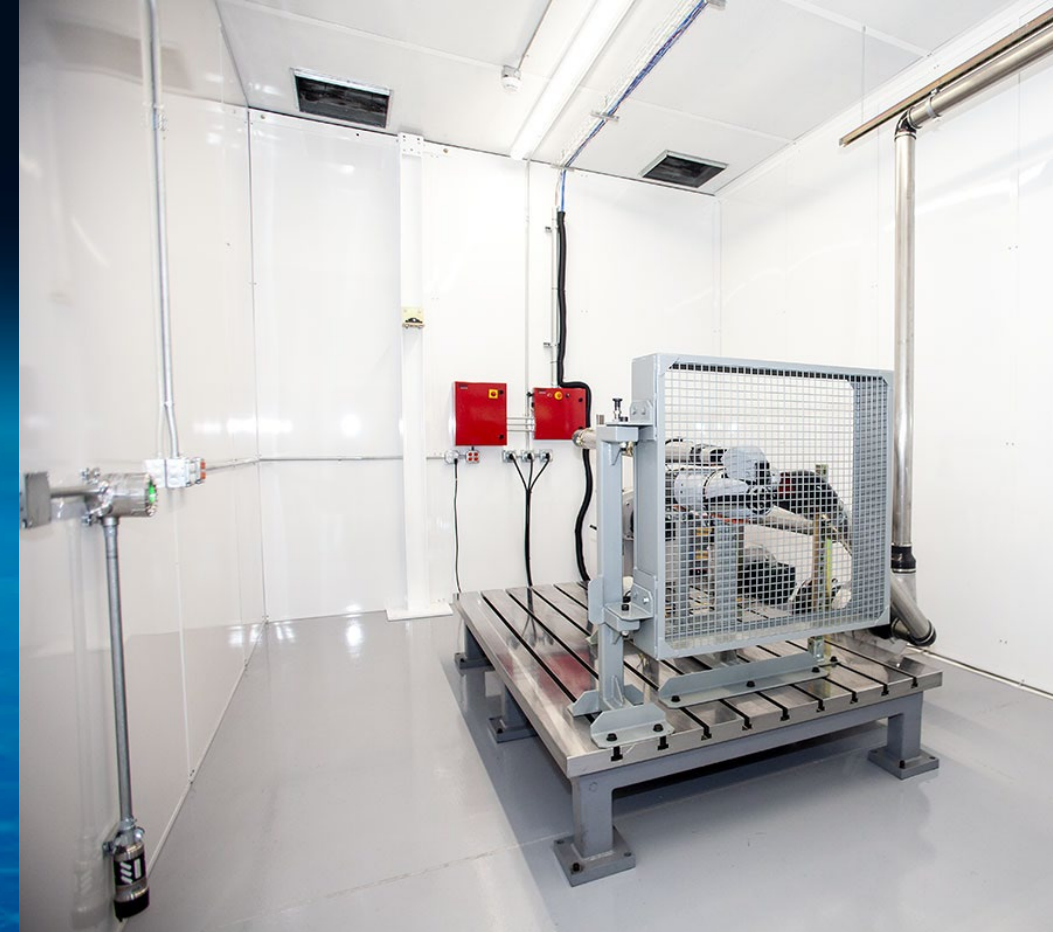
Revenue	\$33.8M
Gross profit	\$13.3M
Overheads	(\$13.0M)
Other income (net)	\$3.9M
EBITDA	\$4.2M
Net profit after tax	\$1.9M



# Balance sheet



Total current assets	\$24.8M
Total non-current assets	\$13M
Total assets	\$37.8M
Total current liability	(\$12.9M)
Total non-current liabilities	(\$6.8M)
Total liabilities	(\$19.7M)
Net assets	\$18.1M

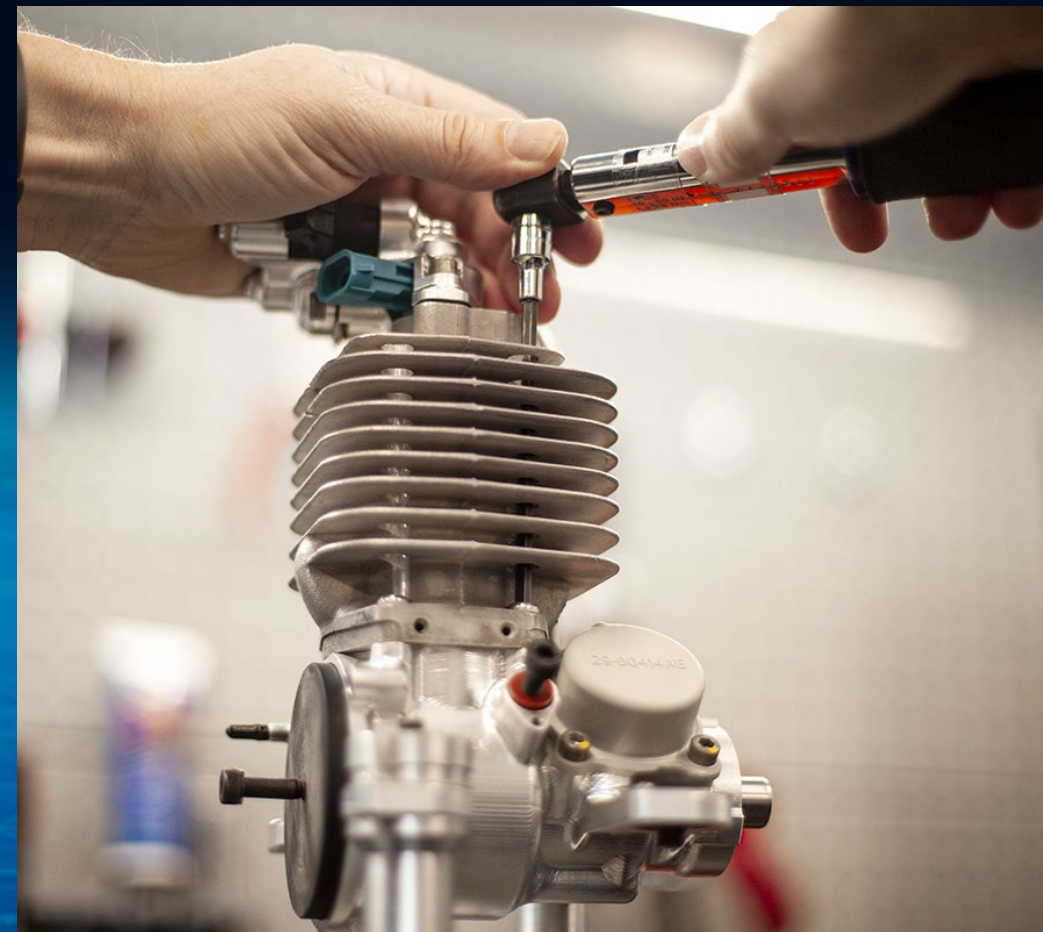




# Cash flows



Net cash from operating activities	\$3.7M
Net cash from investing activities	(\$0.6M)
Net cash in financing activities	(\$1.3M)
Net increase in cash	\$1.8M
Cash & cash equivalents	\$8.7M



# Outlook

# Revenue guidance FY21



Targeting Revenue of **\$40M - \$50M** in FY21

Sale of propulsion systems  
under Insitu Long Term Agreement



New customer engineering  
development programs



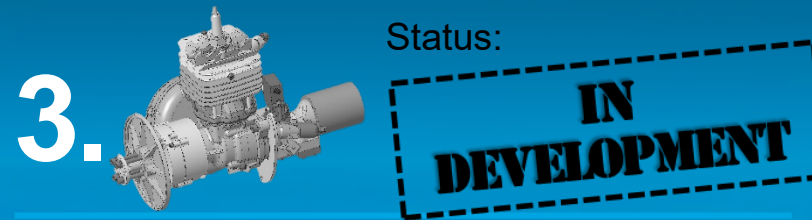
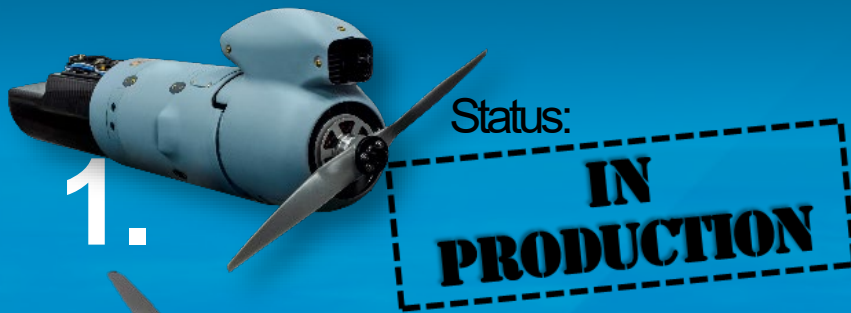
Delivering improving earnings and profitability



# Delivering on the Insitu Long Term Agreement



Orbital UAV was designated Insitu's primary engine supplier for the **5 engine models** covered by the Long Term Agreement in March 2020



Images stylised for confidentiality reasons

To power Insitu's entire UAV fleet



ScanEagle2



Integrator™



ScanEagle®

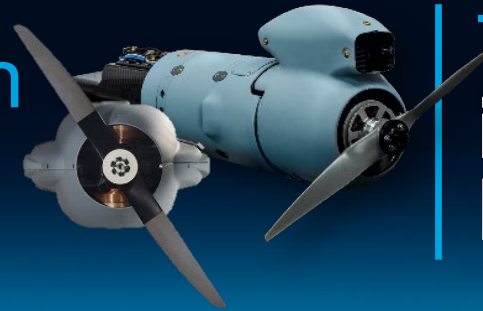


ScanEagle3

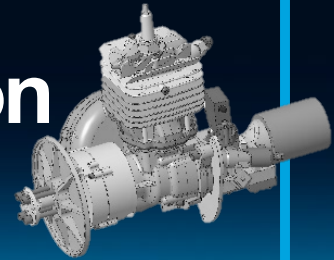
# Business development



Two engines in  
production



Third engine  
in production  
H2 FY21



**NORTHROP  
GRUMMAN**

Engine development  
work underway for  
Northrop Grumman

Engine development work underway  
for and Singapore defence company



Targeting  
additional new  
customer contracts  
and involvement in  
Defence UAV programs

# Next steps



Supply Chain Security

Supporting Sovereign  
Defence Capabilities

Defence UAV Programs



U.S. Army FTUAS Program



ADF LAND129 Program





# *Ready to fly...*

**Todd Alder**

Managing Director / CEO

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