



**ORBITAL**<sup>®</sup>  
UAV

# 2020 Annual General Meeting

13 November 2020



# Orbital Corporation Limited Business of Meeting Resolutions

# Item 2. Financial Statements & Reports



**“To receive and consider the Financial Report, Directors’ Report and Auditor’s Report for the year ended 30 June 2020.”**

## **Further information:**

- Representatives from PricewaterhouseCoopers, the Company’s auditor, are present to answer any questions.
- Please note: There is no requirement for a resolution in relation to these reports.

# Item 3. Remuneration Report



## Resolution

**“To adopt the Remuneration Report for the year ended 30 June 2020.”**

FOR		AGAINST		OPEN	
35,678,598	99.43%	100,411	0.28%	102,606	0.29%

### Further information:

- The Remuneration Report can be found at pages 7 to 15 of the 2020 Annual Report.
- The Board unanimously recommends that Shareholders vote in favour of this resolution.
- The Chairman will vote undirected proxies in favour of this resolution.
- Voting restrictions apply to key management personnel and their closely related parties.
- Details of this resolution are set out at page 5 of the Notice of Meeting.

## Item 4. Re-election of Mr Kyle Abbott



### Resolution

**“That, for the purposes of ASX Listing Rule 14.5, article 9.3 of the Company’s constitution and for all other purposes, Mr Kyle Abbott be re-elected as a Director.”**

FOR		AGAINST		OPEN	
36,080,899	99.69%	8,536	0.02%	102,606	0.28%

### Further information:

- The Board (other than Mr Abbott who has an interest in the resolution) recommends that Shareholders vote in favour of this resolution.
- The Chairman will vote undirected proxies in favour of this resolution.
- Details of Mr Abbott’s skills, experience and qualifications are set out at page 5 of the Notice of Meeting.

# Item 5. Approval of Employee Incentive Plan



## Resolution

**“That, the Company’s Employee Incentive Plan summarised in the Explanatory Notes (“Employee Incentive Plan”), the grant of Performance Rights and/or Options (each an “Incentive”) under the Employee Incentive Plan and any resulting issue of Shares under the Employee Incentive Plan, be approved for the purposes of Listing Rule 7.2 (Exception 13), section 260C(4) of the Corporations Act and for all other purposes.”**

FOR		AGAINST		OPEN	
35,717,072	99.27%	160,054	0.44%	102,606	0.28%

### Further information:

- The Board unanimously recommends that Shareholders vote in favour of this resolution.
- The Chairman will vote undirected proxies in favour of this resolution.
- Voting restrictions apply to any person who is eligible to participate in the Company’s Employee Incentive Plan or an associate of that person. Voting prohibitions also apply to proxies in certain circumstances if they are key management personnel or a closely related party of key management personnel.
- Details of this resolution are set out at pages 6 and 7 of the Notice of Meeting.

# Item 6. Issue of LTI Performance Rights to Mr Todd Alder under the Employee Incentive Plan



## Resolution

**“That, for the purposes of ASX Listing Rule 10.14, Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and for all other purposes, Shareholders approve the issue of up to 374,400 LTI Performance Rights to Mr Todd Alder (and/or his nominee(s)) under the Employee Incentive Plan, as described in the Explanatory Notes.”**

FOR		AGAINST		OPEN	
35,690,832	99.20%	185,502	0.52%	103,908	0.29%

### Further information:

- The Board (other than Mr Alder who has an interest in the resolution) recommends that Shareholders vote in favour of this resolution.
- The Chairman will vote undirected proxies in favour of this resolution.
- Voting restrictions apply to any person who is eligible to participate in the Company’s Employee Incentive Plan (including Mr Alder or his nominee(s)) or an associate of that person. Voting prohibitions also apply to proxies in certain circumstances if they are key management personnel or a closely related party of key management personnel.
- Details of this resolution are set out at pages 7-9 of the Notice of Meeting.



# Item 7. Additional Capacity to Issue Securities



## Resolution

**“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities (as defined in the ASX Listing Rules, “Equity Securities”) of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Notes.”**

FOR		AGAINST		OPEN	
35,836,876	99.10%	209,317	0.58%	117,407	0.32%

### Further information:

- The Board unanimously recommends that Shareholders vote in favour of this resolution.
- The Chairman will vote undirected proxies in favour of this resolution.
- The Company has not identified any particular persons or class of persons who would be excluded from voting on this resolution. Accordingly, no Shareholders are excluded from voting on this resolution.
- Details of this resolution are set out at pages 10-12 of the Notice of Meeting.

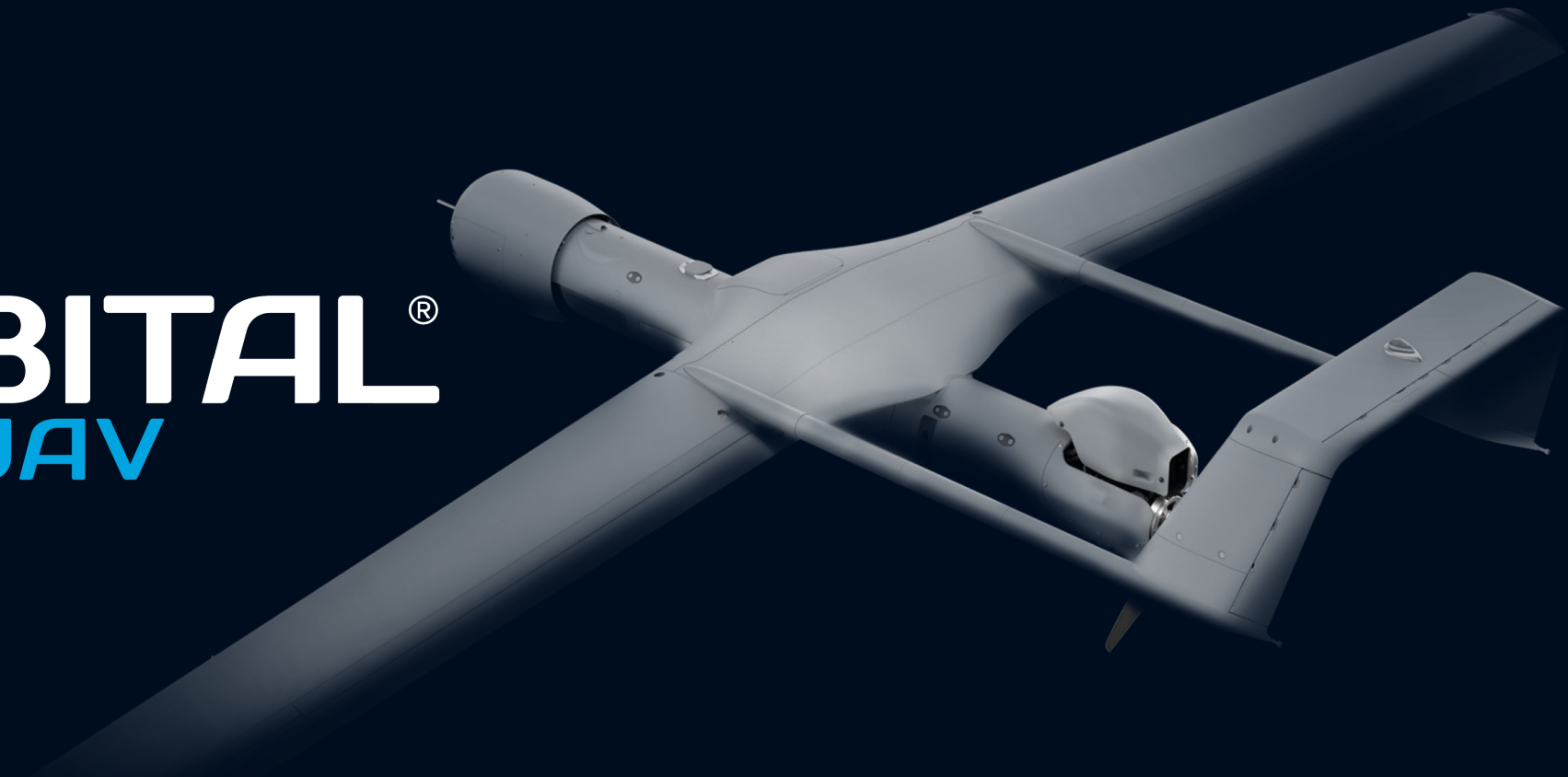


# CHAIRMAN'S ADDRESS

## Mr John Welborn



**ORBITAL**<sup>®</sup>  
UAV



# 2020 Annual General Meeting CEO's Presentation

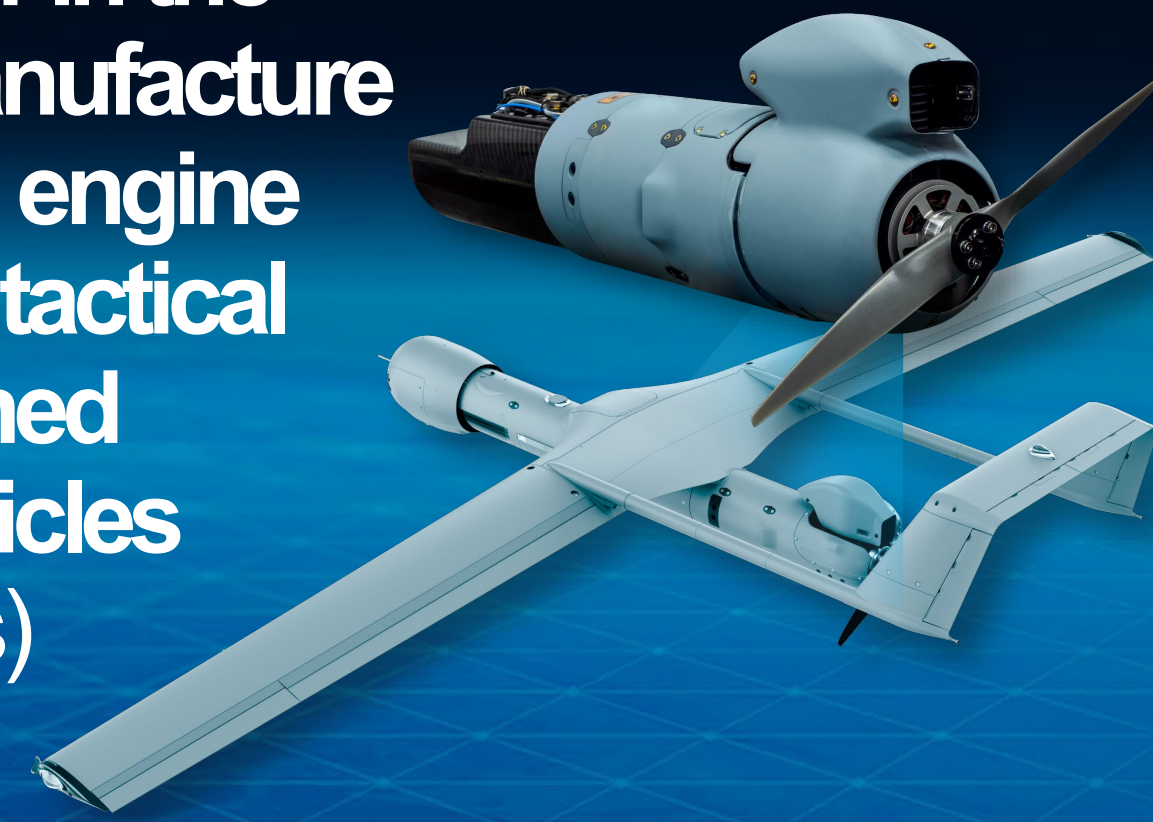
13 November 2020



# What we do



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



# Year in review



FY20 revenue \$33.8M – Top end of revenue guidance

Designated primary engine supplier to Insitu Inc. (a Boeing Company)

Second of five engine models into 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

# Financial highlights



## FY20

**REVENUE \$33.8M**

top end of guidance (\$25M to \$35M)

**EBITDA \$4.2M\***

transition to sustainable underlying earnings

**NPAT \$1.9M\***

commitment to ongoing profitability

**Cash & Cash Equivalents \$8.7M**

strong balance sheet to fund growth

## FY21

Driving sustainable growth



\*includes one off litigation settlement payment of \$3M

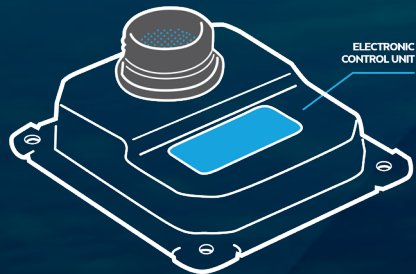


# Growing our Tier 1 client base



## TEXTRON Systems

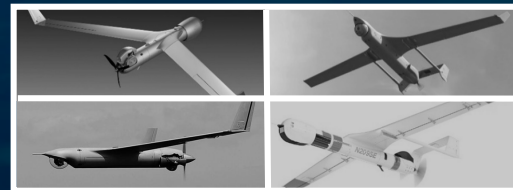
Supplying flight critical components since 2013



A Boeing Company

Long Term Agreement Signed in 2016  
Expanded in 2018  
Primary Supplier in 2020

5 engine models powering Insitu's entire fleet of tactical UAVs



## Delivering customer diversification



SINGAPORE DEFENCE COMPANY

March 2020

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

NORTHROP GRUMMAN

April 2020

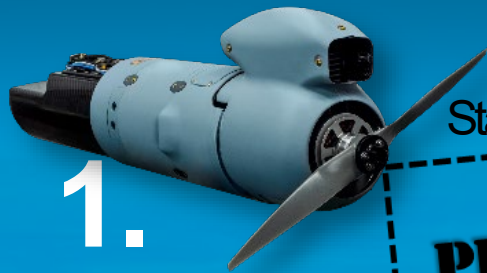
Contract to design and develop a hybrid propulsion system for the next generation of vertical take-off and landing UAVs

# Insitu LTA & Primary Supplier



## Building our existing relationships

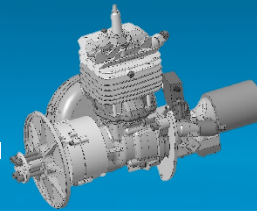
Orbital UAV was designated Insitu's primary engine supplier for the 5 engine models covered by the Long Term Agreement in March 2020



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

# Market opportunities



Capturing global growth opportunities

## United States Army Future Tactical UAS Program

### Replacement of Shadow 200 Tactical UAV

**NORTHROP  
GRUMMAN**



**MARTIN UAV**

**ARCTURUS UAV™**

**TEXTRON Systems**

**L3HARRIS™**

4 companies currently participating in FTUAS capabilities assessment:

#### Further timeline\*

Request for Information released	end 2020
Decision made	end 2021
Low rate initial production	mid 2022
Initial operational test & evaluation	late 2022
Full rate production	late 2023



# Market opportunities



## Supporting Sovereign Industrial Capability

- **\$270 billion** to be invested in defence capabilities over next decade
- **\$2 billion** identified for ISR and tactical UAV programs
- **LAND129** and **SEA129** programs represent
- mid-term opportunities



Orbital UAV is supporting Insitu Pacific on its LAND129 proposal

Australian Army  
**LAND129 Program**



Replacement of  
Shadow 200 TUAV



Minister for Defence, Senator the Hon Linda Reynolds CSC visited Orbital UAV's Perth facility in July 2020

Royal Australian Navy  
**SEA129 Program**

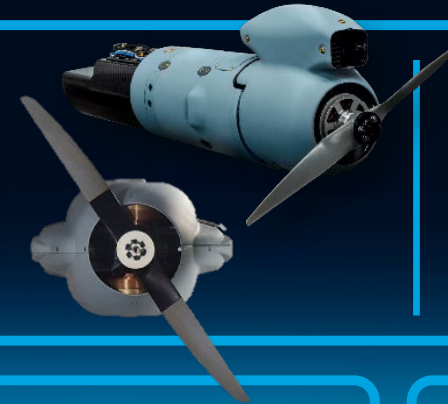


New ISR &  
targeting capability

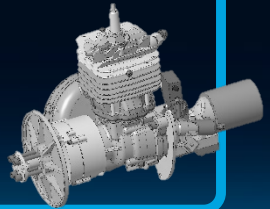
# FY21 outlook



Two engines in production



Third engine in production H2 FY21



**NORTHROP GRUMMAN**

Engine development work underway for Northrop Grumman and Singapore defence company



Targeting additional new customer contracts and involvement in Defence UAV programs

Revenue guidance of **\$40M-\$50M**



# Corporate overview



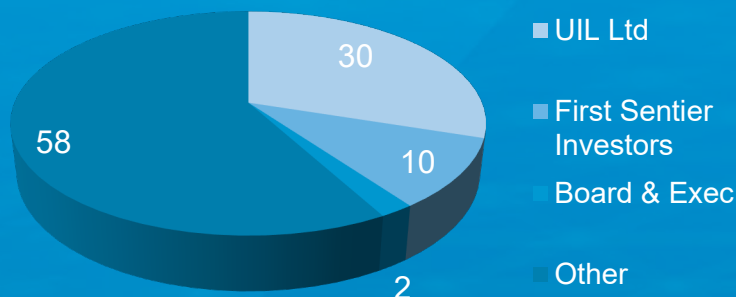
## Capital Structure As at 12 November 2020

Fully Paid Ordinary Shares	77.6M
Closing share price	\$1.25
Market Capitalisation	\$97.0M

## Focused on shareholder value

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

## Top Shareholders



**John Welbom**  
Chairman  
Non-Executive Director



- Appointed Chairman March 2015
- 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



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