



**ORBITAL<sup>®</sup>**  
**UAV**

**Investor Update**  
**FY21 Preliminary Financial Results**  
**(Unaudited)**

29 July 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.



**World leader in the  
design and manufacture  
of integrated engine systems  
for military drones\***

# At a glance

Orbital UAV (ASX : OEC)



FY21 revenue: **\$31.2M (unaudited)**  
FY20: \$33.8M FY19: \$15.3M

Primary engine supplier to **Boeing Insitu**  
Two of five engine models in production

Contract with **Textron** subsidiary Lycoming Engines  
Engine development program and long-term supply agreement

**Singapore defence company**  
Engine development contract for domestic UAV

R&D contract with **Northrop Grumman**  
Design and develop a hybrid propulsion system



# Defence & UAV market

## Rising budgets and increasing demand



### Rising global Defence budgets



### Increased UAV production



### Rapid adoption of UAVs

- Global defence spending reached US\$1.83 trillion in 2020 – a 3.9% annual uplift in real terms<sup>1</sup>
- North America is the largest contributor, accounting for ~41% of the total spend and growing by 6.3% in 2020 real terms<sup>1</sup>

- Worldwide UAV production forecast at US\$95.5 billion 2020 – 2029<sup>2</sup>
- New technologies and increased defence trade drive market growth
- Increasing demand from APAC and other Emerging Markets

- UAVs becoming an increasingly strategic component within global defence forces
- Technological advancements has led to increased deployment in the field

# Financial highlights

## For the Financial Year ending 30 June 2021



All FY21 figures unaudited	FY21 \$'000	FY20 \$'000	FY19 \$'000
<b>Revenue</b>	31,202	33,823	15,253
<b>EBITDA</b>	1,252	1,221	(4,593)
<b>EBIT</b>	(627)	(659)	(5,328)
<b>Abnormals*</b>	(9,549)	3,256	-
<b>NPAT</b>	(10,828)	1,856	(5,906)
<b>Cash</b>	3,701	9,334	8,072
<b>Trade &amp; Other Receivables</b>	4,004	5,347	7,055
<b>Inventory</b>	12,767	9,380	6,698

### \*Abnormals

US Asset Impairment	(2,514)		
Engine Rework & Provision	(4,164)		
Restructure Costs	(591)		
US Deferred Tax Asset Release	(1,246)		
FX Loss	(1,034)		
Litigation Settlement		3,256	
<b>Total Costs</b>	<b>(9,549)</b>	<b>3,256</b>	<b>-</b>

### Revenue

- Boeing-Insitu reduction in required engine volumes
- Delayed start of production to 3<sup>rd</sup> engine production line due to ongoing customer requested design revisions

### Underlying Trading Performance

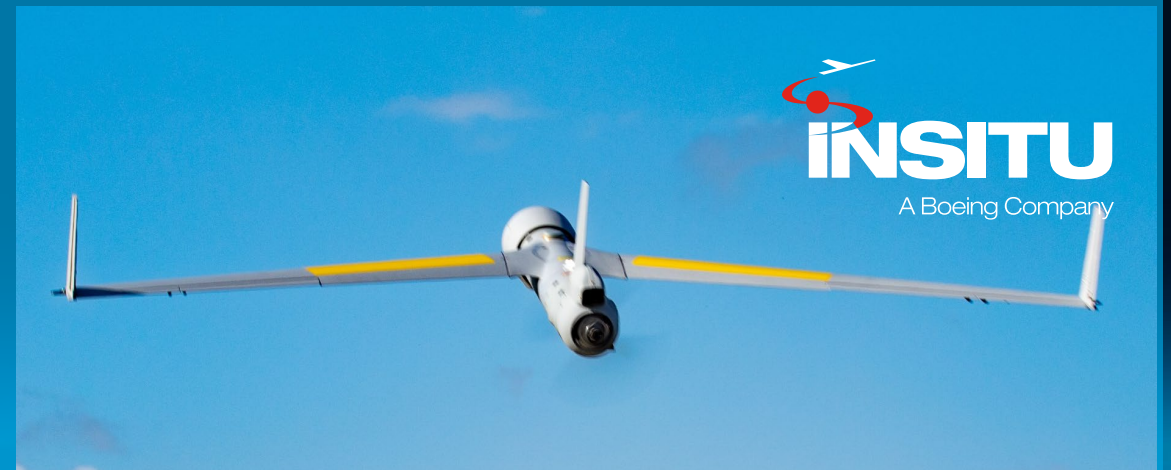
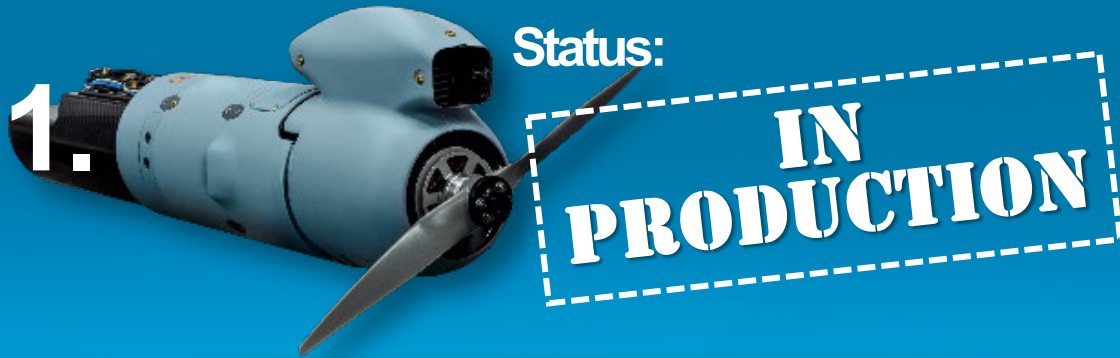
- Underlying EBITDA \$1.2M before abnormals of \$9.5M
- USA asset impairment and DTA release due to USA operational losses
- Rework and provision for rectification of faulty supplier components
- Restructure costs to align overheads with next 12 months' production volumes
- Unrealised FX loss resulting from a USA intercompany loan with Australia

### Cash & Inventory

- Cash & Trade receivables \$7.7M
- Cash lower due to inventory investment in anticipation of H2 production, subsequently cancelled by Boeing-Insitu\*
- Inventory to be worked out in FY22

# Engine production lines

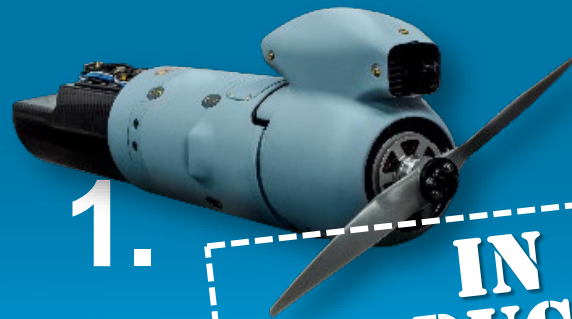
Existing production lines underpinned FY21 revenue





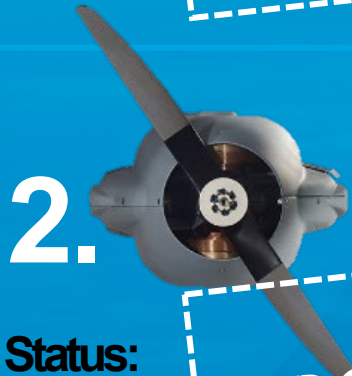
# Boeing-Insitu long term agreement

Primary engine supplier to Boeing-Insitu



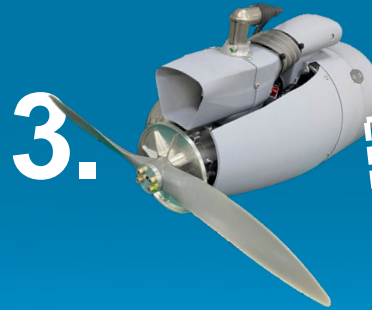
Status:

**IN  
PRODUCTION**



Status:

**IN  
PRODUCTION**



Status:

**PRODUCTION  
DELAYED TO  
Q2 FY22**



Status:

**Development  
timeline TBD**



Status:

**Development  
timeline TBD**



ScanEagle2

Integrator™

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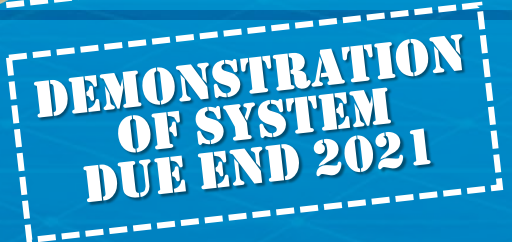
ScanEagle3



# Engine development programs

Significant long-term revenue opportunities



	Delivered	Milestone
 A Boeing Company		 3 <sup>RD</sup> ENGINE MODEL START OF PRODUCTION DUE Q2 FY22
 TEXTRON Systems	 1 <sup>ST</sup> PROTOTYPE MAY 2021	 2 <sup>ND</sup> PROTOTYPE DUE DEC '21
 SINGAPORE DEFENCE COMPANY	 1 <sup>ST</sup> PROTOTYPE JUNE 2021	 2 <sup>ND</sup> PROTOTYPE DUE AUG '21
		 DEMONSTRATION OF SYSTEM DUE END 2021

# FY22 outlook

## Building customer revenue diversity



**Boeing-Insitu** 3<sup>rd</sup> engine production line operational & 4<sup>th</sup> engine development program initiated

**Textron** engine production line operational

**Singapore & Northrop Grumman** production opportunities progressed

**Additional customer contracts**

Accelerated in-house R&D to **expand product offering**

FY22 revenue expected to be in line with FY21 results





*Ready to fly...*<sup>TM</sup>

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