

**Orbit International Corp.**  
**Consolidated Statements of Income**  
**(in thousands, except per share data)**  
**(unaudited)**

	Three Months Ended September 30,	Nine Months Ended September 30,		
	2018	2017	2018	2017
Net sales	\$ 6,329	\$ 5,004	\$ 16,710	\$ 15,254
Cost of sales	4,138	2,925	10,590	9,286
Gross profit	2,191	2,079	6,120	5,968
Selling general and administrative expenses	1,595	1,644	4,901	4,960
Interest expense	6	-	11	-
Investment and other (income) expense	(7)	(5)	(5)	10
Income before taxes	597	440	1,213	998
Income tax provision (benefit)	9	(259)	(540)	(238)
Net income	\$ 588	\$ 699	\$ 1,753	\$ 1,236
Basic earnings per share	\$ 0.16	\$ 0.19	\$ 0.49	\$ 0.31
Diluted earnings per share	\$ 0.16	\$ 0.19	\$ 0.49	\$ 0.31
Weighted average number of shares outstanding:				
Basic	3,594	3,759	3,594	3,924
Diluted	3,603	3,762	3,603	3,929

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**(in thousands, except per share data)**  
**(unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<u>EBITDA (as adjusted) Reconciliation</u>				
Net income	\$ 588	\$ 699	\$ 1,753	\$ 1,236
Interest expense	6	-	11	-
Tax expense (benefit)	9	(259)	(540)	(238)
Depreciation and amortization	27	25	80	90
Stock based compensation	10	40	29	64
EBITDA (as adjusted) <sup>(1)</sup>	<u>\$ 640</u>	<u>\$ 505</u>	<u>\$ 1,333</u>	<u>\$ 1,152</u>
<u>EBITDA (as adjusted) Per Diluted Share Reconciliation</u>				
Net income	\$ 0.16	\$ 0.19	\$ 0.49	\$ 0.31
Interest expense	0.00	0.00	0.00	0.00
Tax (benefit) expense	0.00	(0.07)	(0.15)	(0.06)
Depreciation and amortization	0.01	0.00	0.02	0.02
Stock based compensation	0.01	0.01	0.01	0.02
EBITDA (as adjusted), per diluted share <sup>(1)</sup>	<u>\$ 0.18</u>	<u>\$ 0.13</u>	<u>\$ 0.37</u>	<u>\$ 0.29</u>

<sup>(1)</sup> The EBITDA (as adjusted) tables presented are not determined in accordance with accounting principles generally accepted in the United States of America. Management uses EBITDA (as adjusted) to evaluate the operating performance of its business. It is also used, at times, by some investors, securities analysts and others to evaluate companies and make informed business decisions. EBITDA (as adjusted) is also a useful indicator of the income generated to service debt. EBITDA (as adjusted) is not a complete measure of an entity's profitability because it does not include costs and expenses for interest, depreciation and amortization, income taxes and stock based compensation. EBITDA (as adjusted) as presented herein may not be comparable to similarly named measures reported by other companies.

	Nine Months Ended September 30,	
	2018	2017
<u>Reconciliation of EBITDA (as adjusted) to cash flows provided by operating activities (1)</u>		
EBITDA (as adjusted)	\$ 1,333	\$ 1,152
Cumulative effect of adoption of ASC 606	330	-
Interest expense	(11)	-
Income tax (benefit) expense	(33)	(12)
Loss on sale of marketable securities	6	22
Gain on sale of fixed asset	(7)	-
Bond amortization	-	(2)
Net change in operating assets and liabilities	(1,098)	12
Cash flows provided by operating activities	<u>\$ 520</u>	<u>\$ 1,172</u>

**Orbit International Corp.**  
**Consolidated Balance Sheets**

	<u>September 30, 2018</u> <u>(unaudited)</u>	<u>December 31, 2017</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,583,000	\$ 941,000
Investments in marketable securities	-	301,000
Accounts receivable, less allowance for doubtful accounts	2,863,000	3,248,000
Inventories	11,444,000	10,080,000
Contract asset	726,000	-
Other current assets	328,000	146,000
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Total current assets	16,944,000	14,716,000
Property and equipment, net	283,000	183,000
Goodwill	868,000	868,000
Other assets	33,000	33,000
Deferred tax assets	1,123,000	550,000
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Total assets	<u>\$ 19,251,000</u>	<u>\$ 16,350,000</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,264,000	\$ 524,000
Accrued expenses	1,021,000	1,014,000
Customer advances	147,000	69,000
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Total current liabilities	2,432,000	1,607,000
Stockholders' Equity		
Common stock	362,000	458,000
Additional paid-in capital	17,639,000	20,932,000
Treasury stock	-	(3,419,000)
Accumulated other comprehensive loss	-	1,000
Accumulated deficit	(1,182,000)	(3,229,000)
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Stockholders' equity	16,819,000	14,743,000
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Total liabilities and stockholders' equity	<u>\$ 19,251,000</u>	<u>\$ 16,350,000</u>