

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

	Three Months Ended December 31, (unaudited)		Year Ended December 31, (unaudited)	
	2018	2017	2018	2017
Net sales	\$ 7,948	\$ 5,597	\$ 24,658	\$ 20,851
Cost of sales	5,921	3,425	16,511	12,711
Gross profit	2,027	2,172	8,147	8,140
Selling general and administrative expenses	1,590	1,609	6,491	6,569
Interest expense	-	-	11	-
Investment and other (income) expense	(43)	(5)	(48)	5
Income before taxes	480	568	1,693	1,566
Income tax provision (benefit)	8	7	(532)	(231)
Net income	\$ 472	\$ 561	\$ 2,225	\$ 1,797
Basic income per share	\$ 0.13	\$ 0.16	\$ 0.62	\$ 0.47
Diluted income per share	\$ 0.13	\$ 0.16	\$ 0.62	\$ 0.47
Weighted average number of shares outstanding:				
Basic	3,573	3,582	3,589	3,838
Diluted	3,583	3,590	3,598	3,844

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	Three Months Ended December 31, (unaudited)		Year Ended December 31, (unaudited)	
	2018	2017	2018	2017
<u>EBITDA (as adjusted) Reconciliation</u>				
Net income	\$ 472	\$ 561	\$ 2,225	\$ 1,797
Interest expense	-	-	11	-
Tax expense (benefit)	8	7	(532)	(231)
Depreciation and amortization	25	24	105	114
Stock-based compensation	9	10	38	74
EBITDA (as adjusted) ⁽¹⁾	<u>\$ 514</u>	<u>\$ 602</u>	<u>\$ 1,847</u>	<u>\$ 1,754</u>
<u>EBITDA (as adjusted) Per Diluted Share Reconciliation</u>				
Net income	\$ 0.13	\$ 0.16	\$ 0.62	\$ 0.47
Interest expense	0.00	0.00	0.00	0.00
Tax (benefit) expense	0.00	0.00	(0.15)	(0.06)
Depreciation and amortization	0.01	0.01	0.03	0.03
Stock-based compensation	0.00	0.00	0.01	0.02
EBITDA (as adjusted), per diluted share ⁽¹⁾	<u>\$ 0.14</u>	<u>\$ 0.17</u>	<u>\$ 0.51</u>	<u>\$ 0.46</u>

¹⁾ 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.

	Year Ended December 31, (unaudited)	
	2018	2017
<u>Reconciliation of EBITDA (as adjusted) to cash flows provided by operating activities (1)</u>		
EBITDA (as adjusted)	\$ 1,847	\$ 1,754
Interest expense	(11)	-
Income tax expense	(41)	(19)
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	1,946	(430)
Cash flows provided by operating activities	<u>\$ 3,740</u>	<u>\$ 1,325</u>

Orbit International Corp.
Consolidated Balance Sheets

	<u>December 31, 2018</u> <u>(unaudited)</u>	<u>December 31, 2017</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,506,000	\$ 941,000
Investments in marketable securities	-	301,000
Accounts receivable, less allowance for doubtful accounts	2,105,000	3,248,000
Inventories	10,127,000	10,080,000
Contract assets	296,000	-
Other current assets	345,000	146,000
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Total current assets	17,379,000	14,716,000
Property and equipment, net	266,000	183,000
Goodwill	868,000	868,000
Deferred tax asset	1,123,000	550,000
Other assets	30,000	33,000
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Total assets	<u>\$ 19,666,000</u>	<u>\$ 16,350,000</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,273,000	\$ 524,000
Accrued expenses	1,211,000	1,014,000
Customer advances	171,000	69,000
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Total current liabilities	2,655,000	1,607,000
Stockholders' Equity		
Common stock	361,000	458,000
Additional paid-in capital	17,623,000	20,932,000
Treasury stock	(227,000)	(3,419,000)
Accumulated other comprehensive gain	-	1,000
Accumulated deficit	(746,000)	(3,229,000)
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Stockholders' equity	17,011,000	14,743,000
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Total liabilities and stockholders' equity	<u>\$ 19,666,000</u>	<u>\$ 16,350,000</u>