



# **ORBIT INTERNATIONAL CORP. OVERVIEW**

June 7, 2022

# FORWARD-LOOKING STATEMENTS

This presentation contains statements concerning Orbit International Corp.'s ("Orbit" or the "Company") future results and performance that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, with respect to: future quarterly cash dividends and dividend framework; our fiscal 2022 outlook and expectations concerning earnings and Adjusted EBITDA for each of our businesses and expected key drivers. Such forward-looking statements or information are used in this presentation for the purpose of providing information about management's current expectations and plans relating to the future development of the Company's business. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expect," "seek," "endeavor," "anticipate," "plan," "estimate," "believe," "intend," or stating that certain actions, events or results may, could, would, might, or will occur or be taken, or achieved) are not statements of historical fact and may be "forward-looking statements." Forward-looking statements or information are based on expectations, estimates and projections at the time the statements are made and involve significant known and unknown risks, uncertainties, and assumptions which could cause actual results or events to differ materially from those presently anticipated, the Company's size and position in the industry and potential growth strategy, proposed acquisitions and general business, economic, competitive, political and social uncertainties including the impact of the COVID-19 pandemic. A number of factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this presentation. Readers should not place undue reliance on these forward-looking statements. Although the forward-looking statements contained in this presentation are based upon what the Company's management currently believes to be reasonable assumptions, the Company cannot assure readers that actual results, performance or achievements will be consistent with these forward-looking statements. The market and industry data contained in this presentation are based upon information from independent sources and publications. While Company management believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty. Management has not independently verified any of the data from third party sources referred to in this presentation or ascertained the underlying assumptions relied upon by such sources. Except as required by law, the Company does not have any obligation to advise any person if it becomes aware of any inaccuracy in or omission from any forward-looking statement, nor does it intend, or assume any obligation, to update or revise these forward-looking statements to reflect new events or circumstances. There is no guarantee that any of the events anticipated by these forward-looking statements will occur, and if any of the events do occur, there is no guarantee what effect they will have on the Company's business, results of operations, cash flows, financial condition and future prospects. Forward-looking statements speak only as of the date they are made, and Orbit undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Nothing on our website is intended to be included or incorporated by reference into, or made a part of, this presentation. Also included in this presentation are certain non-GAAP financial measures, which management believes complement the financial information presented in accordance with U.S. generally accepted accounting principles. Management believes such non-GAAP measures may be useful to investors. Our non-GAAP financial measures may not be comparable to similarly named or captioned non-GAAP financial measures of other companies due to potential inconsistencies in how such measures are calculated.

# PRESENTATION OUTLINE

## 1 INTRODUCTION

Orbit at a glance and introduction to our senior management team and directors.

## 2 MARKETS AND PRODUCTS

Orbit focuses on key defense and industrial market opportunities.

## 3 DIVISIONS

Overview of operating subsidiaries in our electronics and power groups.

## 4 FINANCIALS

Key financial performance metrics.

## 5 STRATEGY

A combination of both organic and acquisitive growth to build shareholder value.

## 6 INVESTMENT THESIS

Summary of investment highlights.

# INTRODUCTION TO ORBIT INTERNATIONAL

The short story.



# ABOUT US

Known by the company we keep.

Orbit companies have been trusted worldwide to provide the most rugged and innovative hardware, software, and integrated systems for the military and major industries since 1957.

# THE BASICS

- Orbit International Corp. (“Orbit” or the “Company”) was originally founded in 1957, and is based in Hauppauge, New York, approximately 49 miles from New York City. All manufacturing and corporate activities, with the exception of those of Simulator Product Solutions LLC (“SPS”), occur in Hauppauge.
- Originally went public on NASDAQ in 1961. Voluntarily “went dark” in 2014 to effect dramatic public company cost savings. Trade on the Over-the-Counter (“Pink Sheet”) market under the symbol “ORBT.” Currently, no investment banks cover Orbit with research reports.
- Two operating divisions: electronics and power. Orbit companies are relied upon to design and manufacture subsystems and major components for US and foreign military sales, prime contractors, government procurement agencies (both foreign and domestic), and R&D laboratories worldwide.
- The Orbit family of companies is dedicated to providing hardware and software product solutions on a timely basis and at a competitive price, without compromising quality or workmanship. The trust Orbit has earned is reflected in our high percentage of repeat customers on both new and recurring programs. All Orbit subsidiaries, with the current exception of SPS, are ISO 9001:2015 certified.
- Committed focus on building shareholder value. Have ongoing authorized stock buyback program in addition to recently reinstated quarterly dividend of \$0.01 per share allowing for return of excess capital to shareholders.
- Subject to fiscal 2022 financial performance, Orbit’s board of directors will consider a special dividend to shareholders in March of 2023.
- Completed transformational acquisition of Panel Products, Inc. on January 3, 2022 for entry into military and commercial simulation markets.

# ORBIT AT A GLANCE

**3.46 million**  
**SHARES OUTSTANDING**

Approximately 70%  
held by  
management and directors.  
Public float approximately 1 million shares.

**\$7.10**  
**PRICE PER SHARE**

As of June 3, 2022.  
Fifty-two-week range between  
\$5.50 - \$8.29.  
Average daily volume 588 shares.

**\$24.5 million**  
**MARKET CAPITALIZATION**

**\$19.2 million**  
**ENTERPRISE VALUE**

Versus book value of \$20.7 million.  
No interest-bearing debt.  
Approximately \$3.0 million of total  
liabilities of \$10.4 million represented  
by non-interest-bearing operating  
lease liabilities as of March 31, 2022.

# ORBIT AT A GLANCE

Fiscal year-ending December 31, 2021  
(unaudited)

## \$22.2 million

### ANNUAL REVENUE

While representing a decline in sales from the prior year, *gross margin significantly improved to 36.8%.*

## \$17.9 million

### BACKLOG

Inclusive of acquired Simulator Product Solutions LLC ("SPS") backlog.

## \$2.24 million

### ADJUSTED EBITDA

*\$0.65 per fully diluted share of earnings before interest, taxes, depreciation and amortization, fair value adjustment on contingent liability, stock-based compensation, and exclusive of one-time effects of PPP loan forgiveness and acquisition costs relating to SPS; a significant increase over the prior fiscal year's \$0.26 per fully diluted share.*

## \$1.99 million

### NET INCOME

*\$0.57 per fully diluted share exclusive of one-time effects of PPP loan forgiveness and acquisition costs relating to SPS.*  
\$3.25 million or \$0.93 per fully diluted share inclusive of one-time PPP loan forgiveness and net of acquisition costs relating to SPS.

# ORBIT AT A GLANCE

Fiscal year-end December 31, 2021  
(unaudited)

**\$9.2 million**

## CASH

Prior to SPS acquisition on January 3, 2022.  
Approximately \$5.1 million after acquisition.

**7.2:1**

## CURRENT RATIO

Current assets of \$21.2 million  
versus  
current liabilities of \$2.95 million.

**\$26 million**

## TOTAL ASSETS

Inclusive of approximate \$3 million  
of "right to use assets, operating  
leases," \$900,000 of goodwill, and  
\$550,000 deferred tax asset.

**\$20.2 million**

## STOCKHOLDER EQUITY

Tangible book value per fully diluted  
share of \$5.62 *excluding* any  
additional value for remaining  
reserved deferred tax asset.  
Approximately \$6.4 and \$0.6 million  
of available federal and state  
operating loss carryforwards.

# TRANSFORMATIONAL

Acquisition on January 3<sup>rd</sup> of Panel Products, Inc. by



## \$6.5 million

### AGREED ENTERPRISE VALUE

Paid \$4.0 million in cash, plus up to \$1.2 million of earn-outs over fiscal years 2022 and 2023 based on performance and carried 19.9% interest in Simulator Product Solutions LLC ("SPS") with minimum guaranteed value of \$1.3 million.

## \$5.32 million

### FISCAL 2021 REVENUE

Approximate 7% increase in revenue over fiscal 2020.

## 38.5 percent

### GROSS MARGIN

Approximate during fiscal 2021.

## \$3.5 million

### BACKLOG

Approximate as of January 3, 2022.

# ORBIT AT A GLANCE

First quarter ending March 31, 2022 versus 2021  
(unaudited and inclusive of results of SPS)

**\$6.8 million**  
versus  
**\$5.4 million**

## REVENUE

26.9% year-over-year increase.

**\$15.3 million**  
versus  
**\$15.8 million**

## BACKLOG

Inclusive of \$2.5 million of SPS backlog in 2022.

**\$738,000**  
versus  
**\$285,000**

## ADJUSTED EBITDA

*\$0.21 per fully diluted share of earnings before interest, taxes, depreciation and amortization, fair value adjustment on contingent liability, stock-based compensation, and exclusive of one-time effects of fair value accounting charge to COS, PPP loan forgiveness and acquisition costs relating to SPS.*

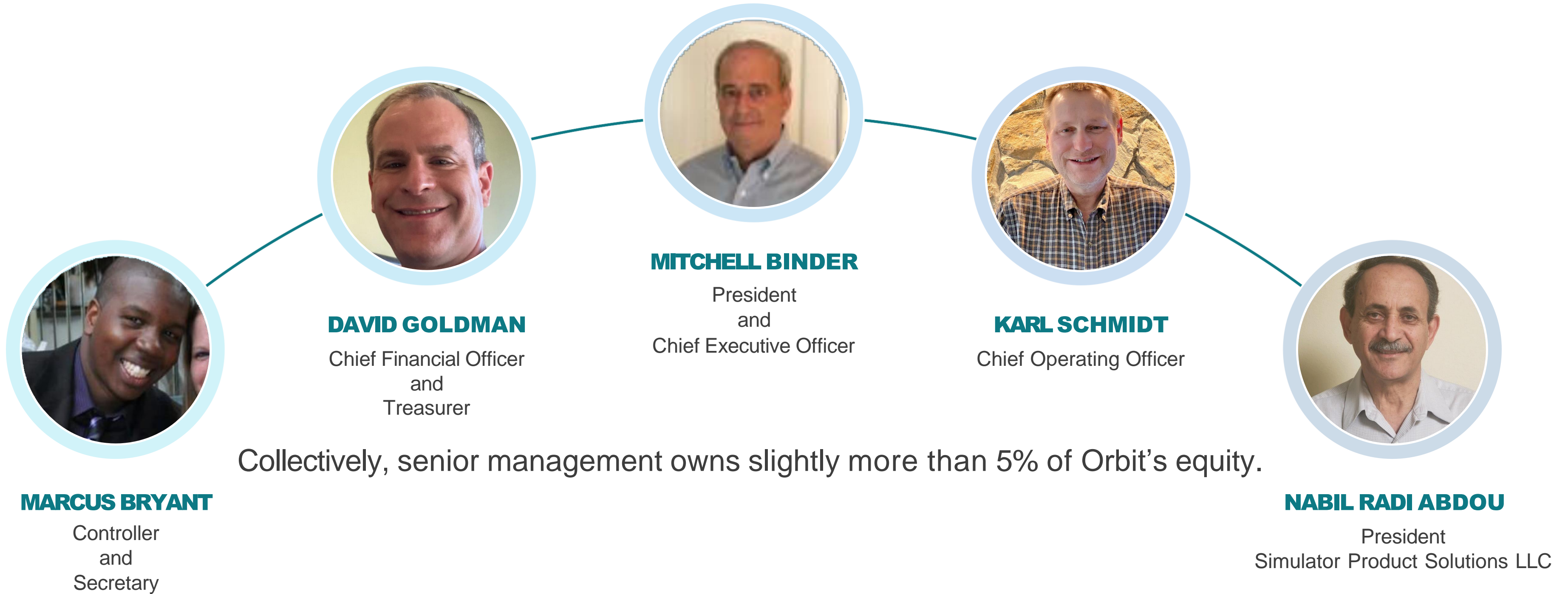
**\$658,000**  
versus  
**\$209,000**

## NET INCOME

*\$0.19 per fully diluted share of earnings exclusive of one-time effects of fair value accounting charge to COS, PPP loan forgiveness and acquisition costs relating to SPS.*

# SENIOR MANAGEMENT TEAM

Seasoned. Invested. Dedicated.



# SENIOR SALES TEAM

Experienced. Knowledgeable. Incentivized.



**JOE POZZOLANO**

Senior Vice President  
Sales and Marketing  
Power Group



**WILLIAM MOSHER**

Senior Vice President  
Business Development  
Simulator Product Solutions LLC



**MARK PRIETO**

Senior Vice President  
Sales and Marketing  
Electronics Group

# OUTSIDE DIRECTORS

Outside directors directly represent holders of approximately 65% of Orbit's equity securities.



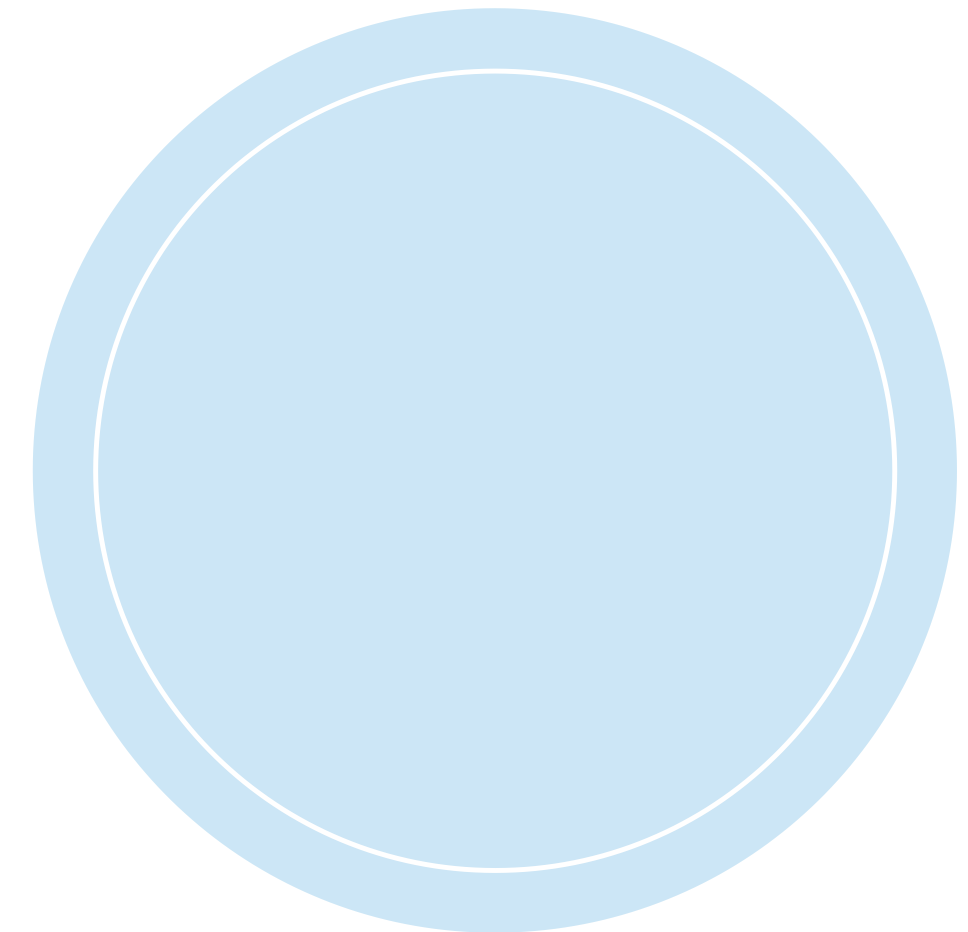
## **BERNARD KARCINELL**

Mr. Karcinell was first elected to Orbit's board in 2000 and is the former President and Chief Executive Officer of CCR Video Corp., President and Chief Executive Officer of Designcraft Jewel Industries, Inc. and a Partner at KPMG LLP., one of the world's largest accounting firms. Mr. Karcinell is a Certified Public Accountant and chairs Orbit's audit committee.



## **WILLIAM COLLINS**

Mr. Collins was first elected to Orbit's board in 2018 and is the Chief Executive Officer of Brencourt Capital Management LLC, a family office that beneficially owns approximately 157,500 shares or 4.35% of Orbit's common stock. Previously, he was CEO and Chief Investment Officer of Brencourt Advisors, an event driven fund which had \$2.5 billion of assets under management with offices in New York, London and Hong Kong. Mr. Collins also served on the Board of Directors of Werner Worldwide Holdings from 2008-2017 and MortgageIT, a mortgage REIT listed on the NYSE, from 2004-2007. Mr. Collins currently serves as Chairman of the Board of Trustees for St. Johns University in New York.



## **WAYNE CADWALLADER**

Mr. Cadwallader was first elected to Orbit's board in 2013 and is currently Managing Partner - Research with Elkhorn Partners Limited Partnership, the beneficial owner of approximately 60% of Orbit's outstanding securities. Previously, Mr. Cadwallader served as a Senior Investment Analyst for Hamblin Watsa Investment Counsel Ltd., where as part of the investment team, he was involved in helping manage Fairfax Financial's \$22 billion in AUM and held management positions with CIBC. He began his career at Xerox holding various positions in information technology.

# MARKETS AND PRODUCTS

Military. Oil and Gas. Industrial. Transportation. Medical.

# ADDRESSABLE MARKETS

Through our electronics and power groups we address several key markets.

## MILITARY / AEROSPACE



## OIL AND GAS



## TRANSPORTATION RAILROAD AND AIR TRAFFIC CONTROL



## UTILITIES TELECOMMUNICATIONS



# PRODUCT CATEGORIES

Through our electronics and power groups we meet the needs of key market participants.

## **MILITARY HUMAN MACHINE INTERFACE (“HMI”)**

Orbit Instrument has become the trusted supplier of choice for ultra-rugged operator interface devices and software solutions for military, government and industrial programs that impose stringent standards for extreme environmental and operational survivability, where downtime is not an option.

## **TACTICALLY PROVEN DISPLAYS AND BEZELS**

Tulip Development Laboratory (“TDL”) delivers leading-edge mission-critical displays and bezels with extreme environmental and operational survivability.

Q-Vio is a leader in high-bright, low-power, thermally optimized, sunlight readable LED backlit displays.

## **MILITARY SIMULATION**

Simulator Product Solutions LLC (“SPS”) is the low-cost quality leader in the design, manufacture and supply of military simulation and training bezels and electronic control assemblies.

## **POWER SUPPLIES**

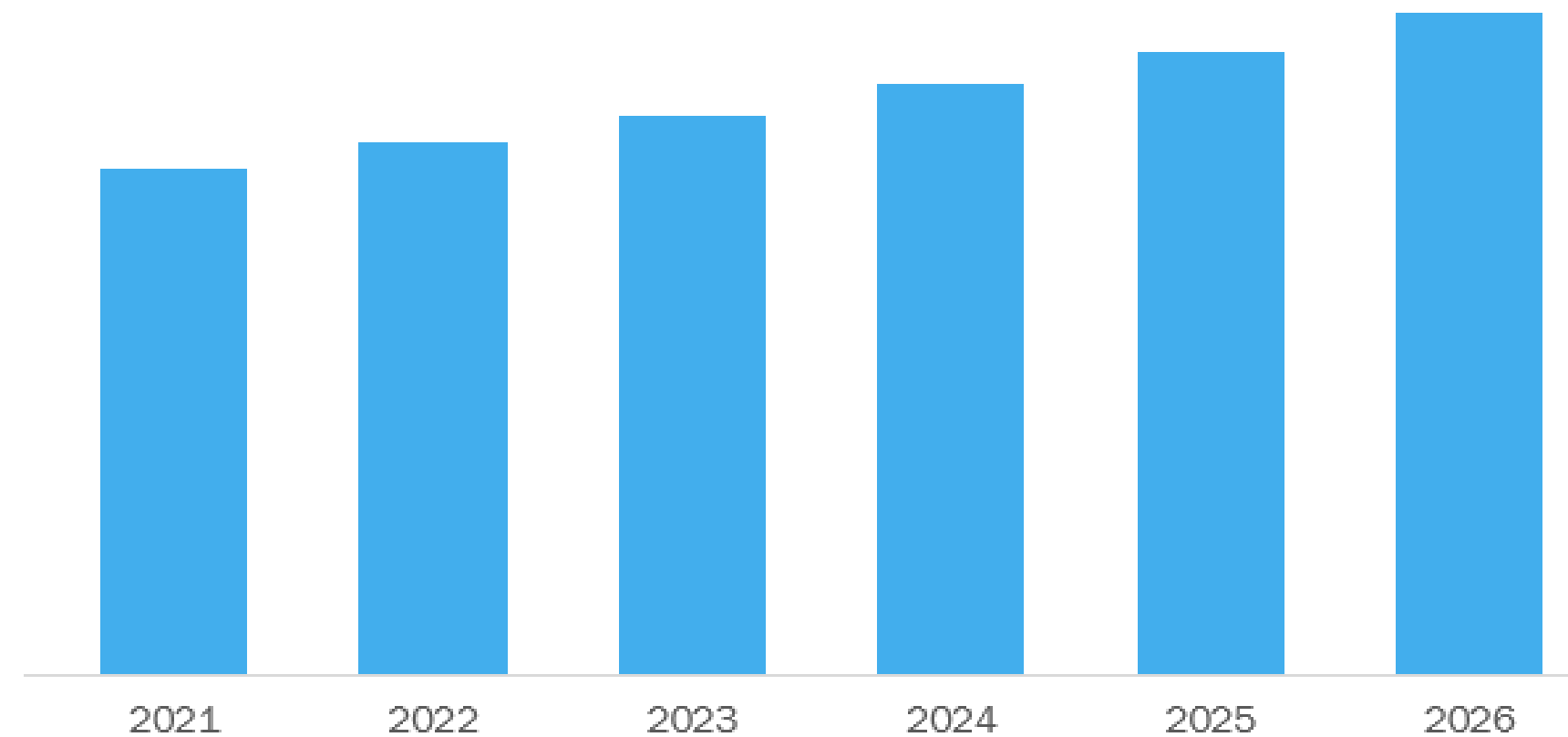
Behlman Electronics is a world class provider of the highest quality standard, modified standard, custom and COTS AC power sources, frequency converters, inverters, DC-DC, AC-DC, and DC-AC, for commercial, industrial, and military mission-critical applications, in addition to its rapidly growing proprietary VPXtra™ technology.

# MILITARY HUMAN MACHINE INTERFACE

Through our electronics and power groups we address several key markets.

## **\$155 MILLION MARKET - PROJECTED CAGR OF 4.5%**

According to a December 2021 research study published by Knowledge Sourcing Intelligence the HMI for cockpit displays market is projected to witness *a compound annual growth rate of 4.49% during the 2021 – 2026 forecast period* and is projected to reach a market size of \$194 million by 2026. One of the prime reasons supporting the growth in this market is the rising military and defense funding as it plays an important role in HMI for the cockpit displays market.

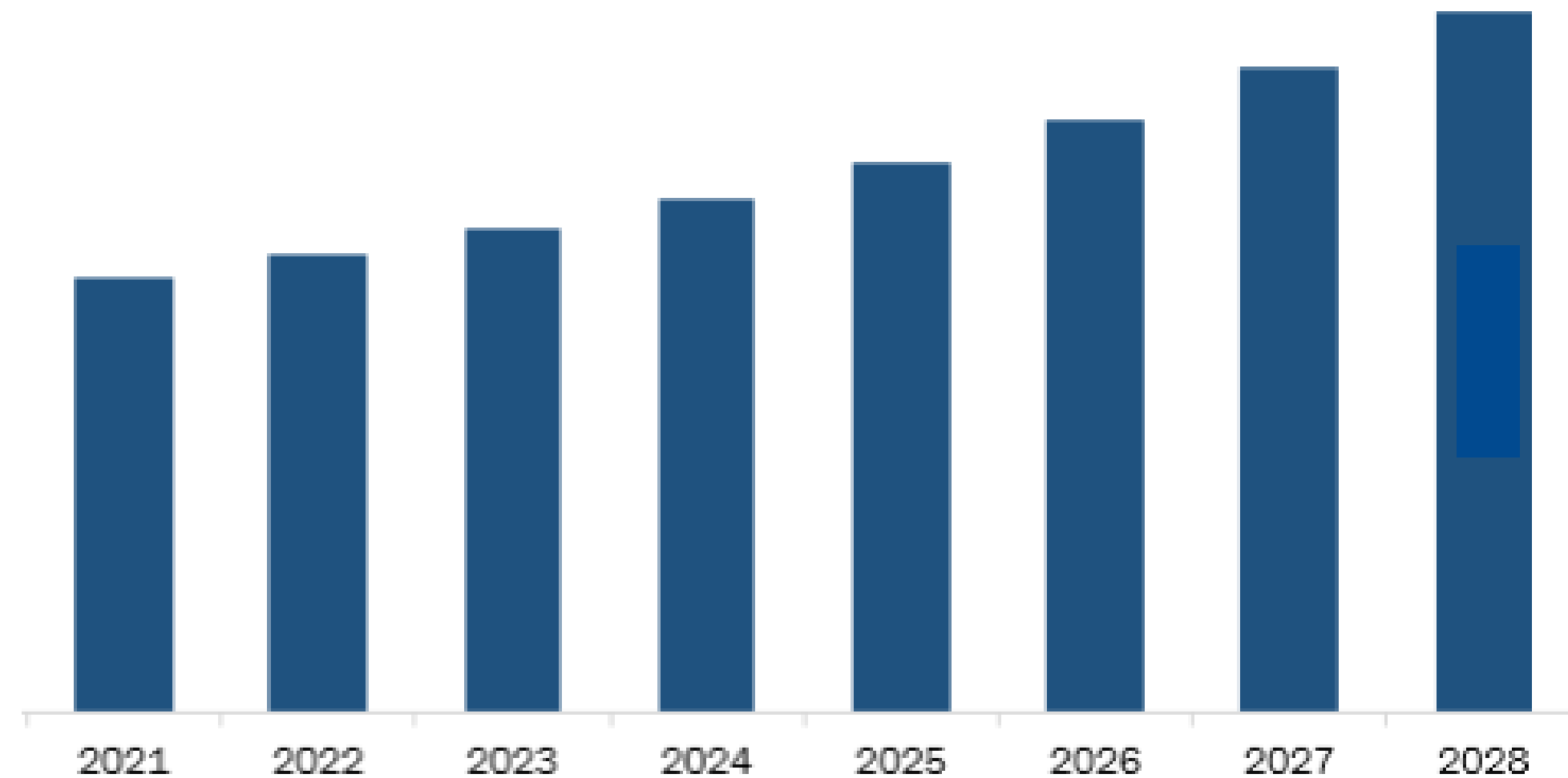


# DISPLAYS AND BEZELS

Through our electronics and power groups we address several key markets.

## **\$1.7 BILLION MARKET - PROJECTED CAGR OF 7%**

According to a February 9, 2022 study published by The Insight Partners, the military rugged display market is expected to grow from \$1.7 billion in 2021 to \$2.7 billion by 2028 for an estimated compound annual growth rate ("CAGR") of 7.0% from 2021 to 2028.

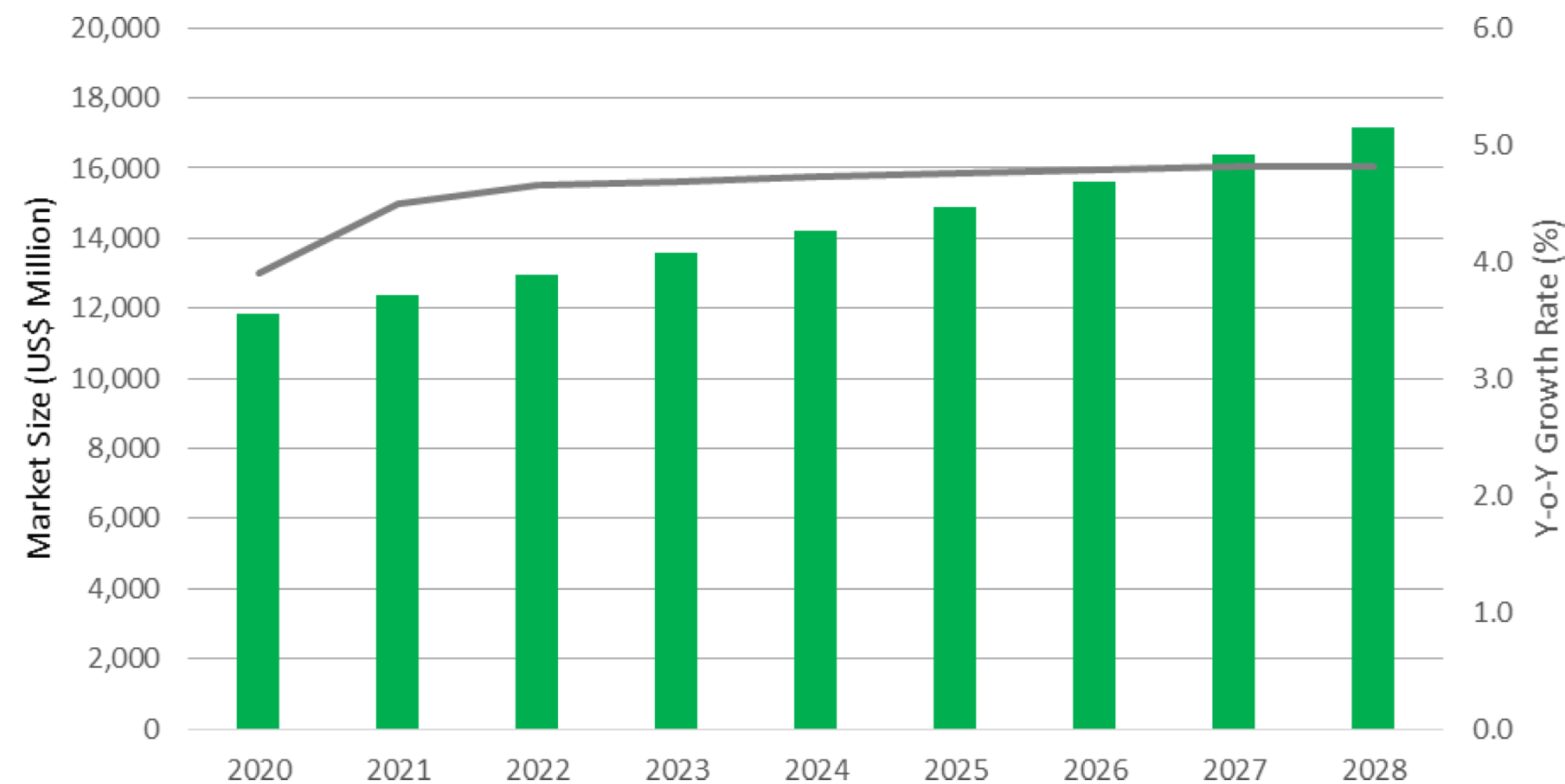


# MILITARY SIMULATION

Through our electronics and power groups we address several key markets.

## **\$13 BILLION MARKET - PROJECTED CAGR OF 4.75%**

According to a February 2022 research study published by VPAResearch, the global military simulation market was valued at \$12.4 billion in 2021 and is expected to experience a compound annual growth rate of 4.75% during the 2021 – 2028 forecast period to reach \$17.1 billion by 2028. The North American military simulation market accounted for \$6 billion, or approximately one-half of the global market in 2021, and is expected to reach \$8.14 billion in 2028. The military aviation simulation market is the most important segment with an approximate 42.5% market share in North America.



# POWER SUPPLIES

Through our electronics and power groups we address several key markets.

## **\$15 BILLION MARKET - PROJECTED CAGR OF 3.1%**

According to a December 3, 2021 study published by Precision Reports, the global rugged power supply market was valued at \$14.8 billion in 2020 and is expected to reach \$18.9 billion by the end of 2027, for a CAGR of 3.1% during the period. The military and aerospace sectors are expected to drive growth owing to beneficial features like the ability to perform seamlessly in a variety of intense climates and harsh terrains.

Additionally, increasing demand for next-generation rugged power supplies for cell towers, communication equipment, networking, conferencing, SATCOM, storage, telecom equipment, and telecom machines applications are expected to contribute significant growth and market share in the global rugged power supply market.



# **DIVISIONS**

Market Driven. Synergistic. Respected.

# OUR DIVISIONS

Orbit International Corp. is the parent company of both the Orbit Electronics Group and the Orbit Power Group.



## ELECTRONICS GROUP

When the military and government require operator interfaces that can stand up to the most severe vehicle, shipboard and airborne conditions, they turn to Orbit Electronics Group.

The Electronics Group is comprised of:

- Orbit Instrument – synonymous with rugged HMI operator interfaces.
  - TDL– visionary developer of tactically proven displays and bezels.
  - Q-Vio - providing high-bright, low-power, thermally optimized LED backlit sunlight readable displays built in a Class 1000 clean room.
  - Simulator Product Solutions LLC - low-cost quality leader in the design, manufacture and supply of military simulation multi-function displays, training bezels, and electronic control assemblies.
- All of Orbit's Electronics Group subsidiaries meet the needs of major prime contractors, the US and friendly militaries, and systems integrators



## POWER GROUP

Behlman Electronics delivers the widest array of high-reliability power supplies for commercial, industrial and military applications, without the high costs of full-custom.

# ELECTRONICS GROUP CUSTOMERS

Orbit Instrument, TDL, Q-Vio, and SPS compliment each other.

## MULTI-FUNCTION DISPLAYS

Orbit designs and manufactures a wide array of ultra-rugged, mil-spec compliant, customized displays of all types, sizes and shapes, to meet the needs of militarized defense electronics, aerospace, air traffic control, and severe environment industrial applications.



## REMOTE CONTROL UNITS

Orbit's control display units are specifically designed for custom function and interface capabilities. Most units incorporate single board computers and custom software to provide a total system solution incorporating a variety of interfaces including (but not limited to) RS-232, RS-422, PS/2, USB and Ethernet, while the output of the panel to the operator control can be either a standard or custom interface.



## RUGGEDIZED KEYBOARDS

Orbit designs rugged keyboards, keypads and related software for shipboard, fixed wing and rotary wing aircraft, vehicular and land-based applications. In all branches of the armed forces, as well as in government non-military and industrial programs, our keyboards and keypads have proven able to withstand extreme levels of environmental and human abuse.



## BEZELS

When lives depend on precise, efficient operator interfaces, customers worldwide depend on TDL. TDL applies vast experience in the design, engineering and manufacture of highly ruggedized, full custom military and commercial display bezels, illuminated keypads and Integrated Switch Panels ("ISP").



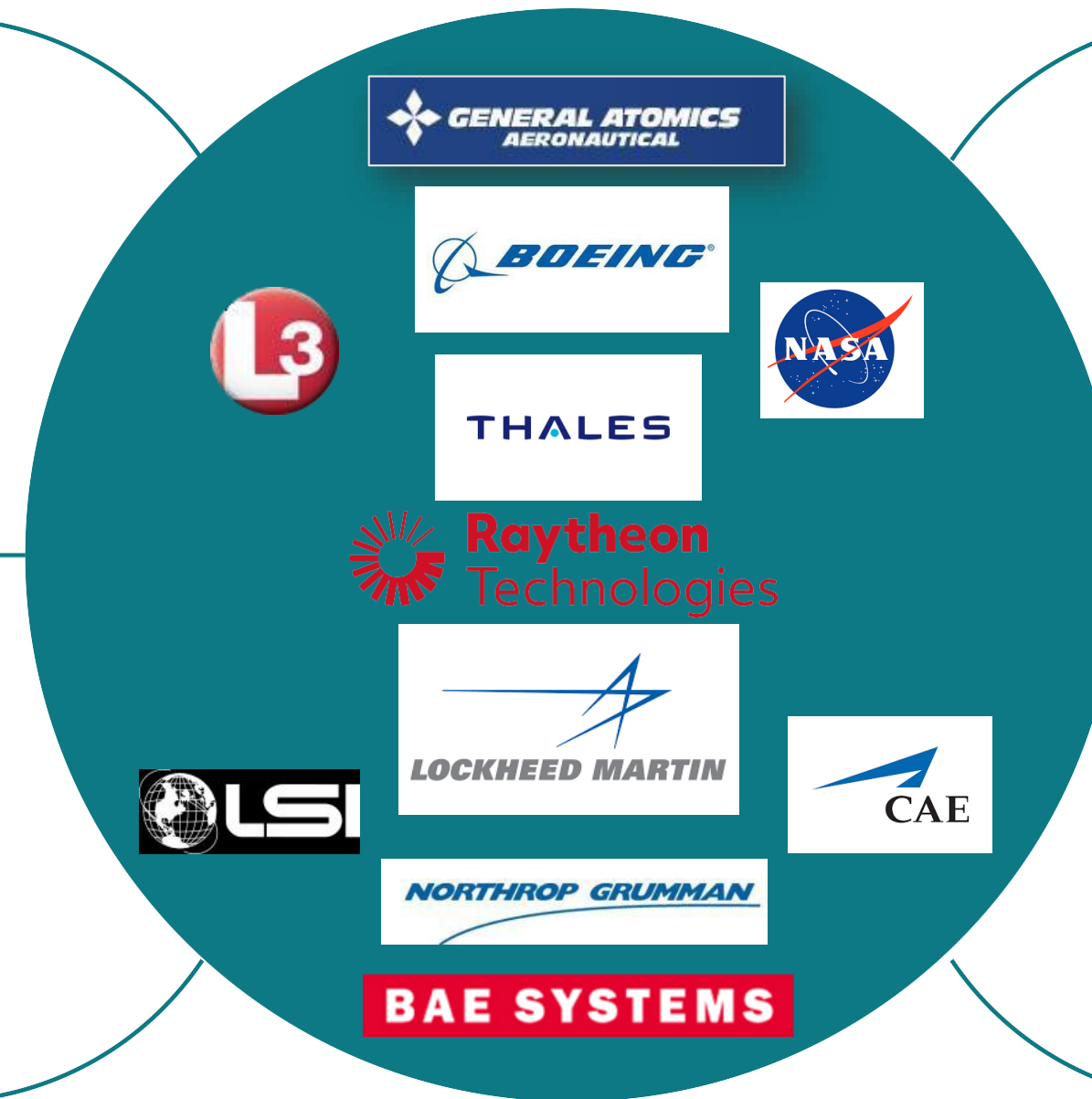
## SUNLIGHT READABLE DISPLAYS

Orbit's low power displays are perfect for a wide range of products where size, weight, power and sharp readability in bright sunlight are essential. To power and control the custom LED backlights, Q-Vio has developed a RoHS compliant LED driver board that is specifically designed to power their displays.



## TRACKBALLS AND JOYSTICKS

Orbit military-grade cursor controllers are designed to perform under the most extreme operational and environmental conditions and require little or no maintenance. MTBF for Orbit military grade trackballs are greater than 100,000 hours.



# POWER GROUP CUSTOMERS

Behlman Electronics manufactures COTS (MIL Standard Compliant) power products.

## AIRBORNE

With over 60 years experience in the design and manufacture of critical electronic equipment in its "World Class" facility, Behlman produces COTS power supplies for military, industrial and commercial applications. Innovative engineering skills allow Behlman to tailor its wide range of designs to specific customer requirements. Behlman can produce new designs, Form-Fit-Function replacement and modernize old or obsolete power supplies, as well as reducing cost and shortening delivery times by using COTS power supplies..



## GROUND / MOBILE

Behlman's COTS airborne, shipboard, ground and mobile power supplies are available in a wide range of power from 150 watts to 4000 watts. Inputs are wide range DC or any single or three-phase mains power or aircraft power. The COTS power supplies are highly reliable, rugged, switch mode units built for high-end industrial and military applications. Some available features include N+1 redundancy, hot-swappable, parallelable, single and multi-outputs outputs, overvoltage, over current and over temperature protection and supervisory circuits and alarms. High reliability, compact size, rugged construction and high efficiency make Behlman's COTS power supplies the best choice for critical applications.



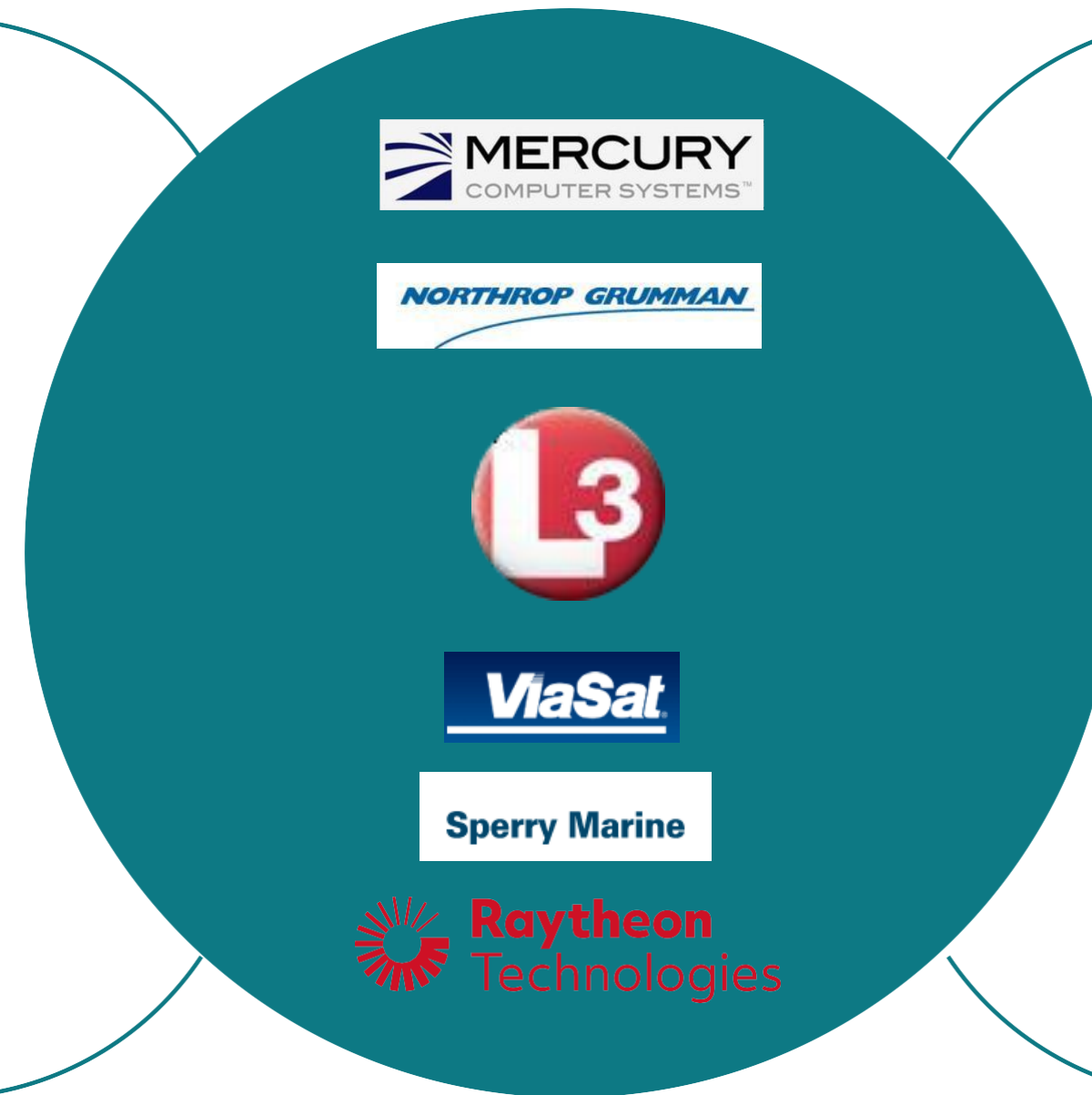
## SHIPBOARD

Behlman produces COTS AC-DC and DC-DC power sources designed for military, industrial, and commercial shipboard applications.



## VPXTRA™

Behlman's VPXtra™ series COTS power supplies are both 3U and 6U, VITA 62. These COTS DC-DC and AC-DC power supplies are rugged, reliable, conduction cooled, switch mode units built for high-end industrial and military airborne, shipboard, ground and mobile applications. VPX Power Supplies developed in alignment with the SOSA™ Technical Standard.

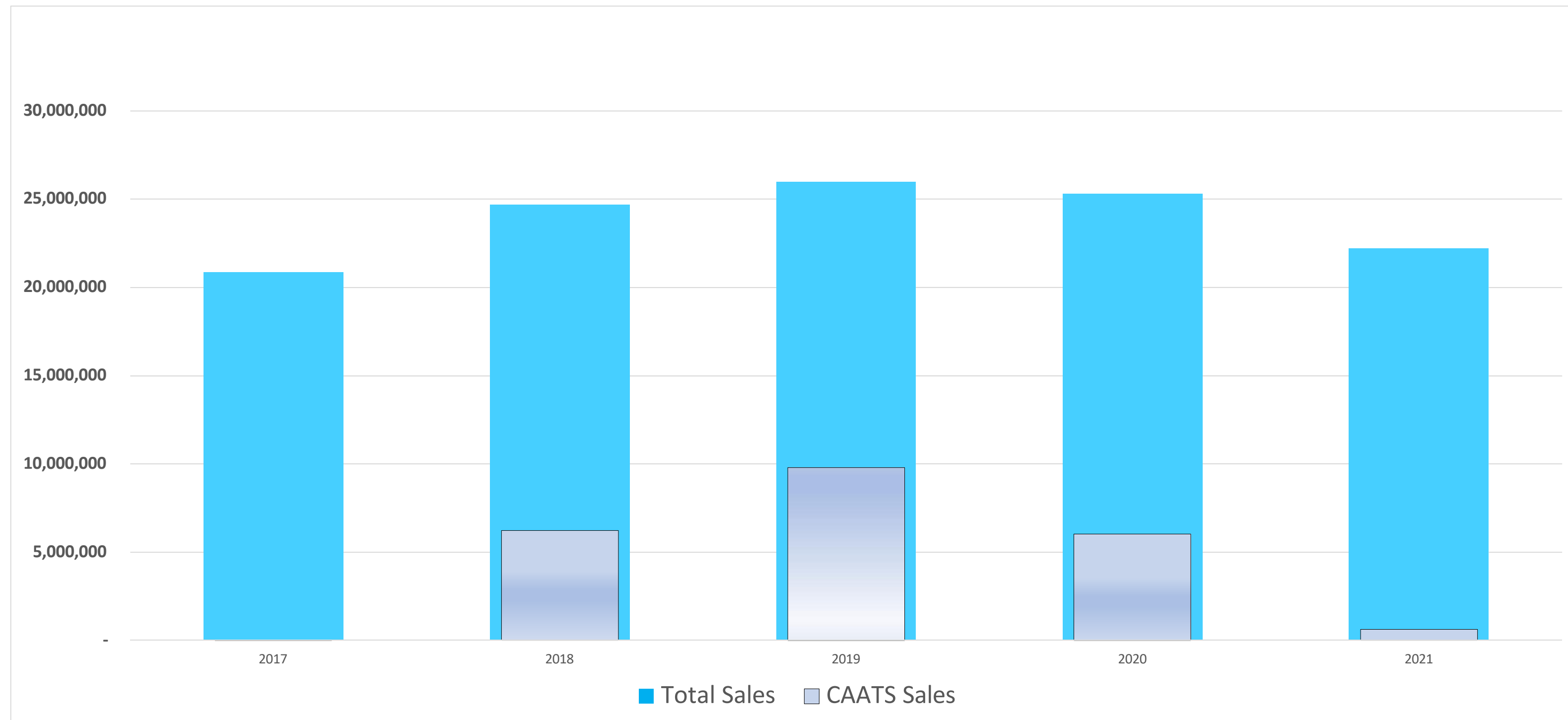


# FINANCIAL

Select highlights for fiscal 2017 through Q1 2022.

# REVENUE

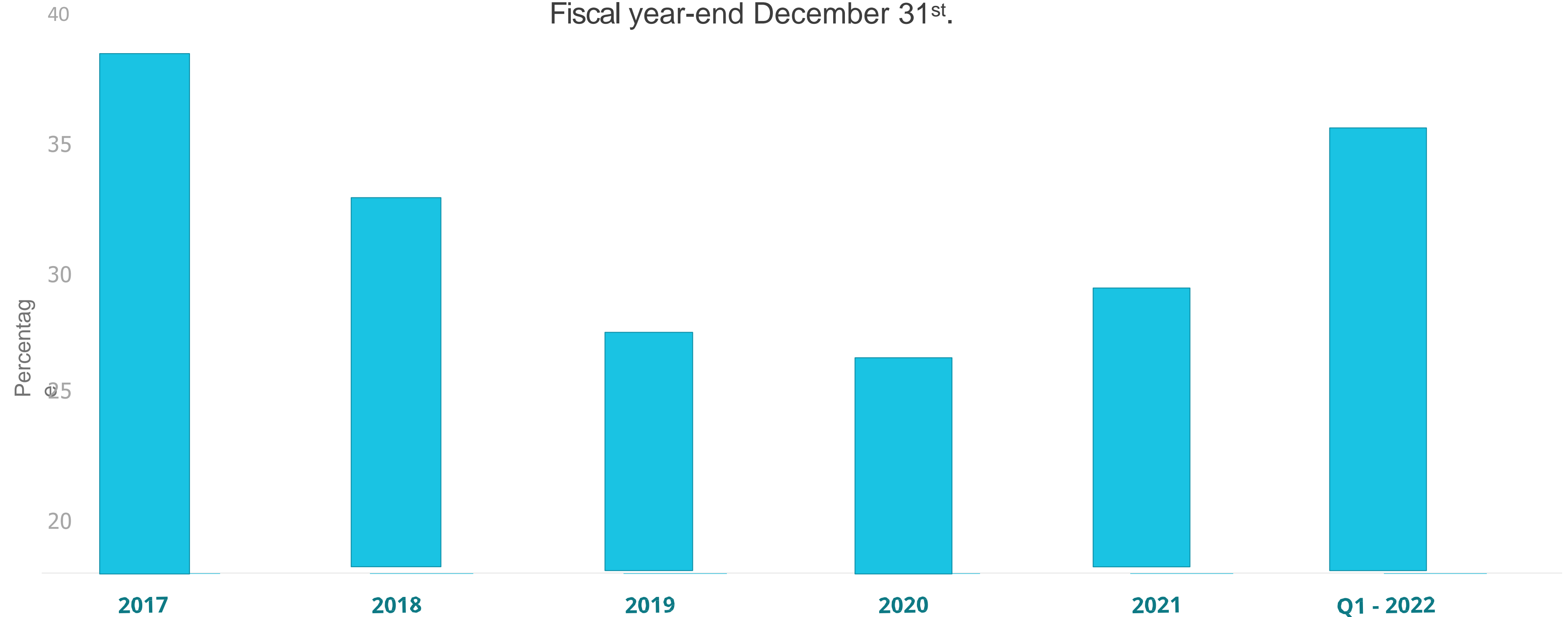
Fiscal year-end December 31<sup>st</sup>. Fiscal 2021 does not include proforma SPS revenue for year.



Higher revenue levels in 2018 through 2020 were attributable to CAATS sales which had a significant negative effect on the Company's gross margins.

# GROSS MARGIN

Fiscal year-end December 31<sup>st</sup>.

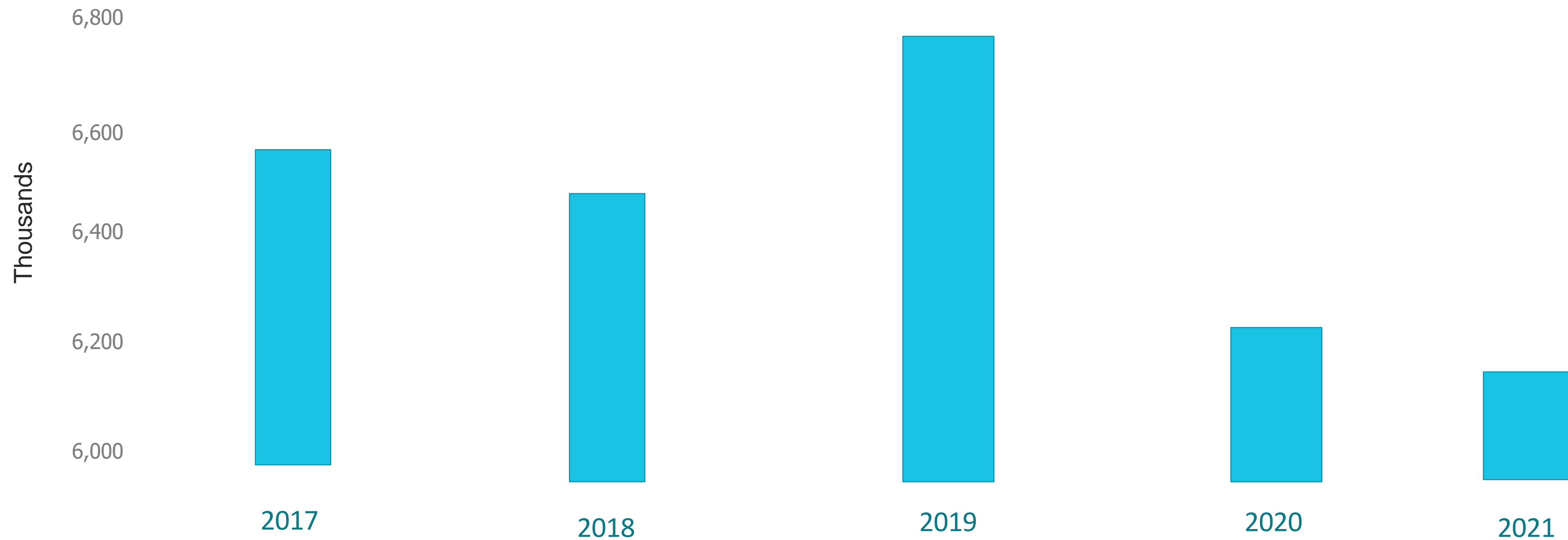


Gross Margin was significantly negatively impacted during the 2018, 2019, and 2020 fiscal years as a result of the extremely low margin derived from a company set aside program undertaken by Orbit's power group in association with SAIC and two other small vendors for a computerized armament test system ("CAATS") program that accounted for 25.2%, 37.7%, and 37.8% of Orbit's total consolidated revenue for fiscal 2018, 2019, and 2020 respectively.

Q1 – 2022 gross margin of 38.9% is exclusive of one-time \$94,000 fair value accounting charge to COS.

# SELLING, GENERAL & ADMINISTRATIVE

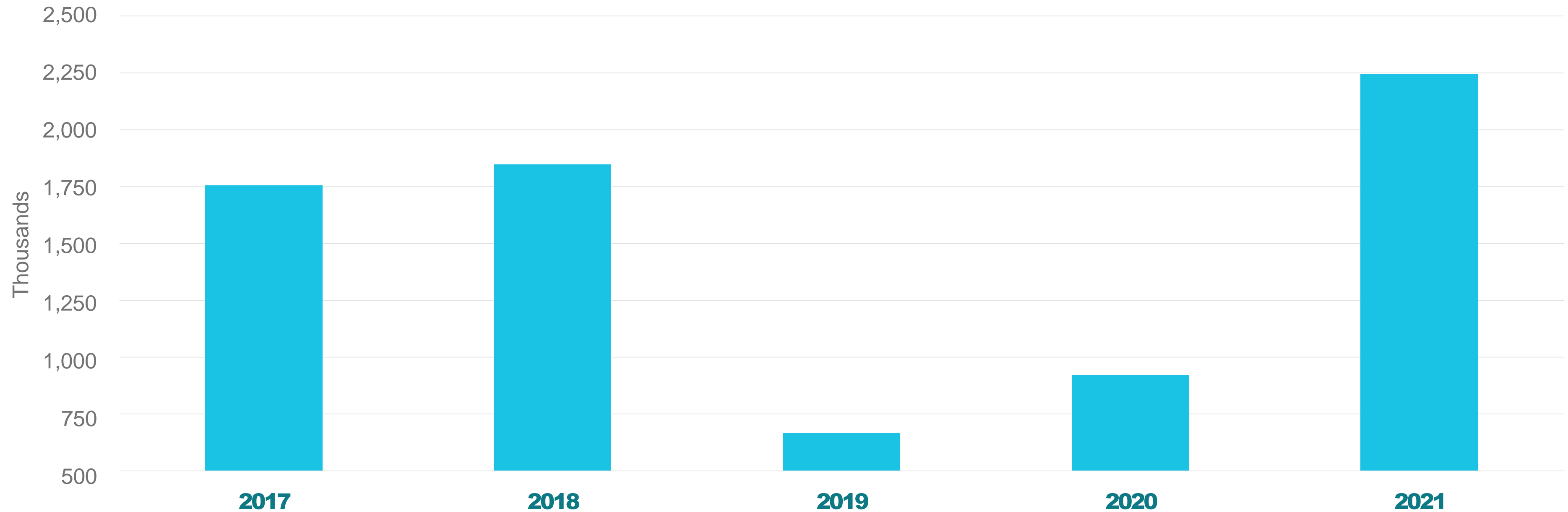
Fiscal year-end December 31<sup>st</sup>.



2017 through 2018 includes approximately \$175,000 of S,G&A costs related to discontinued operations, and 2019 is inclusive of costs associated with the acquisition of Q-Vio. Beginning in 2020 reduced S,G&A costs are a function of significant cost containment measures and the impact of COVID-19.

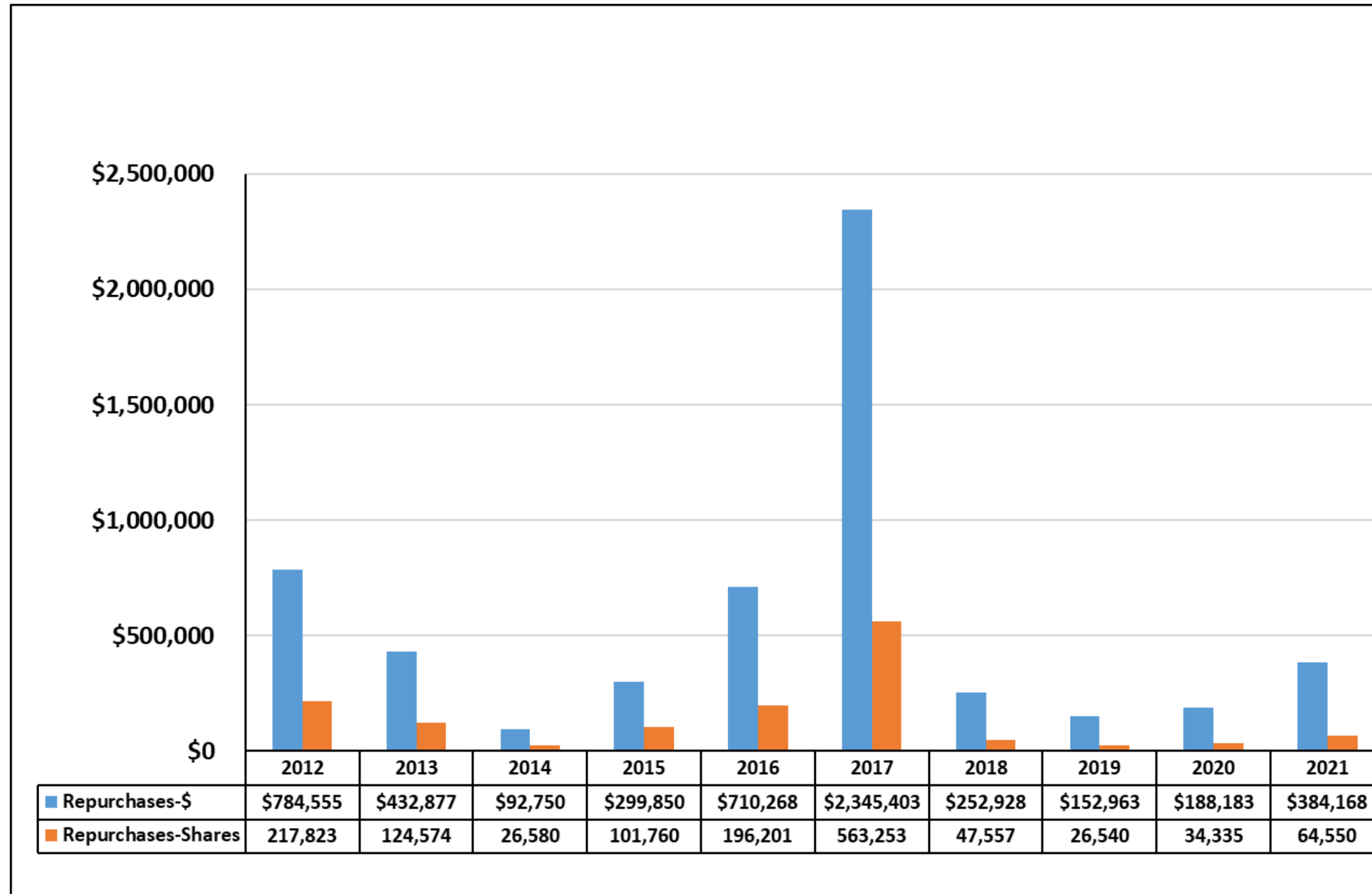
# ADJUSTED EBITDA

Fiscal year-end December 31<sup>st</sup>.



Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, fair value adjustment on contingent liability and stock-based compensation, exclusive of one-time effects of PPP loan forgiveness and acquisition costs relating to SPS. Fiscal 2019 was negatively impacted by a lower gross margin due to a larger portion of OPG revenue attributable to CAATS sales, as well as higher S, G&A costs. Fiscal 2020 was adversely affected by COVID-19 adjustments made to the manufacturing floor to protect employees which significantly impacted output and costs of production.

# STOCK BUYBACKS



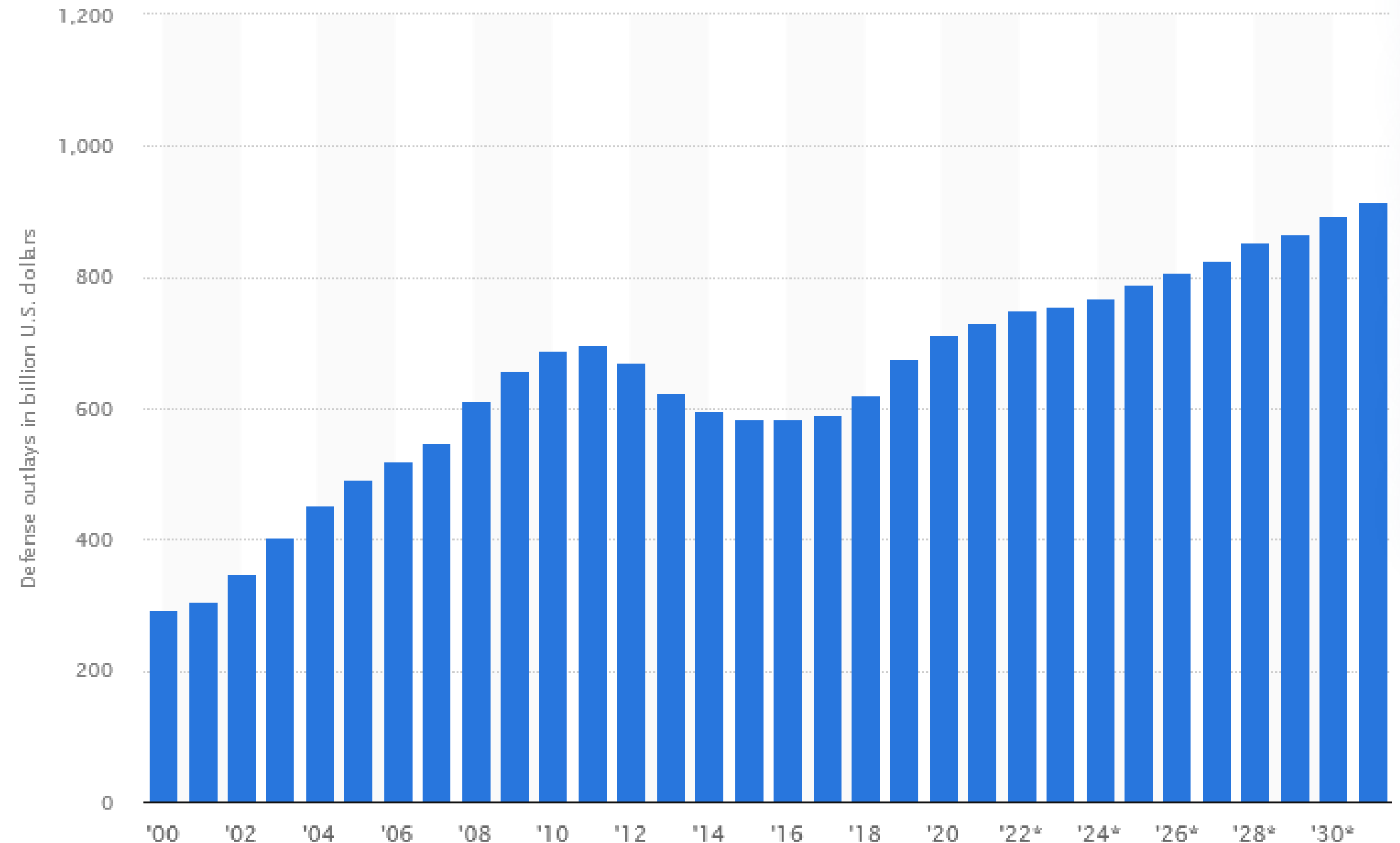
Since 2012 Orbit has repurchased approximately 1.4 million, or 30%, of its total shares at a total cost of approximately \$5.6 million.

# **GROWTH STRATEGY**

Organic growth combined with opportunistic and synergistic accretive acquisitions.

# THE PREDICATE

**US DEFENSE  
SPENDING IS  
PREDICTED TO  
INCREASE TO \$915  
BILLION IN 2031.**



# GROWTH STRATEGY

Four ingredients to build shareholder value.

1

## ORGANIC GROWTH

Increased focus on existing customer base to pursue both new opportunities and recurring and refurbishment programs, coupled with tight cost containment policies.

2

## FOCUS ON VPX<sup>TRA</sup>™ TECHNOLOGY

Behlman's proprietary VPX<sup>tra</sup>™ product offerings have received broad market acceptance and is a leader in the industry. Given the growth in the VPX market, management projects continued significant growth with this technology.

3

## PENETRATE THE SIMULATION MARKET

Continue to build a global presence in the military simulation market while also entering the commercial simulation market through SPS.

4

## MAIN STREET M&A

Continue "Main Street M&A" initiative targeting sub \$10 million revenue companies with EBITDA of under \$2 million to avoid I-banker run auction processes and exploit market multiple arbitrage.

# ORGANIC GROWTH

**OPG** - Continued increase in business utilizing our VPXtra™ technology.

**OPG** - Increase in commercial business for our power supplies used for railroads, oil and gas exploration, and test and measurement that weakened during the last two years of the pandemic.

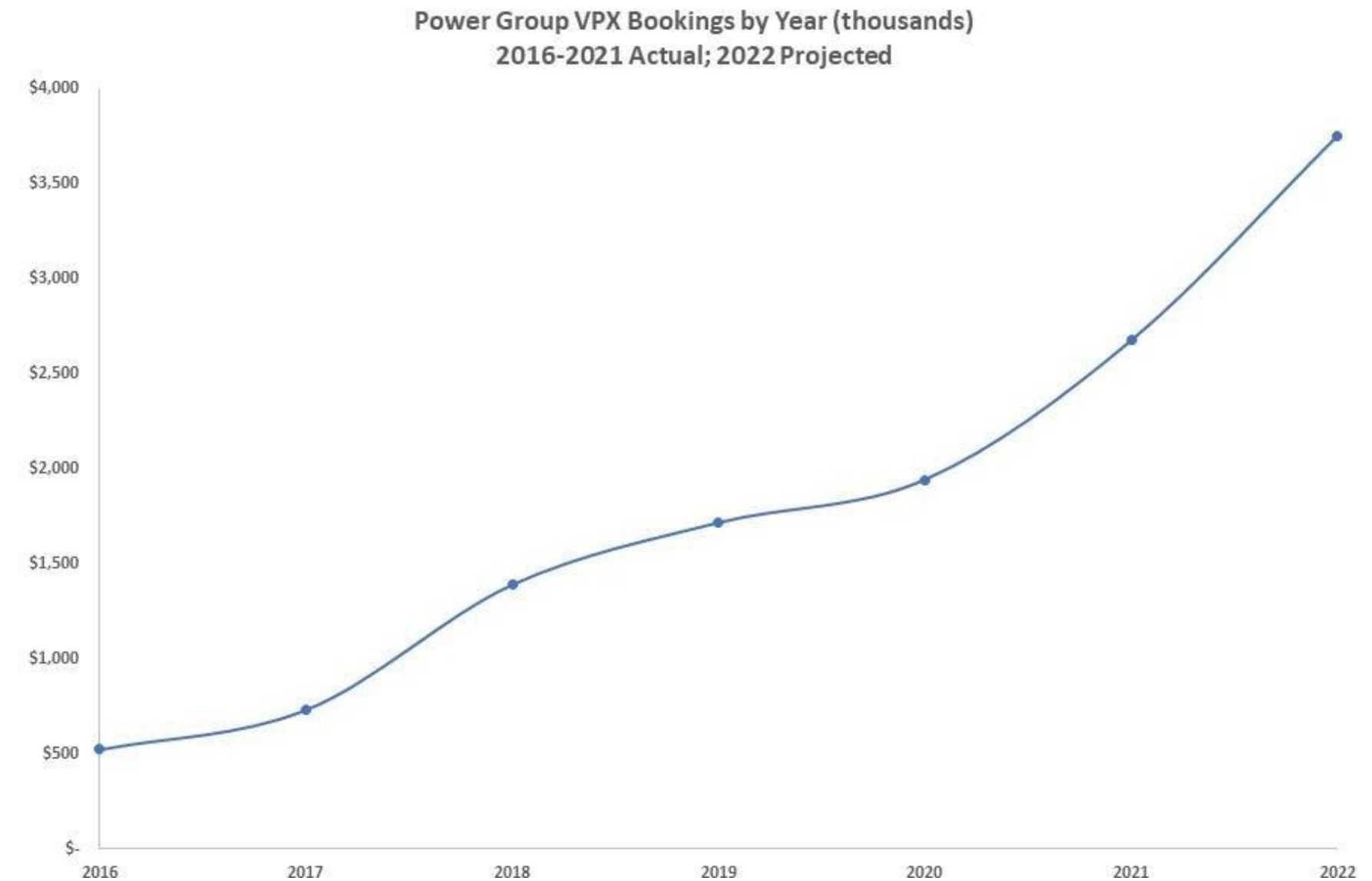
**Q-Vio** - Potential high volume and consistent net margin opportunities utilizing our manufacturing sources in China and Japan.

**Orbit/TDL** - Follow-on "foundation business" on military programs the Company is entrenched in, particularly new potential orders for next generation IFF units and software changes on existing units in the field.



# VPXTRA™ TECHNOLOGY

**OUR POWER  
GROUP'S VPXtra™  
TECHNOLOGY  
BOOKINGS  
CONTINUE TO  
EXPERIENCE  
STRONG GROWTH.**



# MILITARY SIMULATION

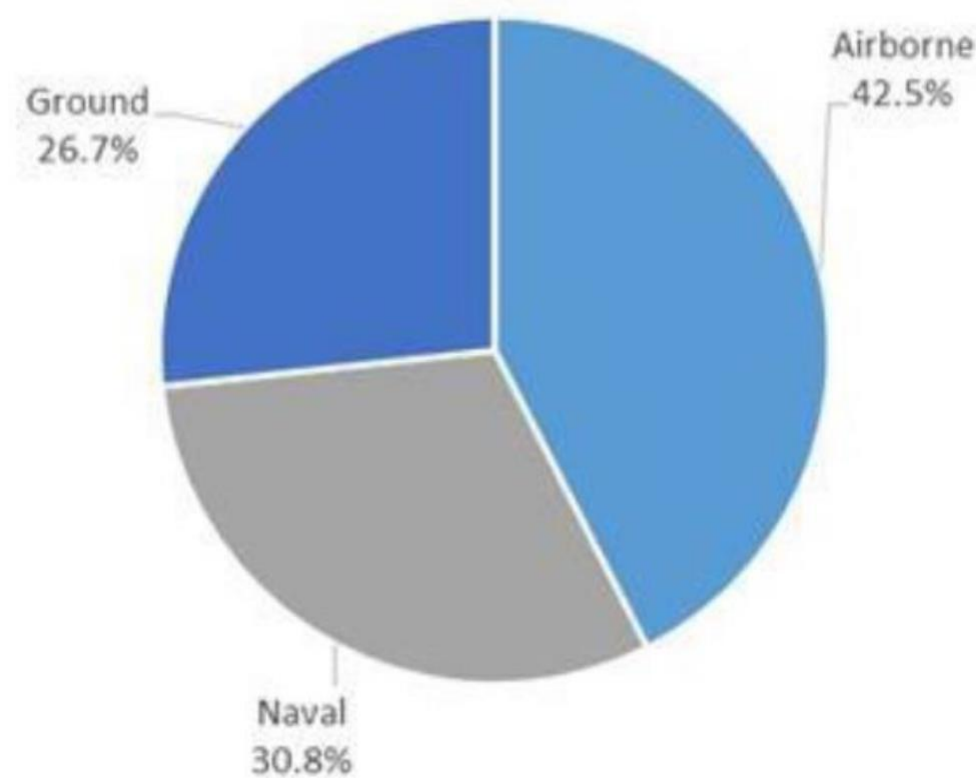
## MARKET DRIVERS

**High Costs Associated with Live Training Encourage the Adoption of Simulation** - Live military training requires a huge and expensive logistical effort, but simulation is safer and more cost-effective.

**To Lower Defense Expenditures Developed Countries Continue to opt for Simulation** - Amidst plans to lower budgets for defense and to ensure the safety of the training process, the demand for simulation techniques is increasing rapidly. Federal governments continue to increase the adoption of military simulation across different types. Driven by the integration of technologically advanced simulation into training, militaries can achieve high efficiency in training at minimum costs.

**Simulation in Unmanned Aircraft Vehicles Offers Robust Market Prospects** - Unmanned Aerial Vehicles (UAVs) are being widely deployed in many contexts in the military and defense sectors. Driven by robust market potential, several companies are focusing on developing simulations tools, environments, and frameworks for UAV systems. Unmanned systems continue to grow in importance and are becoming critical assets in support of modern combat operations, humanitarian missions, and training partnerships and exercises with allied nations.

**Increasing Demand for Full Flight Simulators** - The growing demand for full-flight simulators that offer advanced, high-fidelity training is set to drive the overall market size. Innovative full-flight simulators that can improve training efficiency, offer advanced capabilities, and increase operational efficiency are gaining significant business growth.



**North American Simulation Segmentation**

# MAIN STREET M&A

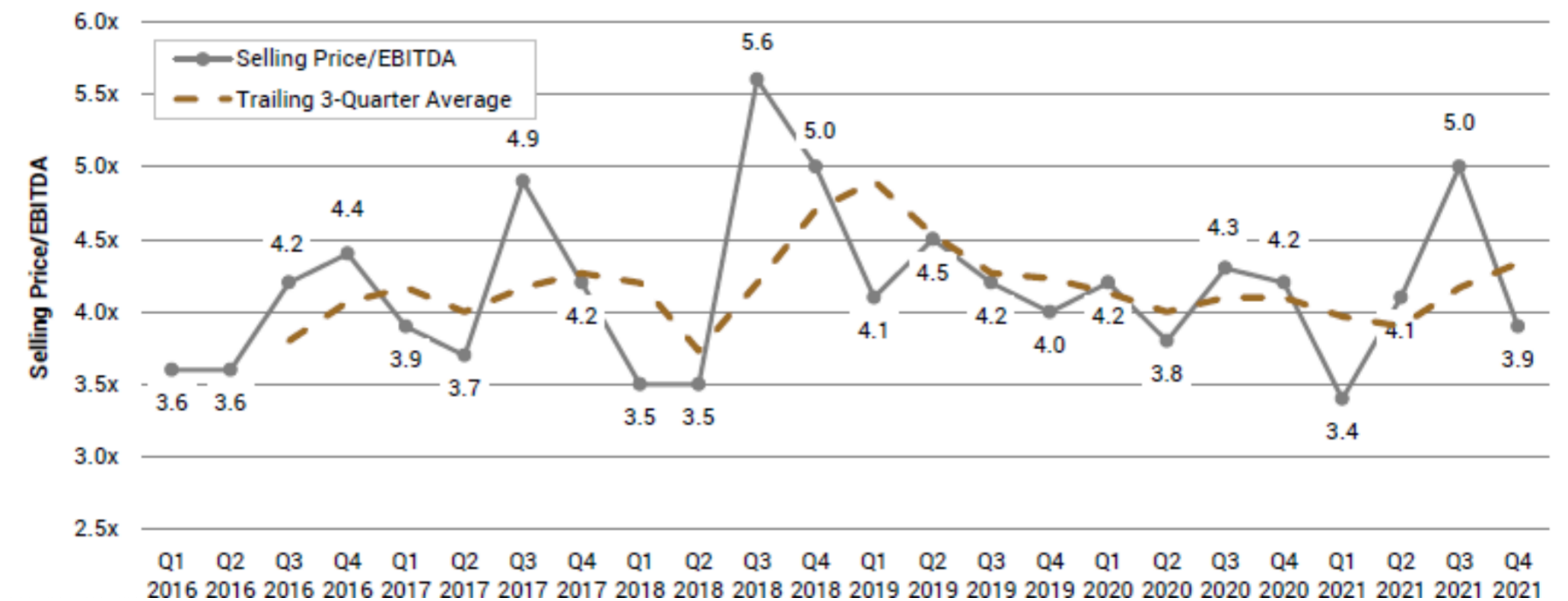


## TARGET RICH M&A ENVIRONMENT

In excess of 5,000 “Main Street” companies with revenues between \$2 and \$10 million in Orbit’s target NAICS codes.

# MAIN STREET M&A

**THE “MAIN STREET”  
AVERAGE EBITDA  
MULTIPLE WAS 3.9  
IN Q4 OF 2021  
COMPARED TO 7.5  
FOR TRANSACTIONS  
VALUED IN EXCESS  
OF \$10 MILLION.**



# INVESTMENT THESIS

Orbit represents an attractive mid-term investment for the value investor.

# TRADING MULTIPLES – PEER GROUP

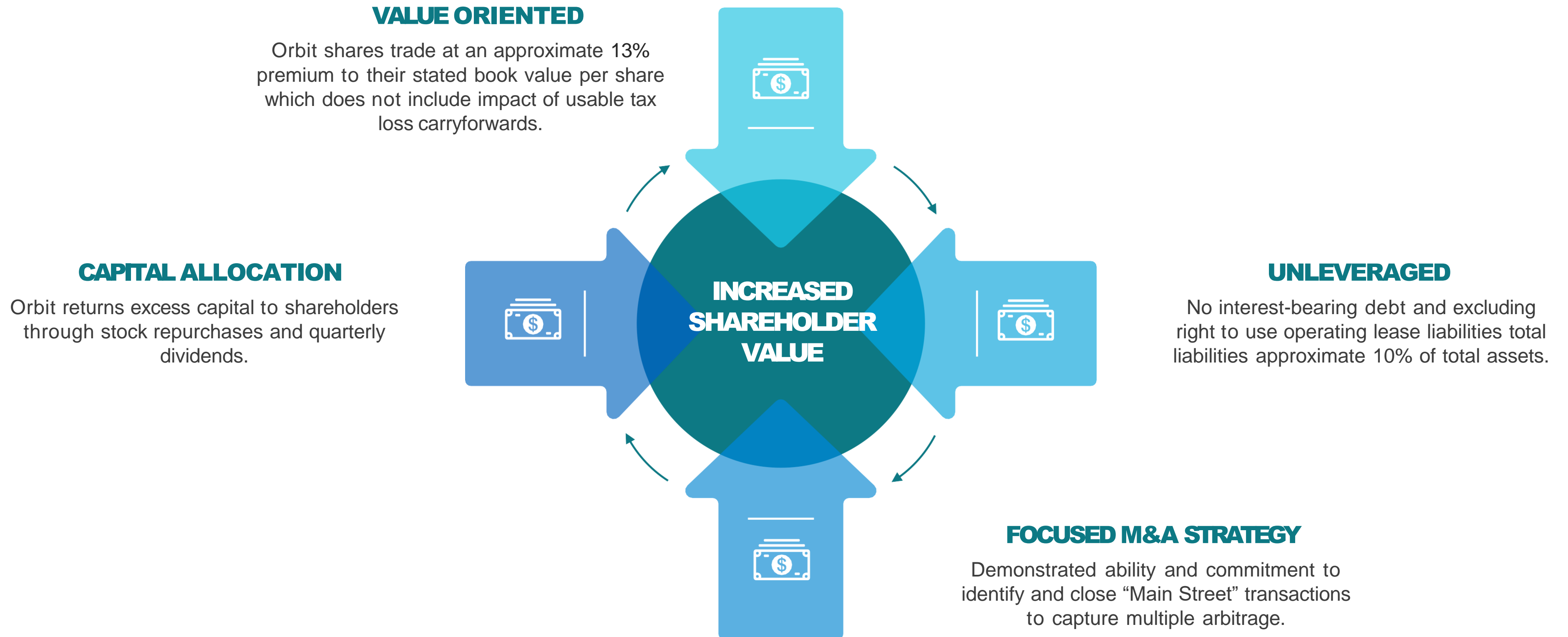
As of March 10, 2022.

**WHEN COMPARED TO THE PEER GROUP, WHICH INCLUDES COMPANIES WITH ANNUAL REVENUES OF BETWEEN \$13 AND \$58 MILLION, ORBIT SHARES ARE SIGNIFICANTLY UNDERVALUED.**

Company Comp Set					
Company Name	TEV/Total Revenues LTM - Latest	TEV/EBITDA LTM - Latest	TEV/EBIT LTM - Latest	P/Diluted EPS Before Extra LTM - Latest	P/Tang BV LTM - Latest
Innovative Solutions and Support, Inc. (NasdaqGS:ISSC)	5.3x	24.0x	26.0x	23.8x	5.5x
Espey Mfg. & Electronics Corp. (NYSEAM:ESP)	0.8x	46.8x	NM	234.2x	1.0x
Frequency Electronics, Inc. (NasdaqGM:FEIM)	1.3x	24.8x	NM	NM	1.6x
Tel-Instrument Electronics Corp. (OTCPK:TIKK)	0.8x	5.6x	7.5x	7.9x	5.0x
Air Industries Group (NYSEAM:AIRI)	1.0x	12.0x	69.2x	13.3x	1.9x
Orbit International Corp. (OTCPK:ORBT)	0.8x	6.9x	8.8x	7.4x	1.2x
Summary Statistics	TEV/Total Revenues LTM - Latest	TEV/EBITDA LTM - Latest	TEV/EBIT LTM - Latest	P/Diluted EPS Before Extra LTM - Latest	P/TangBV LTM - Latest
High	5.3x	46.8x	69.2x	234.2x	5.5x
Low	0.8x	5.6x	NM	NM	1.0x
Mean	1.8x	22.6x	34.2x	69.8x	3.0x
Median	1.0x	24.0x	26.0x	18.6x	1.9x

# COMPELLING VALUE PROPOSITION

Textbook value investing with significant upside.



**“WE WANT COMPANIES THAT ARE POSITIONED TO WITHSTAND ALMOST ANY ECONOMIC ENVIRONMENT AND THAT HAVE THE FINANCIAL RESOURCES TO TAKE ADVANTAGE OF OPPORTUNITIES AS THEY APPEAR, BE IT ACQUIRING NEW ASSETS, OR REPURCHASING THEIR OWN SHARES AT VERY ATTRACTIVE PRICES.”**

— Quote from Chuck Akre  
Founder Akre Capital Management

# THANK YOU.

[MBINDER@ORBITINTL.COM](mailto:MBINDER@ORBITINTL.COM)

---