



FOR IMMEDIATE RELEASE

**ORBIT INTERNATIONAL CORP. REPORTS 2023 YEAR END RESULTS**

**2023 Net Loss of \$1,147,000 (\$0.34 loss per share) v. Net Income of \$481,000 (\$0.14 per diluted share) in Prior Year Period.**

**2023 EBITDA, As Adjusted, was a loss of \$374,000 (\$0.11 loss per share) v. \$412,000 (\$0.12 per diluted share) in Prior Year Period.**

**Fourth Quarter 2023 Net Loss of \$339,000 (\$0.10 loss per share) v. Net Income of \$730,000 (\$0.22 per diluted share) in Prior Year Period.**

**Fourth Quarter 2023 EBITDA, As Adjusted, was a loss of \$195,000 (\$0.06 per share) v. \$475,000 (\$0.14 per diluted share) in Prior Year Period**

**Backlog at December 31, 2023 was \$17.4 million compared to \$19.4 million at December 31, 2022**

Hauppauge, New York, April 17, 2024 - Orbit International Corp. (OTC Expert Market:ORBT) today announced results for the fourth quarter and the year ended December 31, 2023.

**Fourth Quarter 2023 vs. Fourth Quarter 2022**

- Net sales were \$7,173,000, as compared to \$7,462,000.
- Gross margin was 30.1%, as compared to 37.0%.
- Net loss was \$339,000 (\$0.10 loss per share), as compared to net income of \$730,000 (\$0.22 per diluted share).
- Earnings before interest, taxes, depreciation and amortization, fair value adjustment on contingent liabilities and other non-current liability, and stock-based compensation (EBITDA, as adjusted) was a loss of \$195,000 (\$0.06 loss per share), as compared to \$475,000 (\$0.14 per diluted share).

**Full Year 2023 vs. Full Year 2022**

- Net sales were \$27,556,000 as compared to \$26,074,000.
- Gross margin was 31.7%, as compared to 33.8%.
- Net loss was \$1,147,000 (\$0.34 loss per share), as compared to net income of \$481,000 (\$0.14 per diluted share).
- Earnings before interest, taxes, depreciation and amortization, fair value adjustment on contingent liabilities and other non-current liability, and stock-based compensation (EBITDA, as adjusted) was a loss of \$374,000 (\$0.11 per share), as compared to \$412,000 (\$0.12 per diluted share).
- Backlog at December 31, 2023 was \$17.4 million compared to \$19.4 million at December 31, 2022.

Mitchell Binder President and CEO of Orbit International commented, “Our net loss for the year ended December 31, 2023, was \$1,147,000 (\$0.34 loss per share) compared to net income of \$481,000 (\$0.14 per diluted share) for the prior comparable period. Included in our prior year-end results was the adverse effect of \$98,000 in one-time costs related to the acquisition of our Simulator Product Solutions LLC (“SPS”) subsidiary and a \$34,000 charge to SPS’ cost of sales resulting from an increase recorded to its work-in-

process and finished goods acquired beginning inventory under Fair Value Accounting (“FVA”). Exclusive of the one-time acquisition costs and the charge to cost of sales under FVA, our net income for the year ended December 31, 2022, was \$613,000 (\$0.18 per diluted share). EBITDA, as adjusted, for the year ended December 31, 2023, was a loss of \$374,000 (\$0.11 loss per share) compared to income for the comparable period, exclusive of one-time acquisition costs and the charge to cost of sales under FVA, of \$544,000 (\$0.16 per diluted share). The decrease in our annual operating results was primarily due to lower operating income from our legacy businesses and higher cost of sales and selling, general and administrative costs at SPS, as we incurred significant infrastructure costs during the year to support the increase in sales and bookings in 2023 as well as the increase in sales expected for 2024. At the time of the SPS acquisition in January 2022, we anticipated the need to invest in infrastructure and the necessary internal controls in order to bring SPS up to the standards of a public company. We believe that our cost structure at SPS is now aligned to support our growth.”

Mr. Binder added, “Our sales for the year ended December 31, 2023, increased to \$27,556,000 compared to \$26,074,000 from the prior comparable period. This increase in sales was attributable to sales from SPS, which is part of our Orbit Electronics Group (“OEG”) and our Orbit Power Group (“OPG”). The increase in sales was partially offset by a decrease in sales from our OEG attributable to our legacy businesses and exclusive of SPS.”

Mr. Binder further added, “Our gross margin for the year ended December 31, 2023, decreased to 31.7% compared to 33.8% in the prior comparable period. This decrease in gross margin during the year ended December 31, 2023, was primarily attributable to the lower gross margin at SPS due to an increase in infrastructure costs and despite an increase in sales. In addition, our OPG had a lower gross margin despite higher sales for the year ended December 31, 2023, although we expect OPG margins will improve in 2024. Our OEG (exclusive of SPS) had slightly higher gross margins from the prior comparable period due to product mix despite a decrease in sales.”

Mr. Binder added, “Selling, general and administrative expenses for the year ended December 31, 2023, increased by \$919,000 from the prior year comparable period, primarily due to higher expenses from SPS and despite slightly lower corporate costs. Selling, general and administrative expenses at SPS increased during the current period by approximately \$738,000 or 32.7% due principally to additional sales personnel that were needed and hired during the second quarter of 2022. In addition, selling, general and administrative costs also increased due to higher commissions that were earned resulting from a significant increase in bookings in 2023. Selling, general and administrative expenses at our OEG (exclusive of SPS) and our OPG increased due to higher selling expenses and wage inflation.”

Mr. Binder continued, “Backlog at December 31, 2023, was approximately \$17,400,000 compared to approximately \$19,400,000 at December 31, 2022, both inclusive of the backlog at SPS. The decrease in backlog is reflective of a decrease in bookings during 2023 for our legacy businesses which was partially offset by a significant increase in bookings for SPS.”

David Goldman, Chief Financial Officer, noted, “At December 31, 2023, our cash and cash equivalents aggregated approximately \$1.3 million and our financial condition remained strong as evidenced by our 3.8 to 1 current ratio. Our book value per share at December 31, 2023 was \$5.54, which compares to \$5.96 at December 31, 2022. (Note: book value per share does not include any additional value for our remaining reserved deferred tax asset). To offset future federal and state taxes resulting from profits, we have approximately \$3.9 million and \$0.5 million in available federal and New York State net operating loss carryforwards, respectively.”

Mr. Binder added, “Because our revenues are tied to delivery schedules specified in our contracts, it is often difficult to judge our performance on a quarterly basis. Our operating results for 2023 were negatively impacted by weak operating results from SPS as we incurred costs in improving our infrastructure that will better position the Company to support the increase in sales and bookings. Bookings for 2023 at SPS increased by 100% from bookings in 2022. However, our legacy businesses had weak bookings during 2023, which also negatively impacted operating results. For the first quarter ended 3/31/24, as previously reported, we reported a very strong start to the 2024 year with consolidated bookings for the first quarter of 2024 of approximately \$12,700,000, which included strong bookings from both SPS and our legacy businesses. This booking quarter significantly increased our backlog at each of our operating units. Furthermore, we are hopeful this momentum will continue as we work on additional business opportunities for the remainder of 2024.”

Mr. Binder concluded, “During the second quarter of 2021, based on our improved outlook for our business regarding the COVID-19 pandemic and stability of our financial condition, our Board of Directors authorized the Company to recommence our share repurchase program. In March 2022, our Board of Directors also authorized the Company to recommence our quarterly dividend program. However, as a result of our stock being moved to the OTC Expert Market on May 16, 2023, our Board moved to suspend our repurchase program until the Company is reinstated onto the OTC Pink Market. On March 11, 2024, we filed our 2022 Annual Report with the OTC and are awaiting reinstatement. Furthermore, our 2023 Annual Report has also been filed with the OTC. Through May 15, 2023, we have purchased approximately 188,185 shares under the program.”

Orbit International Corp., through its Electronics Group, is involved in the development and manufacture of custom electronic device and subsystem solutions for military, industrial and commercial applications through its production facilities in Hauppauge, NY and Carson, CA. Orbit’s Power Group, also located in Hauppauge, NY, designs and manufactures a wide array of power products including AC power supplies, frequency converters, inverters, VME/VPX power supplies as well as various COTS power sources.

Certain matters discussed in this news release and oral statements made from time to time by representatives of the Company including, statements regarding our expectations of Orbit’s operating plans, deliveries under contracts and strategies generally; statements regarding our expectations of the performance of our business; expectations regarding costs and revenues, future operating results, additional orders, future business opportunities and continued growth, may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. Although Orbit believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved.

Forward-looking information is subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected. Many of these factors are beyond Orbit International’s ability to control or predict. Important factors that may cause actual results to differ materially and that could impact Orbit International and the statements contained in this news release can be found in Orbit’s reports posted with the OTC Disclosure and News service. For forward-looking statements in this news release, Orbit claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Orbit assumes no obligation to update or supplement any forward-looking statements whether as a result of new information, future events or otherwise.

CONTACT

David Goldman  
Chief Financial Officer  
631-435-8300

(See Accompanying Tables)

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

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net sales	\$ 7,173	\$ 7,462	\$ 27,556	\$ 26,074
Cost of sales	5,016	4,703	18,830	17,268
Gross profit	2,157	2,759	8,726	8,806
Selling general and administrative expenses	2,552	2,406	9,707	8,788
Acquisition costs	-	-	-	98
Interest expense	5	1	10	1
Other (income) expense, net	(79)	(385)	84	(598)
(Loss) income before income taxes	(321)	737	(1,075)	517
Income tax provision	18	7	72	36
Net (loss) income	<u>\$ (339)</u>	<u>\$ 730</u>	<u>\$ (1,147)</u>	<u>\$ 481</u>
Basic (loss) earnings per share	\$ (0.10)	\$ 0.22	\$ (0.34)	\$ 0.14
Diluted (loss) earnings per share	\$ (0.10)	\$ 0.22	\$ (0.34)	\$ 0.14
Weighted average number of shares outstanding:				
Basic	3,339	3,364	3,343	3,418
Diluted	3,339	3,367	3,343	3,421

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

	<b>Three Months Ended December 31,</b>		<b>Year Ended December 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b><u>EBITDA (as adjusted) Reconciliation</u></b>				
Net (loss) income	\$ (339)	\$ 730	\$ (1,147)	\$ 481
Income tax expense	18	7	72	36
Depreciation and amortization	146	101	510	413
Interest expense	5	1	10	1
Fair value adj-contingent liabilities & other non-current liability	(25)	(366)	204	(561)
Stock-based compensation	-	2	(23)	42
<b>EBITDA (as adjusted) <sup>(1)</sup></b>	<b><u>\$ (195)</u></b>	<b><u>\$ 475</u></b>	<b><u>\$ (374)</u></b>	<b><u>\$ 412</u></b>
<b><u>EBITDA (as adjusted) Per Diluted Share Reconciliation</u></b>				
Net (loss) income	\$ (0.10)	\$ 0.22	\$ (0.34)	\$ 0.14
Income tax expense	0.01	-	0.02	0.01
Depreciation and amortization	0.04	0.03	0.15	0.12
Interest Expense	-	-	-	-
Fair value adj-contingent liabilities & other non-current liability	(0.01)	(0.11)	0.06	(0.16)
Stock-based compensation	-	0.00	-	0.01
<b>EBITDA (as adjusted), per diluted share <sup>(1)</sup></b>	<b><u>\$ (0.06)</u></b>	<b><u>\$ 0.14</u></b>	<b><u>\$ (0.11)</u></b>	<b><u>\$ 0.12</u></b>

(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, fair value adjustment-contingent liabilities and other non-current liability and stock-based compensation. EBITDA (as adjusted) as presented herein may not be comparable to similarly named measures reported by other companies.

	<b>Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b><u>Reconciliation of EBITDA, as adjusted, to cash flows (used in) provided by operating activities <sup>(1)</sup></u></b>		
EBITDA (as adjusted)	\$ (374)	\$ 412
Income tax expense	(72)	(36)
Interest expense	(10)	(1)
Gain on sale of fixed asset	(34)	-
Fair value adjustment-contingent liabilities and other non- current liability	(204)	561
Stock-based compensation	71	36
Net change in operating assets and liabilities	(783)	(722)
<b>Cash flows (used in) provided by operating activities</b>	<b><u>\$ (1,406)</u></b>	<b><u>\$ 250</u></b>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,265,000	\$ 4,215,000
Accounts receivable, less allowance for credit losses	3,648,000	3,819,000
Inventories	10,034,000	9,618,000
Contract assets	384,000	436,000
Other current assets	445,000	655,000
	<hr/>	<hr/>
Total current assets	15,776,000	18,743,000
Property and equipment	1,221,000	770,000
Right of use assets, operating leases	2,722,000	2,633,000
Goodwill	3,515,000	3,515,000
Intangible assets, net	2,564,000	2,806,000
Deferred tax asset	545,000	545,000
Other assets	53,000	44,000
	<hr/>	<hr/>
Total assets	<u>\$ 26,396,000</u>	<u>\$ 29,056,000</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,116,000	\$ 1,041,000
Accrued expenses	1,124,000	1,081,000
Dividend payable	33,000	34,000
Notes payable	55,000	14,000
Lease liabilities, operating leases	618,000	533,000
Contingent liabilities	565,000	356,000
Other current liability	-	807,000
Customer advances	662,000	990,000
	<hr/>	<hr/>
Total current liabilities	4,173,000	4,856,000
Notes payable, net of current portion	92,000	14,000
Other non-current liability	1,434,000	1,309,000
Contingent liabilities, net of current portion	-	689,000
Lease liabilities, operating leases	2,184,000	2,168,000
	<hr/>	<hr/>
Total liabilities	7,883,000	9,036,000
Stockholders' Equity		
Common stock	353,000	352,000
Additional paid-in capital	17,233,000	17,186,000
Treasury stock	(1,224,000)	(1,040,000)
Retained earnings	2,151,000	3,522,000
	<hr/>	<hr/>
Stockholders' equity	18,513,000	20,020,000
	<hr/>	<hr/>
Total liabilities and stockholders' equity	<u>\$ 26,396,000</u>	<u>\$ 29,056,000</u>