

**PRESS RELEASE  
FOR IMMEDIATE RELEASE**

**March 12, 2020**

**BUTLER NATIONAL CORPORATION ANNOUNCES THIRD QUARTER FISCAL YEAR 2020 FINANCIAL RESULTS AND CONFERENCE CALL**

**- Revenue Increased 18%, Net Income of \$1.3 Million -**

**OLATHE, KANSAS, March 12, 2020**, - Butler National Corporation (OTCQB: BUKS), a leader in the growing global market for aircraft structural modification, maintenance, repair and overhaul (MRO) and a recognized provider of gaming management services, announces its financial results for the third quarter fiscal 2020 ended January 31, 2020. In conjunction with the release, the Company has scheduled a conference call Monday, March 16, 2020 at 10:00 AM Central Daylight Time.

**What:** Butler National Corporation Third Quarter Fiscal 2020 Financial Results Conference Call

**When:** Monday, March 16, 2020 - 10:00 AM Central Daylight Time

**How:** Live via phone by dialing 877-358-7305. Code: Butler National Corporation. Participants to the conference call should call in at least 5 minutes prior to the start time.

Clark Stewart, President & CEO, Butler National Corp., will be leading the call and discussing results of the third quarter, the status of new and existing orders, gaming activities and an outlook on the balance of fiscal 2020.

**Historical selected financial data related to all operations:**

	Quarter Ended January 31		Nine Months Ended January 31	
	(In thousands)		(In thousands)	
	2020	2019	2020	2019
Revenue	\$ 16,800	\$ 14,292	\$ 53,254	\$ 42,993
Operating Income	2,888	1,813	10,636	4,532
Net Income (Loss)	1,335	1,340	5,626	3,570
Total Assets	95,027	46,126	95,027	46,126
Long-term obligations	44,985	2,377	44,985	2,377
Stockholders' Equity	39,663	33,369	39,663	33,369
Weighted Average Shares - Diluted	67,954	63,976	68,110	64,356
Earnings Per Share	0.02	0.02	0.08	0.06
New Product Research and Development Cost	521	613	1,701	1,233

## Management Comments

“The quarter-ended January 31, 2020 continued a strong start to fiscal year 2020. Revenue increased 18% to \$16.8 million in the three months ended January 31, 2020, as compared to \$14.3 million in the three months ended January 31, 2019. The increase in revenue reflects an increase of 32% in Aerospace Products revenue and an increase of 5% in Professional Services revenue. We continue to focus on growth in international markets, solutions for regulatory mandates and the development of new supplemental type certificates (“STCs”). This includes significant efforts in South America, Europe, Africa, and Asia.

Third quarter fiscal 2020 net income was \$1.3 million compared to a net income of \$1.3 million in the third quarter fiscal 2019. Third quarter fiscal 2020 operating margin was 17% compared to 13% in third quarter fiscal 2019. We continue to work to improve efficiencies in our implementation, operational processes, and controlling general and administrative expenses.

During the three months ending January 31, 2020, we invested approximately \$521,000 in projects focused on the development and acquisition of new products. We feel this expenditure for design and development engineering, testing, and certification of new products is required to grow Aerospace Products and help stabilize our long-term revenue and enhance our profits.

We are excited about the future. Management and all employees are focused on the development of new products, execution of our numerous business development opportunities as well as increasing revenue while managing costs. We believe we are positioned for the future as we focus on serving the needs of our customers and enhancing shareholder value,” commented Clark D. Stewart, President of the Company.

## Business Segment Highlights

### **Professional Services:**

Revenue increased 5% for the three months ended January 31, 2020 to \$8.0 million compared to \$7.6 million in the three months ended January 31, 2019. Costs decreased 19% in the three months ended January 31, 2020 to \$4.0 million compared to \$5.0 million for the three months ended January 31, 2019. Costs were 51% of segment total revenues in the three months ended January 31, 2020, as compared to 65% of segment total revenues in the three months ended January 31, 2019. Expenses increased 18% in the three months ended January 31, 2020 to \$2.9 million compared to \$2.4 million in the three months ended January 31, 2019. Expenses were 36% of segment total revenues in the three months ended January 31, 2020, as compared to 32% of segment total revenues in the three months ended January 31, 2019. Operating income increased 433% to \$1.1 million in the three months ended January 31, 2020 from \$201,000 in the three months ended January 31, 2019.

### **Aerospace Products:**

Revenue increased 32% to \$8.8 million in the three months ended January 31, 2020, compared to \$6.7 million in the three months ended January 31, 2019. The increase in revenue was due to an increase of \$548,000 in avionics business and a \$1.6 million increase in modification business. Costs increased by 46% in the three months ended January 31, 2020 to \$5.3 million compared to \$3.6 million for the three months ended January 31, 2019. Costs were 60% of segment total revenue in the three months ended January 31, 2020, as compared to 55% of segment total revenue in the three months ended January 31, 2019. Expenses increased 21% in the three months ended January 31, 2020 to \$1.7 million compared to \$1.4 million in the three months ended January 31, 2019. Expenses were 19% of segment total revenue in the three months ended January 31, 2020, as compared to 21% of segment total revenue in the three months ended January 31, 2019. Operating income from Aerospace Products increased 13% to \$1.8 million in the three months ended January 31, 2020 from \$1.6 million in the three months ended January 31, 2019.

Costs related to Professional Services and Aerospace Products include the cost of engineering, labor, materials, equipment utilization, control systems, security and occupancy. Expenses related to Professional Services and Aerospace Products include marketing and advertising, employee benefits, depreciation and amortization, and general, administrative and other expenses.

### **Backlog:**

As of January 31, 2020, our backlog totaled approximately \$17.7 million. The backlog includes firm, pending, and contract orders, which may not be completed within the next fiscal year. This is standard for the industry in which modifications services and related contracts may take several months or years to complete. Such actions force backlog as additional customers request modifications but must wait for other projects to be completed. There can be no assurance that all orders will be completed or that some may ever commence.

### **Our Business:**

Butler National Corporation operates in the Aerospace and Services business segments. The Aerospace Products segment

includes the manufacture, sale and service of electronic equipment and systems and technologies to enhance and support products related to aircraft. Additionally, we also operate several Federal Aviation Administration (the "FAA") Repair Stations. Companies in Aerospace Products concentrate on Learjets, Beechcraft King Air, Cessna turbine engine, Cessna multi-engine piston and Dassault Falcon 20 aircraft. Specifically, the design, distribution and support for products for older aircraft, or "Classic" aircraft are areas of focus for companies in Aerospace Products. Services include temporary employee services, gaming services and administrative management services.

**Forward-Looking Information:**

Statements made in this report, other reports and proxy statements filed with the Securities and Exchange Commission, communications to stockholders, press releases, and oral statements made by representatives of the Company that are not historical in nature, or that state the Company or management intentions, hopes, beliefs, expectations or predictions of the future, may constitute "forward-looking statements" within the meaning of Section 21E of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements can often be identified by the use of forward-looking terminology, such as "could," "should," "will," "intended," "continue," "believe," "may," "expect," "hope," "anticipate," "goal," "forecast," "plan," "guidance" or "estimate" or the negative of these words, variations thereof or similar expressions. Forward-looking statements are not guarantees of future performance or results. They involve risks, uncertainties, and assumptions. It is important to note that any such performance and actual results, financial condition or business, could differ materially from those expressed in such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in Item 1A of the Company's Annual Report on Form 10-K, incorporated herein by reference. Risk Factors and elsewhere herein or in other reports filed with the SEC. Other unforeseen factors not identified herein could also have such an effect. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial condition or business over time.

**FOR MORE INFORMATION, CONTACT:**

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**THE WORLDWIDE WEB:**

Please review [www.butlernational.com](http://www.butlernational.com) for pictures of our products and details about Butler National Corporation and its subsidiaries.