

**BUTLER NATIONAL CORPORATION ANNOUNCES SECOND QUARTER FISCAL YEAR 2021 FINANCIAL RESULTS  
AND CONFERENCE CALL**

**OLATHE, KANSAS, December 11, 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 second quarter fiscal 2021 ended October 31, 2020. In conjunction with the release, the Company has scheduled a conference call Tuesday, December 15, 2020 at 10:00 AM Central Standard Time.

**What:** Butler National Corporation Second Quarter Fiscal 2021 Financial Results Conference Call

**When:** Tuesday, December 15, 2020 - 10:00 AM Central Standard 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 second quarter, the status of new and existing orders, gaming activities and an outlook on the balance of fiscal 2021.

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

	Quarter Ended October 31 (In thousands)		Quarter Ended April 30 (In thousands)	
	2020	2019	2020	2019
Revenue	\$ 15,972	\$ 19,437	\$ 12,617	\$ 15,717
Operating Income (Loss)	1,687	4,227	(2,330)	746
Net Income (Loss)	321	2,230	(1,392)	283
Total Assets	96,249	95,267	94,918	48,902
Long-term obligations	44,986	44,699	46,187	4,709
Stockholders' Equity	37,967	38,807	37,804	34,344
Weighted Average Shares - Diluted	74,131	68,104	68,308	64,045
Earnings Per Share	0.00	0.03	(0.02)	\$ 0.00
New Product Research and Development Cost	980	784	703	655

## Management Comments

“The quarter-ended October 31, 2020 was a successful period considering the current global situation. The Professional Services segment continued to be impacted by COVID-19. The casino has returned to normal hours, but currently has 412 slot machines and 16 table games open, compared to 645 slot machines and 20 table games. Revenue decreased 18% to \$16.0 million in the three months ended October 31, 2020, as compared to \$19.4 million in the three months ended October 31, 2019. The decrease in revenue reflects a decrease of 27% in Aerospace Products revenue and a decrease of 6% 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.

Second quarter fiscal 2021 net income was \$321,000 compared to a net income of \$2.2 million in the second quarter fiscal 2020. Second quarter fiscal 2021 operating margin was 11% compared to 22% in second quarter fiscal 2020. We continue to work to improve efficiencies in our implementation, operational processes, and controlling general and administrative expenses.

During the three months ending October 31, 2020, we invested approximately \$1.0 million 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 decreased 6% for the three months ended October 31, 2020 to \$7.6 million compared to \$8.1 million in the three months ended October 31, 2019. Costs decreased 15% in the three months ended October 31, 2020 to \$3.4 million compared to \$4.0 million for the three months ended October 31, 2019. Costs were 45% of segment total revenues in the three months ended October 31, 2020, as compared to 49% of segment total revenues in the three months ended October 31, 2019.

Expenses decreased 7% in the three months ended October 31, 2020 to \$2.7 million compared to \$2.9 million in the three months ended October 31, 2019. Expenses were 35% of segment total revenues in the three months ended October 31, 2020, as compared to 36% of segment total revenues in the three months ended October 31, 2019. There was an operating income of \$1.5 million in the three months ended October 31, 2020 compared to an operating income of \$1.2 million in the three months ended October 31, 2019.

### **Aerospace Products:**

Revenue decreased 27% to \$8.3 million in the three months ended October 31, 2020, compared to \$11.3 million in the three months ended October 31, 2019. The decrease in revenue was due to a decrease of \$3.2 million in avionics business and a \$162,000 increase in modification business. Costs increased by 2% in the three months ended October 31, 2020 to \$6.7 million compared to \$6.6 million for the three months ended October 31, 2019. Costs were 80% of segment total revenue in the three months ended October 31, 2020, as compared to 58% of segment total revenue in the three months ended October 31, 2019. Expenses decreased 15% in the three months ended October 31, 2020 to \$1.5 million compared to \$1.7 million in the three months ended October 31, 2019. Expenses were 18% of segment total revenue in the three months ended October 31, 2020, as compared to 15% of segment total revenue in the three months ended October 31, 2019. Operating income from Aerospace Products decreased 94% to \$171,000 in the three months ended October 31, 2020 from \$3.0 million in the three months ended October 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 October 31, 2020, our backlog totaled \$16.6 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 Learjet, 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.