

**PRESS RELEASE  
FOR IMMEDIATE RELEASE**

**July 16, 2021**

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

**OLATHE, KANSAS, July 16, 2021**, - 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 fourth quarter and fiscal year ended April 30, 2021. In conjunction with the release, the Company has scheduled a conference call Tuesday, July 20, 2021 at 9:00 AM Central Daylight Time.

**What:** Butler National Corporation Fourth Quarter Fiscal Year End 2021 Financial Results Conference Call

**When:** Tuesday, July 20, 2021 - 9:00 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 fourth quarter and fiscal year end, the status of new and existing orders, gaming activities and an outlook on the balance of fiscal 2022.

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

	Year Ended April 30 (In thousands except per share data)		Quarter Ended April 30 (In thousands except per share data)	
	2021	2020	2021	2020
Revenue	\$ 61,480	\$ 65,871	\$ 17,908	\$ 12,617
Operating Income (loss)	5,900	8,306	2,217	(2,330)
Net Income (loss)	1,433	4,234	624	(1,392)
Total Assets	101,921	94,782	101,921	94,782
Long-term Obligations	42,975	46,047	42,975	46,047
Stockholders' Equity	41,379	37,804	41,379	37,804
Weighted Average Shares - Diluted	74,145	68,623	74,027	68,308
Diluted Earnings (loss) Per Share	0.02	0.06	0.01	(0.02)
New Product Research and Development Cost	3,493	2,404	941	703

## Management Comments

“The fiscal year ended April 30, 2021, finished strong despite a very challenging time. Revenue decreased 7% to \$61.5 million in fiscal 2021 as compared to \$65.9 million in fiscal 2020. The decrease in revenue reflects an increase of 7% in Professional Services revenue and a decrease of 17% in Aerospace Products revenue. The Professional Services revenue was up despite the Boot Hill Casino and Resort being forced to close for the first 21 days of the fiscal year due to COVID-19 and subsequently operating with limited capacity. 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.

Fiscal 2021 net income was \$2.5 million compared to a net income of \$3.2 million in fiscal 2020. Fiscal 2021 operating margin was 9.6% compared to 12.6% in fiscal 2020. We continue to work to improve efficiencies in our implementation, operational processes, and controlling general and administrative expenses.

The fourth quarter of fiscal 2021 was a strong quarter for the Professional Services segment. Aerospace Products was up slightly due to a strong quarter in our aircraft modification business. Revenue increased 42% to \$17.9 million in fourth quarter fiscal 2021, as compared to \$12.6 million in fourth quarter fiscal 2020. The fourth quarter of fiscal 2021 resulted in a net income of \$624,000 compared to a net loss of \$1.4 million in fourth quarter fiscal 2020. Backlog is \$25.5 million at July 1, 2021 compared to a backlog of \$19.2 million at July 10, 2020.

During the fiscal year ended April 30, 2021, we invested approximately \$3.5 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

### **Aerospace Products:**

Revenue decreased 17% to \$31.3 million in fiscal 2021 compared to \$37.6 million in fiscal 2020. This \$6.3 million decrease was due to a decrease in our aircraft avionics and special mission electronics business of \$9.9 million and an increase in our aircraft modification business of \$3.6 million. We have invested in the development of several STCs. These STCs are state of the art avionics and we are aggressively marketing both domestically and internationally. Costs increased 2% to \$23.3 million in fiscal 2021 compared to \$22.9 million in fiscal 2020. Costs were 74% of segment total revenue in fiscal 2021, compared to 61% of segment total revenue in fiscal 2020. Expenses decreased 7% in fiscal 2021 to \$7.1 million compared to \$7.7 million in fiscal 2020. Expenses were 23% of segment total revenue in fiscal 2021, compared to 20% of segment total revenue in fiscal 2020. Aerospace Products had an operating income of \$854,000 in fiscal 2021 compared to an operating income of \$7.0 million in fiscal 2020.

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.

### **Professional Services:**

Revenue from Professional Services increased 7% to \$30.2 million in fiscal 2021 from \$28.3 million in fiscal 2020. Costs decreased 8% in fiscal 2021 to \$14.2 million compared to \$15.5 million in fiscal 2020. Costs were 47% of segment total revenue in fiscal 2021, compared to 55% of segment total revenue in fiscal 2020. Expenses decreased 5% in fiscal 2021 to \$10.9 million compared to \$11.5 million in fiscal 2020. Expenses were 36% of segment total revenue in fiscal 2021, compared to 41% of segment total revenue in fiscal 2020. Operating income from Professional Services increased 299% to \$5.0 million in fiscal 2021 compared to \$1.3 million in fiscal 2020.

### **Backlog:**

As of April 30, 2021, our backlog totaled approximately \$19.8 million. As of July 1, 2021, our backlog totaled approximately \$25.5 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.