

# SKY'S THE LIMIT FOR DRONE MAKER

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Australia's largest drone defence manufacturer has increased its engineering headcount by 40 per cent and shifted into a new Sydney headquarters.

The company has a sales pipeline of more than \$500m, including US contracts and confidential work with the Australian Defence Force.

DroneShield's chief technology officer, Angus Bean, said the company planned to increase its employee headcount from 140 to 170 by the year's end in the new facility which is three times the size of its existing one.

The company brought in \$55.1m in revenue last year and Mr Bean said in the first quarter of the 2024 financial year revenue had grown about 10 times.

Contracts secured include \$33m with a US federal agency. About 70 per cent of its customers in the US, 20 per cent in Asia and 10 per cent locally.

It has also begun to amp up its contract work for the ADF, most of which involves research and will be conducted out of a secure facility that's only accessible by certain staff with security clearance. The facility is still under construction.

"Obviously we're very much reacting to this growing industry and counter-droning globally," Mr Bean said.

DroneShield has for the past eight years built and sold anti-drone technologies that disrupt the communication channel between the unmanned aerial devices (UAD) and their controllers.

It has become a supplier of the Ukrainian Army over the past few years, and its technology often leaves drones hovering aimlessly in the air or crashing.

The company has benefited from how fast the drone industry is growing.

"Similar to an iPhone, your equipment will last a good amount of time, but what we're seeing is people wanting to refresh their hardware every couple of years to keep up with technology growth," Mr Bean said.

The new HQ has the capacity to manufacture about 40 complex devices a month. However, it will largely be used for R&D and for quality control. The majority of its anti-drone technology is manufactured by a contractor in Adelaide.

As anti-drone technology improves the company still faces limitations, including who it can sell to. For each new customer DroneShield must apply for a permit to sell through the Australian Defence Export Office which controls the sales of locally manufactured defence equipment overseas. In most cases, applications were approved in about three weeks, Mr Bean said.

As demand increased, DroneShield would continue to build its product in Australia, chief executive Oleg Vornik said.

"We are seeing a major push for comprehensive counter-drone and counter-UAS capabilities – predominantly from the US, but broadly across Five Eyes and allies, and slowly but surely in Australia," he said. "Our equipment is sophisticated, AI-based technology that can take up to four months to build, containing up to 200 components that must be manufactured, assembled and quality controlled.

"Supply chain and inventory certainty is critical, and we are leveraging funds from the \$115m capital raise to enable us to create upwards of \$400m in equipment per year – all within Australia, at the new facility, as a

truly sovereign defence supplier – for global customers that expect high performance equipment to be available right away.”

The company also has a stake in the upcoming debate over spectrum licences, with DroneShield the first company to receive a spectrum jammer licence from the Australian Communications Media Authority.

The jammer license allows the company to test its products over spectrum to disrupt communication between drones and their controllers.