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Third Quarter Fiscal Year 2020 Earnings Presentation March 3, 2020

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- For a further list and description of such risks and uncertainties, see the reports we file with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are available at www.sec.gov or on our website at www.investor.avinc.com/financial-information. We do not intend, and undertake no obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Third Quarter Fiscal Year 2020 Key Messages

1. On-track to achieve fiscal year 2020 objectives; increased EPS guidance reflects strong momentum
2. Well positioned to maintain growth trajectory beyond fiscal year 2020 based on assessment of demand drivers
3. Executing effectively against strategy for long-term value creation and delivering significant value to stockholders

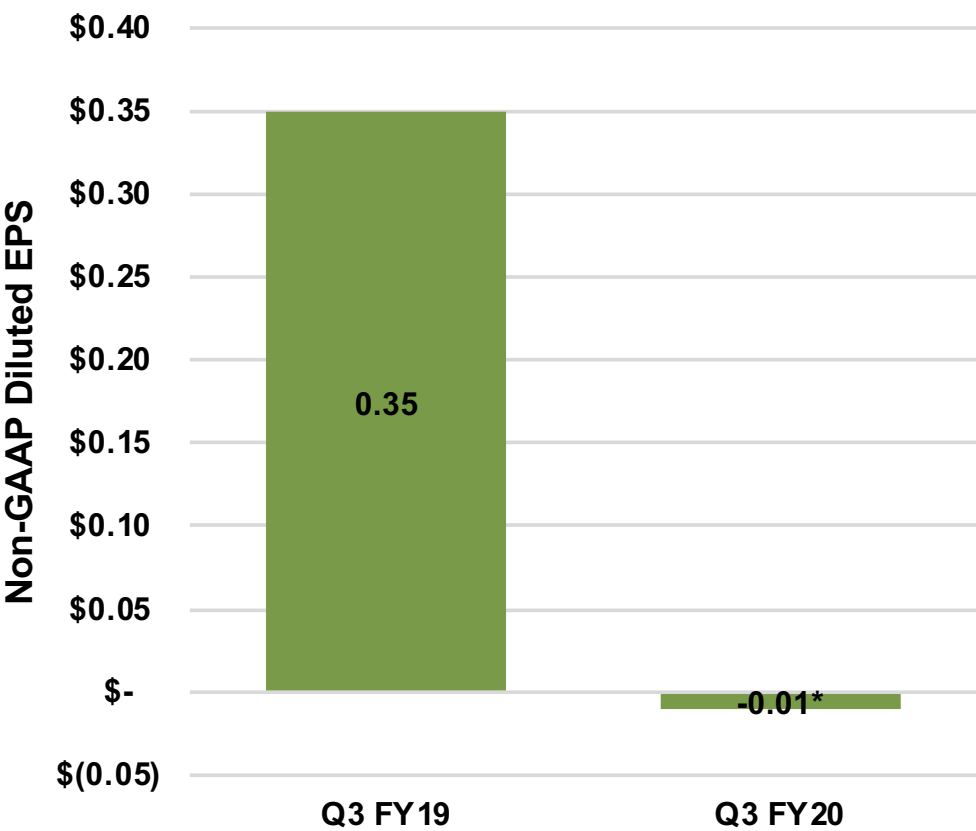
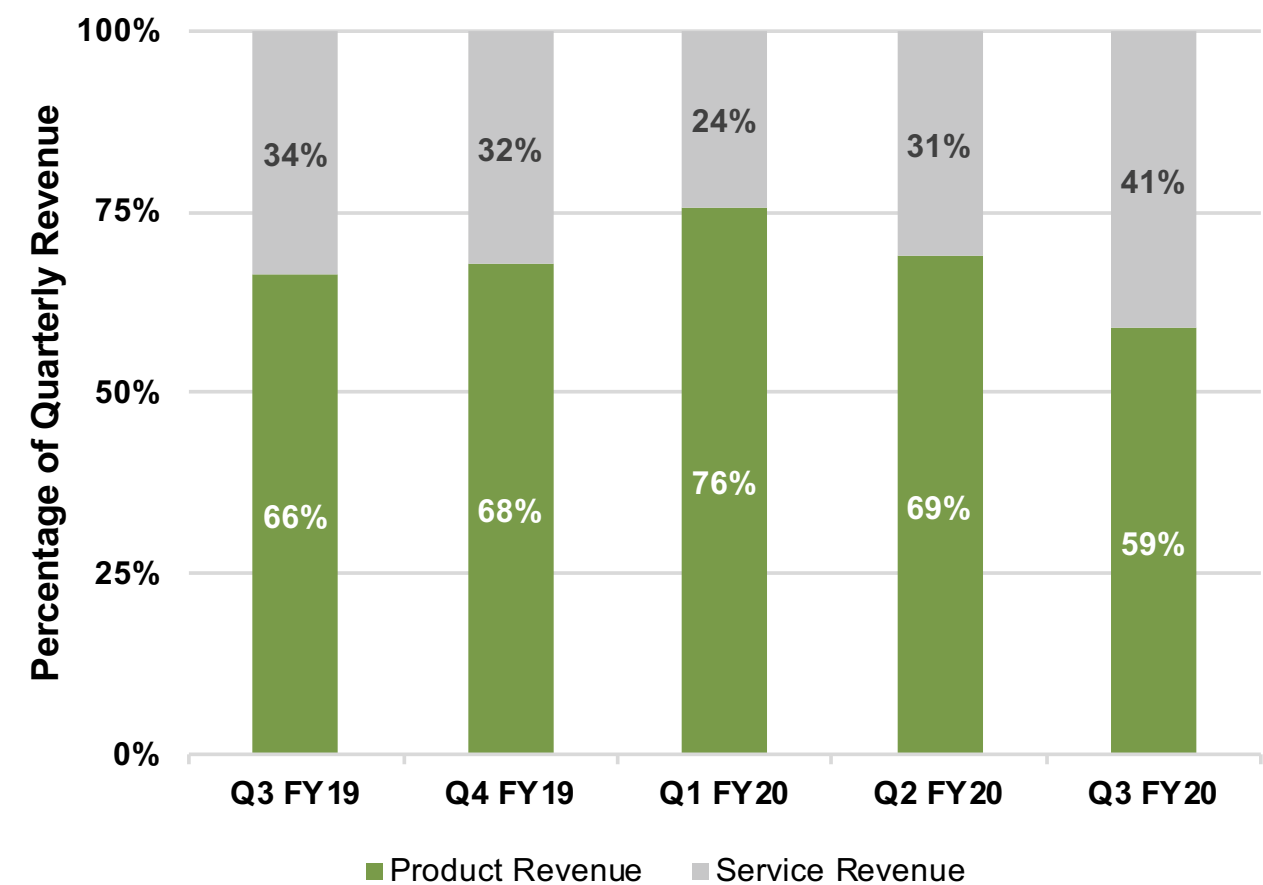
***ON-TRACK TO ACHIEVE FISCAL YEAR 2020 OBJECTIVES & DELIVER
THIRD CONSECUTIVE YEAR OF PROFITABLE, DOUBLE-DIGIT TOPLINE GROWTH***

Summary of Third Quarter and Fiscal Year 2020 To-Date Results

Metric	3rd Qtr. Fiscal Year 2020	Year-Over-Year Change	Highlights
Revenue	\$61.9 million	-18%	Revenue as planned for the quarter; lower small UAS sales
Gross profit	\$23.5 million	-23%	Shift in revenue mix and lower overhead absorption
EPS (diluted)	(\$0.04)	-\$0.39	No one-time items in third quarter fiscal year 2019
Non-GAAP EPS* (diluted)	(\$0.01)	-\$0.36	No one-time items in third quarter fiscal year 2019
Funded Backlog	\$126 million	-5%	Funded backlog remains at higher end of historical range; currently negotiating new procurement contracts

*** 3rd qtr. Fiscal Year 2020 excludes \$0.02 in amortization of intangible assets and \$0.01 in acquisition-related expenses**

Lower Revenue and Decrease in Proportion of Product Revenue Contributed to Lower Earnings Year Over Year



* Excludes Q3 Fiscal Year 2020 amortization of intangible assets & acquisition-related expenses of \$0.03

Delivering Significant Progress Across the Portfolio



- Healthy funding in proposed government fiscal year 2021 procurement budget: \$112 million
- Announced orders from two international customers totaling \$18 million

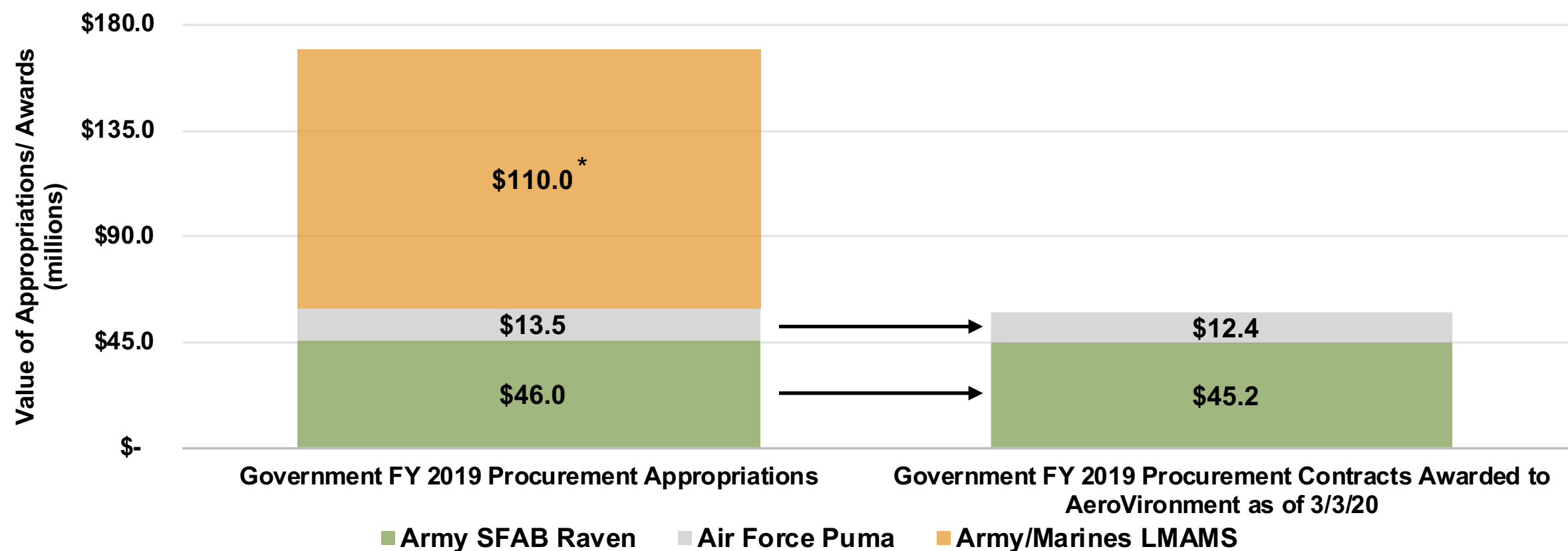


- Preparing for next round of flight testing
- Launch of *HAPS Alliance*: industry leaders in aerospace, telecom, technology



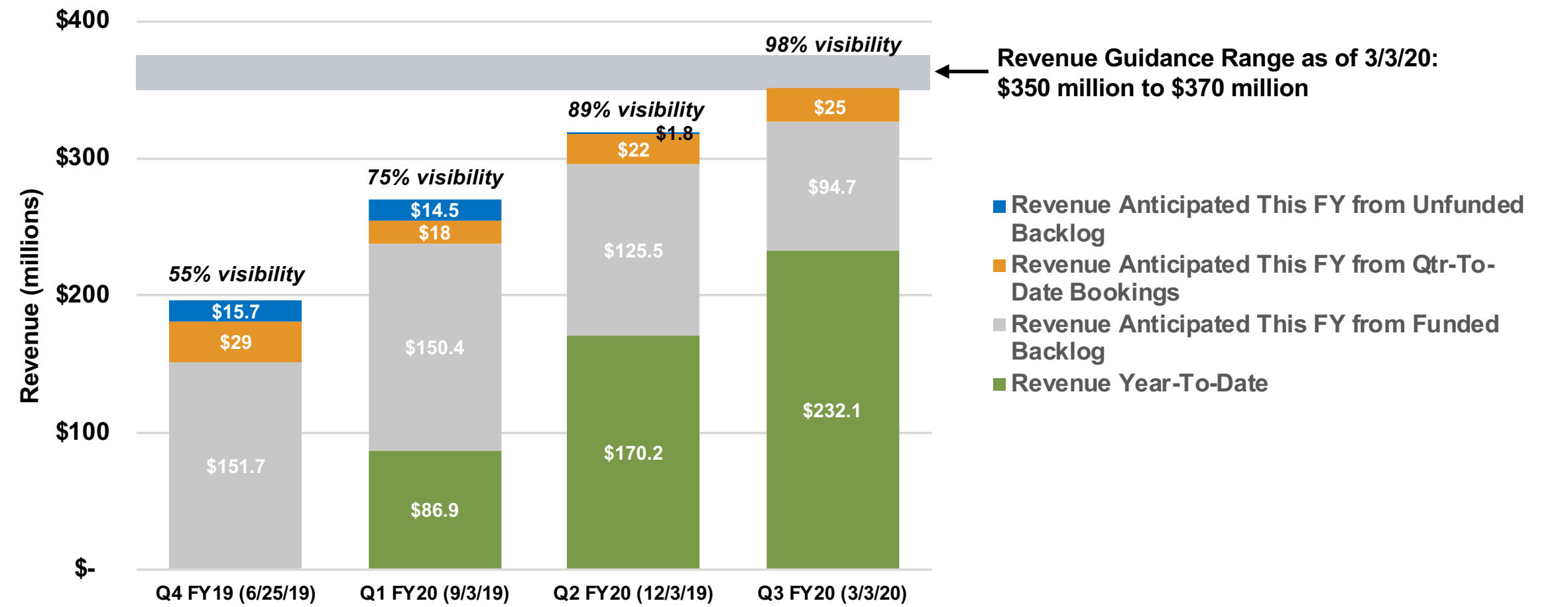
- Negotiating three-year LMAMS program worth up to \$160 million
- Conducted testing of larger Switchblade variant to address larger market

Government Fiscal Year 2019 Procurement Appropriations Conversion to AeroVironment Contract Awards



****NEGOTIATING EST. \$160M LMAMS (SWITCHBLADE) CONTRACT AWARD FOR ARMY/MARINES - EXPECTED BY END OF FOURTH QUARTER OR BEGINNING OF FISCAL YEAR 2021***

Strong Funded Backlog and High Visibility Support Expected Fiscal Year 2020 Year-Over-Year Revenue Growth



CONTINUED STRONG FUNDED BACKLOG SUPPORTS HIGH VISIBILITY

Fiscal Year 2020 Expectations

	Fiscal Year 2019 Actuals	Current Expectations (3/3/20)
Revenue	\$314 million	\$350 million to \$370 million
Earnings Per Share (diluted)	\$1.74	increased to \$1.55 to \$1.75
Non-GAAP Earnings Per Share (diluted)	\$1.48 ¹	increased to \$1.67 to \$1.87 ²
First half revenue as a percentage of full year revenue	48%	47% (actual)
Internal Research & Development Investment	11% of revenue	11% of revenue
Tax Rate	~9%	~11%
Capital Expenditures	3%	5% to 6%

¹ Excludes Q1 Fiscal Year 2019 one-time gain of \$0.26 from litigation settlement

² Excludes acquisition-related expenses and amortization of intangible assets

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Appendix – Reconciliation of Non-GAAP Diluted Earnings Per Share (Unaudited)

	Three Months Ended January 25, 2020	Three Months Ended January 26, 2019	Nine Months Ended January 25, 2020	Nine Months Ended January 26, 2019
Earnings per diluted share from continuing operations	\$ (0.04)	\$ 0.35	\$ 0.98	\$ 1.49
Acquisition related expenses	0.01	-	0.03	-
Amortization of acquired intangible assets	0.02	-	0.06	-
One-time gain from a litigation settlement	=	=	=	(0.26)
Earnings per diluted share from continuing operations as adjusted (Non-GAAP)	\$ (0.01)	\$ 0.35	\$ 1.07	\$ 1.23

Appendix – Reconciliation of Fiscal Year 2020 Non-GAAP Diluted Earnings Per Share Expectations (Unaudited)

		<div>Fiscal year ending April 30, 2020</div>
Forecasted earnings per diluted share	\$	1.55 - 1.75
Acquisition related expenses		0.03
Amortization of acquired intangible assets		<u>0.08</u>
Forecasted earnings per diluted share as adjusted (Non-GAAP)	\$	<u>1.67 - 1.87</u>