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AeroVironment, Inc. (AVAV)

William Blair Growth Stock Conference

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Executive Vice President & Chief Financial Officer, AeroVironment, Inc.

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Michael Louie DiPalma

Analyst, William Blair & Co. LLC

MANAGEMENT DISCUSSION SECTION

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

Great. Good afternoon. I am Louie DiPalma. I cover aerospace and defense on William Blair's equity research team, and this is the second day of our 46th Annual William Blair Growth Stock Conference. We're pleased to be hosting a hybrid presentation/fireside chat with AV's management team. AV is the branding of the company, formerly known as AeroVironment after the merger with BlueHalo that closed roughly 13 months ago.

Joining me today are Chairman, President and CEO, Wahid Nawabi; and CFO, is freshly new [ph] CEO (00:10:38), Sean Woodward; and Head of Investor Relations, Denise Pacioni, who's sitting in the front row. Following the presentation, there will be a breakout session in the Adler room on the second floor.

And I am required to inform the audience that a complete list of disclosures and potential conflicts of interests can be found on our website at williamblair.com. I also wanted to mention that I was supposed to meet with Wahid two weeks ago at the SOF Week conference in Tampa. However, Wahid was too busy to meet with me because he was meeting with customers. And so I'm relishing this opportunity to actually meet with Wahid now. So this is wonderful.

QUESTION AND ANSWER SECTION

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

Q

So my first question in terms of the broader drone landscape, I'm sure many in the audience saw that many stocks in the drone sector traded up between 20% and 35% last week after The Wall Street Journal reported that the administration may be interested in investing in drone companies. And I was wondering what your thoughts, Wahid, would be for that and whether that would potentially appeal to AeroVironment, or what's your general view on that?

Wahid Nawabi

Chairman, President & Chief Executive Officer, AeroVironment, Inc.

A

Sure. Thanks for having us. Good afternoon, everybody. I think it's the afternoon. You do the disclosure one better than I could do it on my call. So maybe you should do it from now on from me as well.

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

Q

Forward-looking statements.

Wahid Nawabi

Chairman, President & Chief Executive Officer, AeroVironment, Inc.

A

Forward-looking statements. There you go.

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

Q

You are free to make them.

Wahid Nawabi

Chairman, President & Chief Executive Officer, AeroVironment, Inc.

A

Thank you. A and B, in 15 years, I think the SOF Week was the first time I couldn't make it to meet with you, and thanks for reminding me. So it'll never happen again, especially not before your conference.

Well, look, the signs about this Office of the Strategic Capital within the Pentagon is very clear. This is a positive sign for the industry because they believe this is a strategic area for national security as a country, and it's an area that the US needs to accelerate investments in adoption, in development of capability and capacity. And they're willing to take hard US taxpayer dollars and invest it in an equity or joint venture or teaming agreements to basically build industrial base and build the capability and capacity overall. So that's not bad. That's very positive. And we support the administration on this front.

Second, we are actively engaged with them on several fronts in this area. There are multiple ways that we could essentially have a win-win-win outcome for the department, for the US taxpayer and also for AV. And primarily, this program is focused on a lot of start-ups that lack the capital, do not have the balance sheet, they don't have the capacity to produce, they do not have – they have some good ideas.

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

You're not a start-up.

Q

Wahid Nawabi

Chairman, President & Chief Executive Officer, AeroVironment, Inc.

We are not a start-up. That's a fact, I believe. And so we are interested. We want to work with them. There's some options, but it's not directly targeted for the things that we do specifically as a company. It'll be more – we're open to it. There are some opportunities for win-win-win for those three stakeholders, and we're engaged with them. I'm not in a position to be able to comment on those.

A

But we look forward to engaging with them further. It's primarily focused on folks that don't have the capacity to invest, don't have the capital to do this. They don't have the investors that can back them up, and the country needs a lot of those as well, and that's what it is. What we could help them actually is also in some areas to partner with the department and help some of those start-ups scale things that we know how to do in the areas that we're focused on.

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

Great. Right. Yeah, that's how I generally interpreted it. But if the Department of War were interested in investing in you at like \$400 a share, then that would be pretty good.

Q

Wahid Nawabi

Chairman, President & Chief Executive Officer, AeroVironment, Inc.

It'll be still a very fair and reasonable and bargain for them. But that's for them to decide, not me.

A

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

So you've traditionally been known as a drone company. You pioneered the small drone industry with your Raven, your Puma, your Switchblade, and now you have your JUMP 20. But one of the really compelling market opportunities is now you are also a laser company with your LOCUST, and your laser system has been in the media over the past six months. And you've signed many agreements.

Q

And investors are interested in, what is the market opportunity associated with lasers both domestically in terms of protecting the homeland, Golden Dome, but also in like conflict regions in actual theater?

Wahid Nawabi

Chairman, President & Chief Executive Officer, AeroVironment, Inc.

Yeah. The short answer is it's a massive potential market opportunity. No one really knows exactly the magnitude and size of this market because it's just starting. And it's going to be in the billions of dollars long term, and we've got the leading position in the market.

A

Before I get into more details on that, I want to just describe the overall AV investment portfolio and thesis for investment. Our business is made up of roughly four buckets, in general, right? Roughly, we're in a quiet period, so I can't comment on the fourth quarter. But I'm going to just talk in general. If you'd say about a \$2 billion revenue business, about \$0.5 billion of that is what I call nonlethal drones for Group 1, Group 2 and Group 3. That

means from a small quadcopter-sized drone all the way to a Group 3, which is a JUMP 20. It's a 200-pound-plus air vehicle that Shahed drone is a Group 3 drone from Iran.

So in that space, that's about \$0.5 billion business for us. We've got solid franchises. We've got several products. The Puma, the Raven, Puma LE, P550, JUMP 20, JUMP 20-X, VAPOR, et cetera. And we've got a franchise that's global, 50-plus countries, around 55 countries around the world, and it's generating cash, generating revenue, and it's got a huge installed base and potential growth.

The next bucket is what I call our lethal drones. That is another \$600 million-ish or so growing, very rapidly. It's a category that we invented, again, for the military. We did the first category, the same thing. The US military did not know how to use small drones 30 years ago, and we were the ones who actually helped them operationalize it. Loading munitions such as Switchblade 300, Switchblade 400, Switchblade 500, Switchblade 600, and one attacked drone such as Red Dragon make up that bucket. That's about another \$600 million growing very rapidly. And that market has really taken off since the Ukraine conflict because it's put an exclamation mark on at one-way attack or reloading munitions, in general.

And then we have our third bucket, which you're referring to, is our counter-drone solution set. And we don't have a one single solution point and we don't depend on one technology. Our approach has always been long term. There's going to be a layered approach to defending against drones, Group 1 through Group 3. First, Group 1 through Group 3, which is small, medium and semi-large drones make up probably 90% of the market opportunity. And that's a vast majority of the drones in the market that is going to be used as lethal and nonlethal drones.

Our solution has three layers. Layer one is we've got the world's best jamming RF jammers, and that's the simplest, easiest way to feed these things. They all have comms on the ground with the operator. They all use GPS, so majority them do, and you can jam that. And we've got the world's best performing, heavily deployed in Ukraine, across the world, US military, one program of record, and it's the best one in the world.

When that doesn't work, then you go to the next layer, which is a directed energy laser weapon system. That's what you referred to our LOCUST series. We're on our third generation product. LOCUST X3 was the latest product that we just announced recently. And that business is at its infancy, literally at its infancy. The first potential program of record that the U.S. Army has talked about, it's called E-HEL, or Enduring-High Energy Lasers. It's supposed to be roughly about \$0.5 billion program or one of the top contenders. They should be making a decision within the next few months.

And that would be an inflection point for that because if jammers don't work, most likely the holy grail for counter-drones is going to be direct energy. This is basically a weapon system that's lasers. You point it to the drone, you track it, and you hit it within one kilometer to five kilometers away. And three seconds to five seconds of energy, and you zap it from the air. And it takes the cost of defeating a drone from millions of dollars of a missile to less than \$10 a shot.

And then if that fails, you use kinetic kill, and we have a product in that category called Freedom Eagle-1. And then everything else is another \$700 million worth of what I call a portfolio of things that could become the next Switchblade, the next laser weapon, et cetera, et cetera. And so I think we have growth in all these buckets, and our strategy is to achieve success long term in the area that we're focused on with software analytics on top of it.

Michael Louie DiPalma

Analyst, William Blair & Co. LLC



Great. And as it relates to that layered system, what are the different like ranges for the tight end in terms of being able to jam versus the second layer that you just mentioned, your LOCUST system? And how does that compare to what's in the market in terms of there's the Coyote interceptor, and then you're also mentioning these very high priced, like PAC-3 or THAAD missile interceptors as well. And so how does – in terms of – where does the laser system fit in there?

Wahid Nawabi*Chairman, President & Chief Executive Officer, AeroVironment, Inc.*

A

Yeah. And so the laser system, just like any other weapon systems, come in different sizes based on kilowatt, how much energy you're going to deploy, or are direct to the target. At the lowest end, you're looking at about 5 kilowatts to 15 kilowatts, and then the sweet spot is between 15 kilowatts to 30 kilowatts. Our [ph] X2 (00:21:13) product is a 20 kilowatt, 25 kilowatt, and the U.S. Army program is targeted to be around 30 kilowatt. At 30 kilowatts, you're going to take out Group 1, Group 2 and Group 3 very effectively. So from a small little quadcopter all the way to a shot-head drone, you can achieve success against those drones very effectively with our X3 product for the U.S. Army program record potentially.

So now, above that, you still need – the direct energy still has a market for even missiles against hypersonics and other things. And you can go up in kilowatts, up to 300 kilowatts. There are systems out there that's very exquisite, extremely expensive, and not as reliable, not as effective that you could grow.

We started to focus on the middle of the market because we think that's the sweet spot initially. We plan to go down on the kilowatts, the lower end, as well as in the high end. It is the best performing system out there. It's been in the news quite a bit, and we are actively pursuing that. It's the only system that I know that the FAA has tested against commercial airliners. They just published a report recently, literally weeks ago, and said that their AV system is actually – so that's the spot we're all focused on, but we're going to go up and down the food chain as well.

Michael Louie DiPalma*Analyst, William Blair & Co. LLC*

Q

Yeah. And I guess, how's the range? I know you did the demonstration in Albuquerque. You fired a quadcopter with your LOCUST. But how far is it able to with a 30-kilowatt system achieve that type of machine?

Wahid Nawabi*Chairman, President & Chief Executive Officer, AeroVironment, Inc.*

A

Usually, between 1-kilometer to 5-kilometer range. Yeah. The sweet spot is depending on how large the target is and what the environmental conditions are, and what part of the target you're going to actually hit. The secret sauce to AV is not the laser itself. That's a pretty commoditized item or to some extent. We have a lot of suppliers that make that. We don't make the laser itself, but we make the system. And the secret sauce for us is really the tracking and targeting software that allows a joint-like tactical vehicle, like a JLTV that the U.S. Army has thousands of them, have be moving at 30 kilometers an hour, 360 degrees, constantly surveilling the environment within 5 kilometers out. Detecting the drone, tracking it, and then pointing the laser at it while it's driving, and shooting it down within less than three to five seconds. That's the business of – that's our secret sauce.

Michael Louie DiPalma*Analyst, William Blair & Co. LLC*

Q

Yeah. And this provides the transition. You also mentioned how you recently made an announcement with your Freedom Eagle missile system. And, Sean, I think you can provide some color on this. And investors are

interested in, what is the timeline in terms of the Freedom Eagle shifting from prototype to low-rate initial production to the full-rate production. And related to what Wahid was just saying in terms of the LOCUST having a range of 5 kilometers, what's the range of the Freedom Eagle missile interceptor?

Sean Woodward*Executive Vice President & Chief Financial Officer, AeroVironment, Inc.*

Yeah. Thanks, Louie. We're very excited about this program. We won this last year as a competition that we won against Raytheon. We were down-selected and chosen to work on this program. We're in the development phase now, development and testing. We're working with our customers as fast as we can to get through development, safety confirmation testing, and moving to low-rate initial production in about an 18-month timeframe.

Following that, we'll get into full-rate production as quick as we can. We just made an announcement about our expansion in our Huntsville facility. We're increasing our production capacity. We're building out our factory in anticipation for that [ph] LRP (00:24:48) and full-rate production, which will be done in our Huntsville, Alabama facility.

Michael Louie DiPalma*Analyst, William Blair & Co. LLC*

Great. And how does the Freedom Eagle system compared to other interceptors on the market in terms of from a price point, but also just spec-wise?

Sean Woodward*Executive Vice President & Chief Financial Officer, AeroVironment, Inc.*

Yeah. So it was a specific niche that the Army was looking for to fill a gap of instead of using those expensive missiles that Wahid mentioned to take down \$20,000, \$30,000 drones or any of the low-end ones. This is a high-performing, high-capable, long-endurance, solid rocket motor, capable to take down those key up to Group 3 type platforms. So it fills that niche that the Army was looking for in the requirement that they had for kinetic kill for counter-UAS.

Michael Louie DiPalma*Analyst, William Blair & Co. LLC*

Great. So it's significantly lower cost than...

Sean Woodward*Executive Vice President & Chief Financial Officer, AeroVironment, Inc.*

Significantly lower cost.

Wahid Nawabi*Chairman, President & Chief Executive Officer, AeroVironment, Inc.*

The full-rate production price target by the program requirement is roughly about \$150,000 a copy relative to \$1 million to \$5 million a missile. And it is designed from the ground up to address this specific need, Group 1 through Group 3, primarily Group 3, 5-plus kilometer ranges.

And the other unique thing you asked about earlier to Sean's point is also it's radar-agnostic. So you don't have to have a specialized, exquisite radar system that costs tens of millions of dollars. You can marry this with any radar that the site has. It works with a lot of different systems. And that was a very specific requirement for the U.S.

Army where many other missile systems have a very exclusive relationship and integration requirement with a particular type of radar. If you don't have that, it's a lot more money, it's a lot more work to a lot of sites. So I think it will be very important. This capability is – it's a capability gap today that needs to be filled.

Michael Louie DiPalma*Analyst, William Blair & Co. LLC*

Q

Definitely. And in addition to expanding capacity for your Freedom Eagle missile interceptor, you've also announced major plans to expand Switchblade capacity in Salt Lake City. Are you seeing the demand signals that the orders will come for you to utilize that Switchblade capacity?

Sean Woodward*Executive Vice President & Chief Financial Officer, AeroVironment, Inc.*

A

Yes. So we announced the Salt Lake facility buildout, I think, last year. We're continuing to build that out. We're designing the factor from the ground up, literally building it to our specs. It's going to add about a \$2 billion capacity of additional revenues that we can bring in through our Switchblade. And other product families can be built in Salt Lake as well.

We recently announced our down-select on the LASSO program. The SB 400 solution will be built in Salt Lake City. Our Switchblade 600 will be built in Salt Lake City. Our MAYHEM product will also be built there. We're seeing demand domestically of the US military, SOCOM, U.S. Army, internationally for military sales and direct commercial sales, all for our Switchblade product family. So we're going to build the factory and the capability in Southern California. We're going to shift it to Salt Lake once that factory is up and running later this calendar year, and have dual capacity to be building both Southern California and Salt Lake.

Michael Louie DiPalma*Analyst, William Blair & Co. LLC*

Q

Great. And at the beginning of our Q&A session, I was discussing or we were discussing how the Department of War was considering making investments in drone companies. And one of the themes over the past six or seven months has been the desire to quadruple production of the top 15 missile programs. And I was wondering, how does the Department of War view the Switchblade in the context of these very expensive missile interceptors? And that it seems somewhat paradoxical that the Department of War is citing how a PAC3 interceptor is too expensive and how you've come up with the Freedom Eagle missile at a fraction of the cost. But the Department of War still is looking to quadruple production of these more expensive missile systems.

But I'm wondering, is it possible that the Department of War could come along over the next few weeks and designate the Switchblade as one of those top 15 missile systems and task you with quadrupling the production of the Switchblade? Because for the past, I think, five or six years, you've talked about the potential for the Switchblade to have the program of record status. And it seems as though those missile systems have that status. And so I was wondering, where does the Switchblade sit in terms of the importance or...

Wahid Nawabi*Chairman, President & Chief Executive Officer, AeroVironment, Inc.*

A

Yeah. So it's a very, very interesting point you're making because, like you said, first of all, the short answer is this is a very, very new category for the department. PAC3 missiles and Patriots and Javelins have been around for decades, decades. And their use cases, they're well-known to the military, what I call, force structure. And we do need more of those because probably the most misunderstood fact or critical point with the general public, in general, not this crowd, but the US public domain, is how far behind we are as a country in our national security

competitiveness. And so how fast and aggressive China and some of our other adversaries have been investing to literally give US a very serious run for our freedom and security. So we need those missiles to go up.

We've actually doubled, quadrupled production in the last two years aggressively on our own dime, primarily based on demand signals and the orders that we've received, and we've been shipping and we're doing that. US military also paid us some dollars. They've actually funded us, not huge amounts, small amounts to expand and accelerate, double the production of Switchblade 600 again. Recently, we announced that a little while ago. And so we've been doing that.

But I do think that since it's a new category, the ramification of what the use cases are and how – it gets lost when you're so much in a hurry and all that. I do believe that that moment eventually is going to come. So we can look at the portfolio, we have a Switchblade 300, Switchblade 400, Switchblade 500, MAYHEM, and then also Switchblade 600 and Red Dragon. So we have a portfolio that we've developed on our own – primarily our own dime in the last few years, with our own dollars, shareholders' money, and developed this franchise and this category that didn't exist before Ukraine, right, essentially. And I think it's going to be a few more years until that moment comes because it's just picking up.

So I think over time, we see a lot of demand signals not from the US alone, but also from our allies across the world that we're going to need tens of thousands of these, not just thousands of these in the future. And I think that that point is coming. So, MAYHEM, which is the Switchblade 500, for example, is designed to be mounted on any type of other asset. You could put it on a helicopter. You can mount it on a airplane. You can mount it on a ground vehicle. So it improves its versatility to go on existing platforms dramatically. And that is other ways that we can expand the use cases and adoption of reloading munitions in the military.

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

Q

And what enables the MAYHEM to be launched from those different types of platforms? Is the launcher different for the MAYHEM then versus Switchblade 600 and Switchblade 400?

Wahid Nawabi

Chairman, President & Chief Executive Officer, AeroVironment, Inc.

A

Yeah. Primarily, that's the biggest difference. When Switchblade was initially developed, it was for dismounted troops. There's two of us or three of us or a single one of us, we carry this on a rucksack or a couple of boxes, we're going to put in the back of a pickup truck. We're going to go drive somewhere or take it out within minutes, launch a weapon system from a ground dirt floor. That's a different sort of a design architecture and concept than I have all kinds of different platforms, and I want to mount this just like I mount any weapon system.

So there is a tube. It's called a common launch tube, CLT, that the Army standardized on, and this is going to go into that exact same tube. The mounting mechanism for this is very similar to any other missile that the Army uses for that, and it could be used a lot of different platforms. So the new helicopter that they've got in development, the airplanes that they have, ships, boats, et cetera, could benefit from this common launch tube capability.

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

Q

Yeah. And are you – I think in different press releases, you indicated that the MAYHEM system is competing for the launched effects competition. Do you already have orders for the MAYHEM, or is that something you anticipate in the future?

Wahid Nawabi

Chairman, President & Chief Executive Officer, AeroVironment, Inc.

A

Yes. So, it is true that this product is competing and is a competitor or offer to the U.S. Army for the launched effects. The whole mission of launched effect is exactly that, launching effects from various different platforms. And before that, there was no concept of having us loading munition being launched, but now there is because it's been proven.

Specifically, whether we have orders or not, I can't comment because it's a competitive process. We feel very good about our chances here and opportunity. It is developed from the ground up to be specifically developed for this opportunity for the government, for the Army, and we look forward to the progress that we're making. Our product is battle proven. This stuff is – we've been shipping thousands of them effectively and just created a whole category.

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

Q

Right. And I know you have significant orders for the Switchblade 600, the Switchblade 400. You recently announced the contract for the Red Dragon. So you're definitely seeing Switchblade orders. In addition, you also were awarded I think it was a \$118 million contract for your new P550 system, Sean. And I was wondering, how is that program ramping with the Army? And what are the use cases between the P550 and the JUMP 20?

Sean Woodward

Executive Vice President & Chief Financial Officer, AeroVironment, Inc.

A

Yeah. So the P550 is designed specifically for the Army long-range reconnaissance program. We were down-selected for that. We've been operating and delivering against the long-range reconnaissance program. P550 has got other international customers that we've already gotten awards for and delivering against.

JUMP 20 and the JUMP 20-X product, we launched that part about a year ago with the X version of it. That is specifically designed for maritime operations. We been awarded through the MEUs, the Marine Expeditionary Units. We've gotten on to the U.S. Navy's COCO contracts or with the Coast Guard. So that product has gotten tremendous adoption from a services platform operating in the harsh maritime environments.

We've also won multiple international programs with the JUMP 20 platform. And we're anticipating the Army Brigade Level Program, the replacement for the FTUAS program that we think the JUMP 20-X will be a perfect solution for.

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

Q

And before I – I forgot to ask a question that I just thought of. I think Northrop Grumman earlier this week announced the milestone for their Jackal system, in which I think you co-developed that system with them. And can you provide any update in terms of what they announced? And do you continue to be involved there?

Wahid Nawabi

Chairman, President & Chief Executive Officer, AeroVironment, Inc.

A

Sure. So as I said, the category of loading munition has become – it's new and it's growing. And it's just a whole new category, similar to how small UAS was 20 years ago and similar to now probably laser weapon system is going to be the same in the next five years. Jackal was a version of Switchblade that essentially we co-developed and teamed with Northrop for a program called LRPM, Long-Range Precision Munition, from the U.S. Army again.

It's a large program. And the idea behind that is to have, I guess, the one difference between a loading munition like Switchblade, which is electrically powered, and a standardized missile is that it doesn't have a rocket propeller or a turbo propeller that takes there to go there fast, to get to the target fast. It's a slow, slower flyer [indiscernible] (00:37:06). It has advantages when it gets there, and even when on its way, it does. So LRPM was designed to be a sprint loading munition. So it has a jet propulsion that basically turbo that gets there fast at 0.5 Mach, almost that fast. And then once it gets there, it slows down and basically behaves as a Switchblade.

And so that particular category of missile doesn't exist. And we're the first one that's developing it, and it has significant implications. I guess, if you're on a moving platform, a helicopter, standing at a standoff distance, you see an enemy tank, you don't really want to wait 10 minutes or 20 minutes. You want to get there within less than a minute, and you want to shoot something that gets there. But then you want to have the maneuverability of a Switchblade that you can go take it out in a variety of different ways, angle, sides, et cetera.

And so that is what the announcement that Northrop made. We're doing primarily the actual air vehicle, the propulsion. And also some of the controls come from Northrop, and we're teaming together. We're very happy, very, very pleased with the fact that we're going to make this another, what I call, groundbreaking new capability that doesn't exist in the portfolio of missiles that we have in the US military.

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

Q

Great. And, Sean, I was wondering, how has the international demand environment evolved over the past year? I know you can't talk about specific conflicts. But previously, you've discussed opportunities and contract wins in the Indo-Pacific, and you've discussed your role in Europe with the Ukraine conflict. Have you seen customers increasingly looking for sovereign manufacturing? And what's the overall demand environment from a high level?

Sean Woodward

Executive Vice President & Chief Financial Officer, AeroVironment, Inc.

A

Yeah. We've been doing business internationally for decades. We know what it takes to win international. We've worked through offsets and industrial participation agreements. We have in-country reps. We have AV personnel working in-country. We have legal entities established in a few countries. We've done joint ventures. We've acquired a company. Our Telerob is in Germany.

So we know what it takes to win the business and what it takes to win specific country requirements. And we continue to work multiple different opportunities globally, Indo-Pacific, as well as European opportunities. And we're confident we have the ability to team local production, contract manufacturing as needed. We're able to flex and scale to meet our customers' needs.

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

Great. And I believe that is all the time that we have. So thank you, Wahid and Sean. Thank you, Denise.

Wahid Nawabi

Chairman, President & Chief Executive Officer, AeroVironment, Inc.

Thank you.

Michael Louie DiPalma

Analyst, William Blair & Co. LLC

And we're going to reconvene in the Adler room on the second floor to go more in depth into many of these topics. So thanks, everybody.

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