



PROCEED
WITH
CERTAINTY

FIRST QUARTER FISCAL YEAR 2022 EARNINGS PRESENTATION

Sept 8, 2021

SAFE HARBOR STATEMENT

- Certain statements in this presentation may constitute "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as "believe," "anticipate," "expect," "estimate," "intend," "project," "plan," or words or phrases with similar meaning. Forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, strategy or actual results to differ materially from the forward-looking statements.
- Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to the impact of our recent acquisitions of Arcturus UAV, Inc., Telerob GmbH and the Intelligent Systems Group of Progeny Systems Corp. and our ability to successfully integrate them into our operations; the risk that disruptions will occur from the transactions that will harm our business; any disruptions or threatened disruptions to our relationships with our distributors, suppliers, customers and employees, including shortages in components for our products; the ability to timely and sufficiently integrate international operations into our ongoing business and compliance programs; reliance on sales to the U.S. government and related to our development of HAPS UAS; availability of U.S. government funding for defense procurement and R&D programs; changes in the timing and/or amount of government spending; our ability to perform under existing contracts and obtain new contracts; risks related to our international business, including compliance with export control laws; potential need for changes in our long-term strategy in response to future developments; the extensive regulatory requirements governing our contracts with the U.S. Government and international customers; the consequences to our financial position, business and reputation that could result from failing to comply with such regulatory requirements; unexpected technical and marketing difficulties inherent in major research and product development efforts; the impact of potential security and cyber threats; changes in the supply and/or demand and/or prices for our products and services; the activities of competitors and increased competition; failure of the markets in which we operate to grow; uncertainty in the customer adoption rate of commercial use unmanned aircraft systems; failure to remain a market innovator, to create new market opportunities or to expand into new markets; changes in significant operating expenses, including components and raw materials; failure to develop new products or integrate new technology into current products; risk of litigation, including but not limited to pending litigation arising from the sale of our EES business; product liability, infringement and other claims; changes in the regulatory environment; the impact of the outbreak related to the strain of coronavirus known as COVID-19 on our business operations; and general economic and business conditions in the United States and elsewhere in the world. For a further list and description of such risks and uncertainties, see the reports we file with the Securities and Exchange Commission. 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.
- 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.

1ST QUARTER FISCAL YEAR 2022 KEY MESSAGES

- **Strong Q1 Performance – In line with previously communicated expectations**
- **Record backlog including both organic and inorganic growth**
- **Successfully integrating recent acquisitions**
- **On track to achieve FY22 plans while delivering on another year of top line growth**

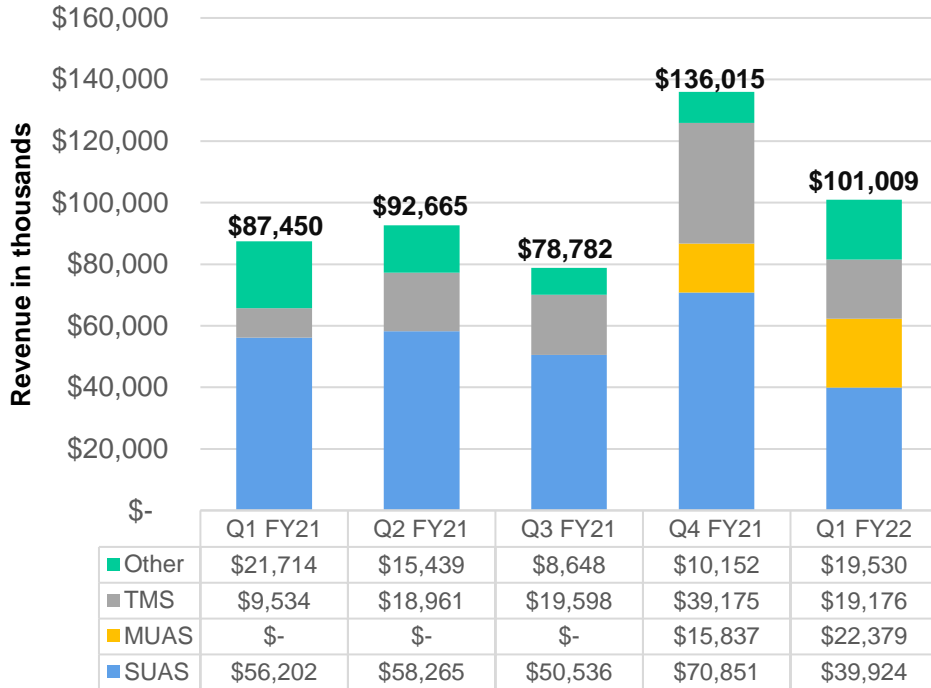
FIRST QUARTER RESULTS FISCAL YEAR 2022

Metric	Q1 FY22	Year-Over-Year Change	Notes
Revenue	\$101 million	+16%	Consistent with plan
Gross profit	\$29 million	-19%	Increased amount of lower margin services, unfavorable product mix and purchase accounting impact led to lower gross profit margin
EPS (diluted)	-\$0.57	-\$0.99	Affected by lower gross margin, increase in SG&A resulting from acquisitions, and transaction related expenses
Non-GAAP EPS (diluted) ¹	-\$0.17	-\$0.61	Affected by lower gross margin mix and increase in SG&A resulting from acquisitions
Funded Backlog	\$258 million	+67%	Record level due to growth in both organic and inorganic backlog

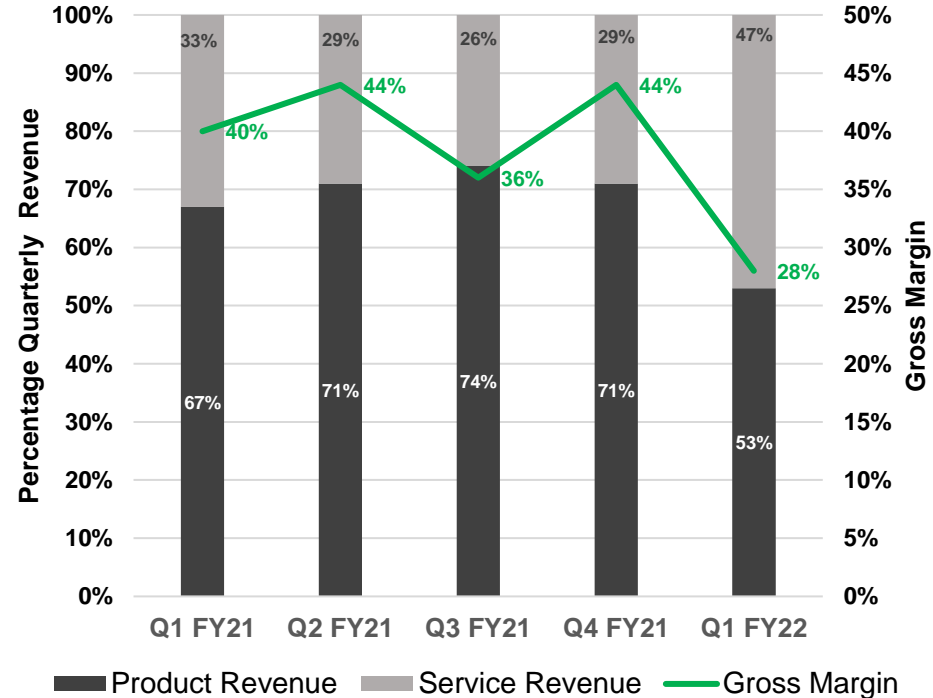
¹ Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix A,

REVENUE MIX BY SEGMENT AND TYPE

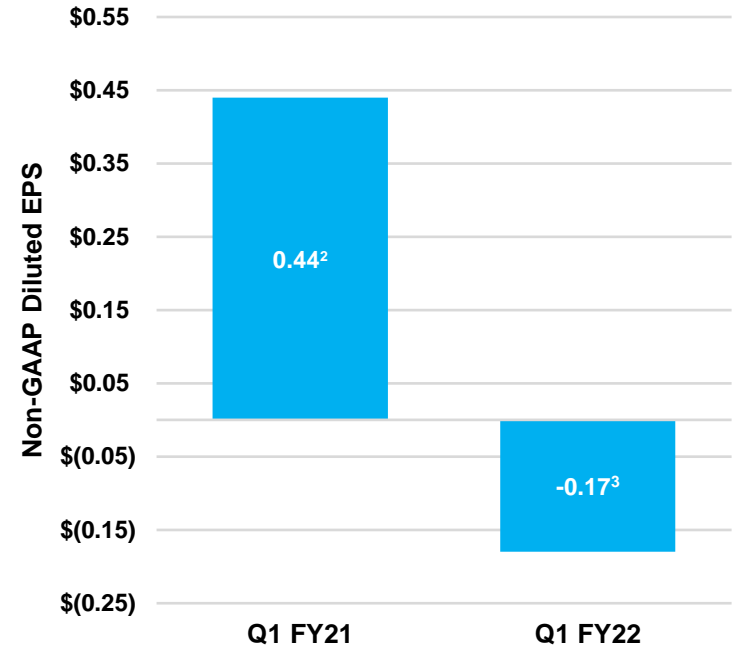
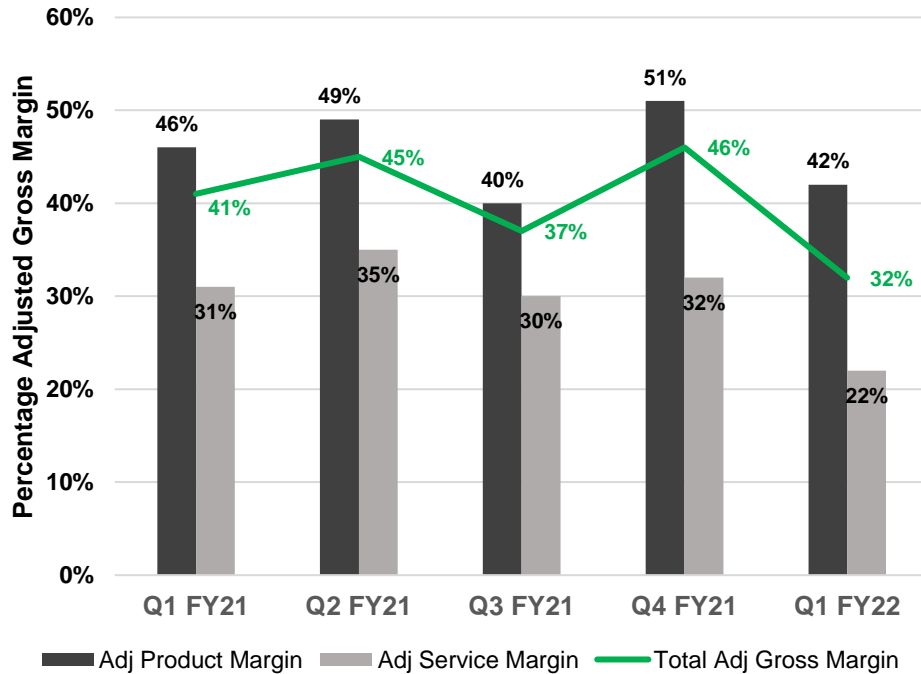
Quarterly Revenue By Segment



Quarterly Revenue by Type



ADJUSTED PROFITABILITY BY TYPE AND NON-GAAP EPS

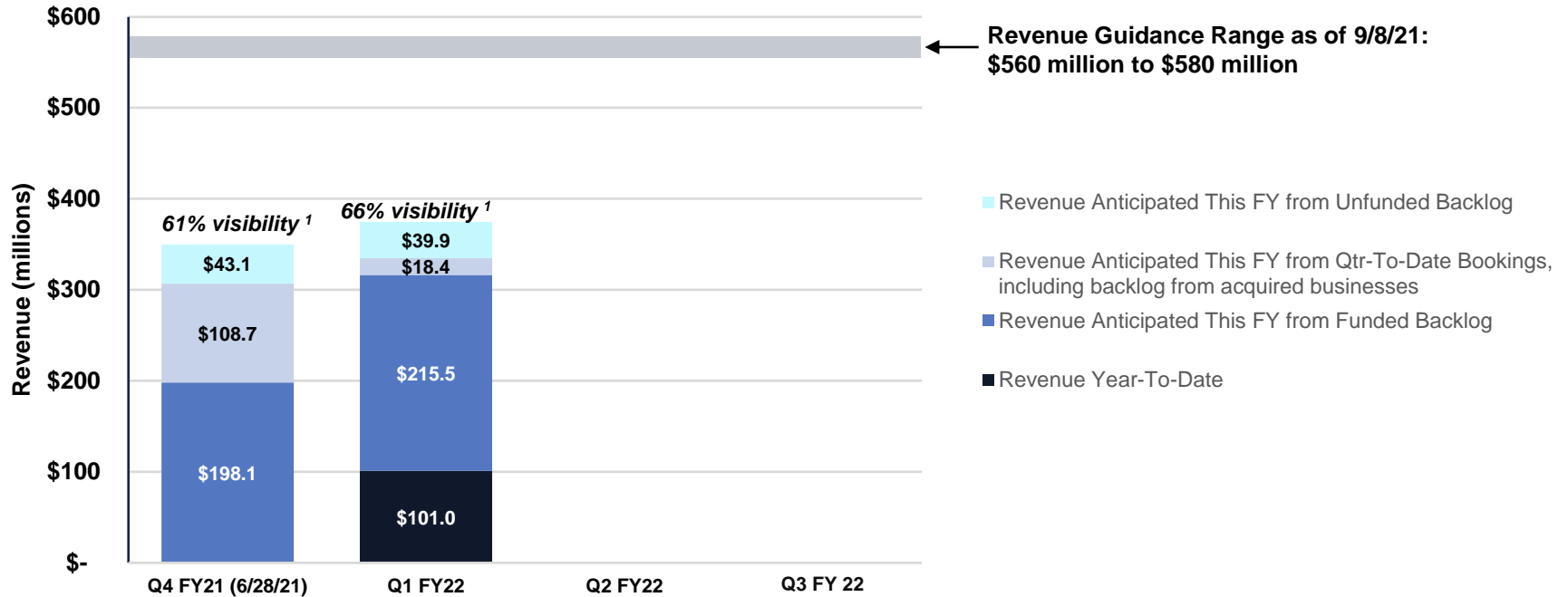


¹ Refer to GAAP to NON-GAAP reconciliation on Appendix C.

² Excludes amortization of intangible assets of \$0.02. Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix A.

³ Excludes intangible amortization of \$0.29 and acquisition related expenses of \$0.11. Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix A.

VISIBILITY INCREASED SLIGHTLY FROM LAST QUARTER AND SUPPORTS FULL YEAR EXPECTATIONS



¹ Based on midpoint of guidance range of \$560 million to \$580 million

GUIDANCE REAFFIRMED: FISCAL 2022 OUTLOOK

As of 6/29/21	Fiscal Year 2021 Results	Fiscal Year 2022 Expectations ²	Expected Change (to midpoint)
Revenue	\$395 million	\$560 million - \$580 million	+44%
Net Income from continuing operations	\$23 million	\$29 - \$34 million	+35%
Adjusted EBITDA ¹	\$72 million	\$105 million - \$110 million	+50%
Earnings Per Share (diluted)	\$0.96	\$1.15 - \$1.35	+30%
Non-GAAP Earnings Per Share (diluted)	\$2.10 ³	\$2.50 - \$2.70 ⁴	+24%
Research & Development Investment	14%	9%-10%	-
Tax Rate	1.6%	3% - 6%	-
Capital Expenditures	3%	5% - 7%	-

¹ Refer to Adjusted EBITDA reconciliation on Appendix D (slide #13).

² Updates reflect final purchase accounting effects of intangible asset amortization.

³ Excludes acquisition-related expenses & amortization of intangible assets of \$0.50, HAPSMobile Inc. JV impairment of its investment in Loon LLC of \$0.34 & legal accrual related to former EES business of \$0.30.

Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix A.

⁴ Excludes acquisition-related expenses & amortization of intangible assets of \$1.35. Refer to Reconciliation of Fiscal Year 2022 Non-GAAP Diluted Earnings Per Share Expectations on Appendix B.

ON TRACK TO ACHIEVE ANTICIPATED FISCAL YEAR 2022 EXPECTATIONS AND DELIVER 5TH CONSECUTIVE YEAR OF TOP LINE GROWTH

AEROVIRONMENT

PORTFOLIO OF INTELLIGENT,
MULTI-DOMAIN ROBOTIC SYSTEMS



QUANTIX RECON



VAPOR 55



VAPOR 35



AV
AeroVironment™

PROCEED
WITH
CERTAINTY



DDL
AES-256



APPENDIX A – RECONCILIATION OF NON-GAAP (LOSS) EARNINGS PER DILUTED SHARE (UNAUDITED)

	<u>Three Months Ended July 31, 2021</u>	<u>Three Months Ended August 1, 2020</u>
(Loss) earnings per diluted share	\$ (0.57)	\$ 0.42
Acquisition-related expenses	0.11	—
Amortization of acquired intangible assets and other purchase accounting adjustments	0.29	0.02
(Loss) earnings per diluted share as adjusted (Non-GAAP)	<u>\$ (0.17)</u>	<u>\$ 0.44</u>

	<u>Three Months Ended April 30, 2021</u>	<u>Three Months Ended April 30, 2020</u>	<u>Year Ended April 30, 2021</u>	<u>Year Ended April 30, 2020</u>
Earnings per diluted share	\$ 0.44	\$ 0.73	\$ 0.96	\$ 1.72
Acquisition-related expenses	0.12	—	0.26	0.04
Amortization of acquired intangible assets and other purchase accounting adjustments	0.18	0.02	0.24	0.08
Legal accrual related to our former EES business	0.30	—	0.30	—
HAPSMobile Inc. JV impairment of investment in Loon LLC	—	—	0.34	—
Earnings per diluted share as adjusted (Non-GAAP)	<u>\$ 1.04</u>	<u>\$ 0.75</u>	<u>\$ 2.10</u>	<u>\$ 1.84</u>

APPENDIX B – RECONCILIATION OF FISCAL YEAR 2022 NON-GAAP DILUTED EARNINGS PER SHARE EXPECTATIONS (UNAUDITED)

	<u>Fiscal year ending</u> <u>April 30, 2022</u>
Forecast earnings per diluted share	\$ 1.15 – 1.35
Acquisition-related expenses	0.17
Amortization of acquired intangible assets and other purchase accounting adjustments	1.18
Forecast earnings per diluted share as adjusted (Non-GAAP)	<u>\$ 2.50 – 2.70</u>

APPENDIX C – RECONCILIATION OF ADJUSTED GROSS MARGIN

<i>(in thousands)</i>	Fiscal 1 st Quarter FY 2021	Fiscal 2 nd Quarter FY 2021	Fiscal 3 rd Quarter FY 2021	Fiscal 4 th Quarter FY 2021	Fiscal 1 st Quarter FY 2022
Adjusted Gross Margin					
Products					
Gross Margin	\$ 26,273	\$ 31,319	\$ 22,602	\$ 48,980	\$ 20,526
Intangible Amortization	623	623	623	623	1,667
Adjusted Gross Margin	\$ 26,896	\$ 31,942	\$ 23,225	\$ 49,603	\$ 22,193
<i>Adjusted Gross Margin % of Revenue</i>	46.1%	48.7%	39.8%	51.3%	41.8%
Services					
Gross Margin	\$ 9,138	\$ 9,532	\$ 6,039	\$ 10,675	\$ 8,197
Intangible Amortization	-	-	-	1,960	2,362
Adjusted Gross Margin	\$ 9,138	\$ 9,532	\$ 6,039	\$ 12,635	\$ 10,559
<i>Adjusted Gross Margin % of Revenue</i>	31.4%	35.1%	29.6%	32.1%	22.0%

APPENDIX D – RECONCILIATION OF ADJUSTED EBITDA

<i>(in millions)</i>	Fiscal year ending April 30, 2022	Fiscal year ending April 30, 2021
Net income	\$ 29 - 34	\$ 23
Interest expense, net	5	1
Provision for income taxes	1	1
Depreciation and amortization	65	19
EBITDA (Non-GAAP)	100 - 105	44
HAPSMobile Inc. JV impairment of investment in Loon LLC	—	10
Legal accrual related to our former EES business	—	9
Acquisition-related expenses	5	9
Adjusted EBITDA (Non-GAAP)	\$ 105 - 110	\$ 72