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, reliance on sales to the U.S. government; availability of U.S. government funding for defense procurement and R&D programs; changes in the timing and/or amount of government spending; 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; 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 and electric vehicles; failure to remain a market innovator and create new market opportunities; changes in significant operating expenses, including components and raw materials; failure to develop new products; the extensive regulatory requirements governing our contracts with the U.S. government; product liability, infringement and other claims; changes in the regulatory environment; 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, including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are available at www.sec.gov. 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.
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AeroVironment Overview
We Provide Customers More Actionable Intelligence So They Can Proceed With Certainty

Technology solutions that deliver INSIGHTS for better decisions

More than 40-year track record of breakthrough INNOVATION and CUSTOMER SUCCESS

Expertise and experience that deliver RELIABILITY and RESULTS
## Investment Thesis: Focused on Near and Long-Term Value Creation

| Profitable Growth through Technology-Based Innovation | 14% Revenue CAGR FY ‘04 – ’17  
| | Proprietary IP portfolio underpins success  
| | Proven and experienced management team |
| Significant Optionality from Multiple High-Value Growth Opportunities | Small UAS: continued evolution in U.S. military market, accelerating adoption in international military markets  
| | Tactical Missile Systems: accelerating adoption, high volume potential  
| | Commercial UAS information solutions: emerging market opportunity |
| Strong Financial Foundation | Consistent cash generation  
| | Strong, efficient, growth-oriented balance sheet  
| | Managing investments carefully to capitalize on significant multimarket growth opportunities |
| History of Creating Differentiated and Industry Leading Solutions | Pioneer & market leader in small UAS, Tactical Missile Systems  
| | Pioneer & market leader in Electric Vehicle (EV) test and charging solutions |
A Success Story of Serial Innovation and Entrepreneurship Since Our Founding in 1971

1977
Gossamer Condor
1st controlled human powered flight
1981
Solar Challenger
World Records: Longest, highest, farthest solar powered flights
1986
Pointer
1st backpack portable small UAS
1989
GM Impact
1st modern EV
1995
Pathfinder/Pathfinder Plus
Solar platform for HALE flight
2001
Helios
World Record: Highest flying airplane in history
2004
Power Cycling & Test Systems
Worldwide Technology Award: Energy category
2005
Global Observer Prototype
1st liquid hydrogen powered UAS
2011
Nano Air Vehicle
1st flapping wing nano UAV with tri-axis control
2013
Long Endurance Puma™
1st small UAS extended solar flight: nine hours
2014
Commercial UAS
1st FAA-approved commercial services over land
2015
Global Observer®
1st operational deployment of back-packable tactical missile system
2016
Blackwing™
1st submarine-launched loitering ISR system for US Navy
2017
Snipe™
1st dual-sensor, military-grade, pocketable UAS

1979
Gossamer Albatross
1st human powered flight across English Channel
1985
Pterosaur
Featured in IMAX film, On The Wing
1987
Sunraycer
Winner 1st solar car race
1999
Industrial Rapid Charger
1st high-efficiency industrial rapid charger developed for the U.S. Air Force
2003
Dragon Eye
1st U.S. DoD Small UAS Program of Record
2005
Raven®
1st to deploy 1000s of backpack portable UAVs to U.S. Forces in a single year
2005
PosiCharge
1st fast charger to support an enterprise-wide Fortune 500 implementation
2008
Small UAS Digital Data Link (DDL™)
A wireless communications link that provides greater security, range and utility than analog links
2010
Global Observer®
Test flight program begins
2012
Switchblade®
1st in-trunk dual voltage EV charger
2015
TurboCord™
1st dual-sensor, military-grade, pocketable UAS
2017
Snipe™
1st dual-sensor, military-grade, pocketable UAS

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Technology Innovation Across Multiple Industries and Applications, Focused on Key Global Trends

- Creating value by identifying, developing, investing in and providing innovative technology-based solutions for high-value market opportunities

- Profitable Core Business Enables Investment-Driven Growth Portfolio
UAS Segment – Small UAS Embedded in the Fabric of U.S. Security; TMS Emerging as Key Capability

86% of total FY 2017 company revenue

17% revenue CAGR FY’04 – ’17

86% of all unmanned aircraft in U.S. Dept. of Defense inventory

Growing International Small UAS Business Drives Overall International Revenue Growth

- +40 international AeroVironment UAS customers, most with additional procurement potential, and many other countries evaluating small UAS

### International as % of Total Company Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>9%</td>
<td>28%</td>
<td>36%</td>
</tr>
</tbody>
</table>

*Sample Customers*

[Flag icons of various countries]
EES Segment - Products and Services Supporting EVs

14% of total FY 2017 company revenue

Leading test systems for EV and advanced battery development

Leading advanced charging systems for industrial EVs

Leading provider of EV charging solutions
Increasing Adoption of EVs Could Stimulate Significant Demand for Charging Systems

<table>
<thead>
<tr>
<th>New Light Vehicle Sales Forecast¹</th>
<th>Assumed Cost of Home Charging System (with Installation)</th>
<th>Potential Market Value (Based on 5% EV adoption)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America 2017 sales projection</td>
<td>21 million</td>
<td>$1,000</td>
</tr>
<tr>
<td>2017 Global sales projection (ex-NA)</td>
<td>72.5 million</td>
<td>$500</td>
</tr>
</tbody>
</table>

• Plug-in penetration rates of 5% for North America and global light auto sales would yield a large EV charging market opportunity

More Global Automakers Select AeroVironment Charging Systems

Growth Portfolio
Tactical Missile Systems – Accelerating U.S. Government Adoption of Expanding Family of Loitering Systems

- + $75 million in AeroVironment Fiscal 2017 revenue
- 56% Compound Annual (Revenue) Growth Rate: Fiscal 2011 to 2017
- + $1 billion market opportunity

Switchblade®
- Lethal, high-precision, rapidly deployed munition
- In use by United States forces
- Current solution for Army LMAMS requirement

Blackwing™
- Intelligence, surveillance and reconnaissance solution with longer flight time
- Deploying on U.S. Navy submarines and positioned for Program of Record

Multiple Switchblade Variants
- New solutions for new customers, applications
- Delivering air, sea and land-based capabilities

¹ Based on fiscal 2017 U.S. Department of Defense budget request for procurement of existing weapon systems used to deliver similar effects
Commercial Information Solutions – Global Potential in Multiple Large Industry Segments

Drone, Sensors, Software & Analytics as an App

Quantix™ Drone

Multi-Billion Dollar Market Opportunity

“The Commercial segment holds the most potential for growth, in our view, with a triple-digit CAGR over the next five years and a $21bn TAM.”

“PwC estimates the addressable market of drone powered solutions in agriculture industry at $32.4bn.”
– PwC, “Clarity from Above”, May 2016

AV Decision Support System

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High-Altitude, Pseudo-Satellite (HAPS) UAS – Global Potential for Commercial Telecom Market

- Established HAPSMobile Inc. joint venture with SoftBank Corp. to fund $65 million solar HAPS UAS design & development project
- Last mile connectivity solution for rapid and flexible global telecom infrastructure build-out requiring tens of $billions in anticipated investments over the next decade for 5G
- AeroVironment to develop, manufacture and supply solar HAPS UAS to HAPSMobile Inc. on an exclusive basis, subject to joint venture agreement terms
- AeroVironment possesses exclusive rights to non-commercial markets for HAPS UAS ex-Japan
Financial Summary
Focused on Successfully Executing Business Model

- Strong, profitable, core business across a diversifying customer base
- Dynamic and attractive solutions portfolio consisting of mature cash generation and new innovations for growth
- Balance sheet provides flexibility to act decisively to support adoption of AeroVironment solutions
- Key Fiscal 2018 Expectations:
  - Continued strength in international small UAS, Tactical Missile Systems
  - Launch of Commercial Information Solutions into target market
Diverse Product and Services Revenue Mix

Revenue FY 2017

- Unmanned Aircraft Systems
  - Products: 70%
  - Services: 11%
  - CR&D: 19%

Revenue by Contract Type FY 2017

- Cost Plus: 24%
- Fixed Price: 76%

Efficient Energy Systems

- Products: 94%
- Services: 6%

CR&D: Customer Funded Research and Development
Profitability Driven by Technological Innovation and Investment

Revenue
($ in millions)

<table>
<thead>
<tr>
<th>FY 04</th>
<th>FY 05</th>
<th>FY 06</th>
<th>FY 07</th>
<th>FY 08</th>
<th>FY 09</th>
<th>FY 10</th>
<th>FY 11</th>
<th>FY 12</th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>$48</td>
<td>$105</td>
<td>$139</td>
<td>$174</td>
<td>$216</td>
<td>$248</td>
<td>$250</td>
<td>$293</td>
<td>$325</td>
<td>$240</td>
<td>$252</td>
<td>$259</td>
<td>$264</td>
<td>$265</td>
</tr>
</tbody>
</table>

'04 – ’17 Revenue CAGR: 14%

EBITDA*
($ in millions)

<table>
<thead>
<tr>
<th>FY 04</th>
<th>FY 05</th>
<th>FY 06</th>
<th>FY 07</th>
<th>FY 08</th>
<th>FY 09</th>
<th>FY 10</th>
<th>FY 11</th>
<th>FY 12</th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4</td>
<td>$21</td>
<td>$18</td>
<td>$33</td>
<td>$32</td>
<td>$38</td>
<td>$39</td>
<td>$47</td>
<td>$52</td>
<td>$21</td>
<td>$23</td>
<td>$4</td>
<td>$13</td>
<td>$20</td>
</tr>
</tbody>
</table>

'04 – ’17 EBITDA CAGR: 13%

Strategic R&D investments in fiscal 2015, 2016 and 2017 reduced earnings but we believe these investments have improved our positioning for long-term value creation

* See reconciliation in Appendix A
## FY 2018 Quarterly Results

<table>
<thead>
<tr>
<th>In $ Millions (except EPS)</th>
<th>Qtr. 1</th>
<th>Qtr. 2</th>
<th>Qtr. 3</th>
<th>Qtr. 4</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$43.8</td>
<td>$73.8</td>
<td>-</td>
<td>-</td>
<td>$117.6</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>$11.6</td>
<td>$31.0</td>
<td>-</td>
<td>-</td>
<td>$42.6</td>
</tr>
<tr>
<td>Gross Margin %</td>
<td>27%</td>
<td>42%</td>
<td>-</td>
<td>-</td>
<td>36%</td>
</tr>
<tr>
<td>Profit (Loss) from Operations</td>
<td>($8.2)</td>
<td>$9.3</td>
<td>-</td>
<td>-</td>
<td>$1.1</td>
</tr>
<tr>
<td>Profit (Loss) from Operations Margin %</td>
<td>(19%)</td>
<td>13%</td>
<td>-</td>
<td>-</td>
<td>1%</td>
</tr>
<tr>
<td>Net Profit (Loss) Attributable to AeroVironment</td>
<td>($4.4)</td>
<td>$7.0</td>
<td>-</td>
<td>-</td>
<td>$2.6</td>
</tr>
<tr>
<td>Net Profit (Loss) Margin %</td>
<td>(10%)</td>
<td>10%</td>
<td>-</td>
<td>-</td>
<td>2%</td>
</tr>
<tr>
<td>Earnings (Loss) per share (EPS)</td>
<td>($0.19)</td>
<td>$0.29</td>
<td>-</td>
<td>-</td>
<td>$0.11</td>
</tr>
</tbody>
</table>
Strong Balance Sheet is Essential to our Growth Strategy: Confidence, Speed, Conviction

AeroVironment, Inc.
Consolidated Balance Sheet
(In thousands except share and per share data)  

<table>
<thead>
<tr>
<th></th>
<th>October 28, 2017</th>
<th>April 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$117,109</td>
<td>$79,904</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>110,751</td>
<td>119,971</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance for doubtful accounts of $1,201 at October 28, 2017 and $291 at April 30, 2017</td>
<td>$35,106</td>
<td>$74,361</td>
</tr>
<tr>
<td>Unbilled receivables and retentions</td>
<td>13,494</td>
<td>14,120</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>76,039</td>
<td>60,076</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>5,175</td>
<td>5,653</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>357,674</td>
<td>354,085</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>33,024</td>
<td>42,096</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>21,614</td>
<td>19,220</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>16,113</td>
<td>15,089</td>
</tr>
<tr>
<td>Other assets</td>
<td>838</td>
<td>2,010</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$429,263</td>
<td>$432,500</td>
</tr>
</tbody>
</table>

| **Liabilities and stockholders’ equity** |                  |                |
| Current liabilities: |                  |                |
| Accounts payable     | $15,724           | $20,283        |
| Wages and related accruals | 10,415           | 12,966         |
| Income taxes payable | 350              | 1,418          |
| Customer advances    | 3,921             | 3,317          |
| Other current liabilities | 7,441           | 10,079         |
| **Total current liabilities** | 37,851          | 48,063         |
| Deferred rent        | 1,637             | 1,719          |
| Capital lease obligations - net of current portion | 50 | 161 |
| Other non-current liabilities | 184            | 184            |
| Deferred tax liability | 67              | 116            |
| Liability for uncertain tax positions | 64             | 64             |
| Commitments and contingencies |                |                |
| **Stockholders’ equity:** |                  |                |
| Preferred stock, $0.0001 par value: |                  |                |
| Authorized shares—10,000,000; none issued or outstanding at October 28, 2017 and April 30, 2017 | — |
| Common stock, $0.0001 par value: |                  |                |
| Authorized shares—100,000,000 |                  |                |
| Issued and outstanding shares—23,865,335 shares at October 28, 2017 and 23,630,419 at April 30, 2017 | 2          | 2              |
| Additional paid-in capital | 166,993          | 162,150        |
| Accumulated other comprehensive loss | (98)            | (127)          |
| Retained earnings     | 222,504           | 219,929        |
| **Total AeroVironment stockholders’ equity** | 389,401         | 381,954        |
| Noncontrolling interest | 0               | 239            |
| **Total equity**      | 389,401           | 382,193        |
| **Total liabilities and stockholders’ equity** | $429,263        | $432,500       |

See accompanying notes to consolidated financial statements (unaudited).

$261 million in cash, short and long term investments

No debt (other than $0.2 million IT capital leases)
Focused on Executing Our Fiscal 2018 Plan to Drive Long-Term Value

- Profitable Growth through Technology-Based Innovation
- Significant Optionality from Multiple High-Value Growth Opportunities
- Strong Financial Foundation
- History of Creating Differentiated and Industry Leading Solutions