



# LEADING

## THE DEFENSE TECH SECTOR

**AEROVIRONMENT // MARCH 2025**  
**JP MORGAN // INDUSTRIALS CONFERENCE**



# Safe Harbor Statement

**Certain words in this presentation** may contain "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 ability to successfully close and integrate acquisitions into our operations and avoid disruptions from acquisition transactions that will harm our business; the recording of goodwill and other intangible assets as part of acquisitions that are subject to potential impairments in the future and any realization of such impairments; any actual 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, including uncertainties in classification, pricing or potentially burdensome imposed terms for certain types of government contracts; availability of U.S. government funding for defense procurement and R&D programs; our ability to win U.S. and international government R&D and procurement programs; changes in the timing and/or amount of government spending, including due to continuing resolutions; adverse impacts of a U.S. government shutdown; our ability to consummate the acquisition of BlueHalo and realize the anticipated benefits of the transaction; our reliance on limited relationships to fund our development of HAPS UAS; our ability to execute contracts for anticipated sales, perform under such contracts and other existing contracts and obtain new contracts; risks related to our international business, including compliance with export control laws; the extensive and increasing 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 or the risk of unauthorized access to and resulting misuse of our, our customers' and/or our suppliers' information and systems; failure to remain a market innovator, to create new market opportunities or to expand into new markets; our ability to increase production capacity to support anticipated growth; unexpected changes in significant operating expenses, including components and raw materials; failure to develop new products or integrate new technology into current products; any increase in litigation activity or unfavorable results in legal proceedings, including pending class actions; or litigation that may arise from our pending acquisition of BlueHalo; our ability to respond and adapt to legal, regulatory and government budgetary changes, including those resulting from the impact of pandemics and similar outbreaks; our ability to comply with the covenants in our loan documents; and our merger agreement with BlueHalo; our ability to attract and retain skilled employees; the impact of inflation; and general economic and business conditions in the United States and elsewhere in the world; and the failure to establish and maintain effective internal control over financial reporting.

**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.

# Additional Information

## ADDITIONAL INFORMATION AND WHERE TO FIND IT

This presentation references the proposed transaction between AeroVironment and BlueHalo. In connection with the proposed transaction, AeroVironment will file with the SEC a registration statement on Form S-4, which will include a proxy statement and a prospectus, to register the shares of AeroVironment stock that will be issued to BlueHalo's shareholders (the "Proxy and Registration Statement"), as well as other relevant documents regarding the proposed transaction. INVESTORS ARE URGED TO READ IN THEIR ENTIRETY THE PROXY AND REGISTRATION STATEMENT REGARDING THE TRANSACTION WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

A free copy of the Proxy and Registration Statement, as well as other filings containing information about the Company, may be obtained at the SEC's website (<http://www.sec.gov>). You will also be able to obtain these documents, free of charge, from the Company at <https://investor.avinc.com/> or by emailing [ir@avinc.com](mailto:ir@avinc.com).

## PARTICIPANTS IN THE SOLICITATION

AeroVironment and its respective directors and executive officers may be deemed to be participants in the solicitation of proxies from its respective stockholders in respect of the proposed transactions contemplated by the Proxy and Registration Statement. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of AeroVironment in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the Proxy and Registration Statement when it is filed with the SEC. Information regarding AeroVironment's directors and executive officers is contained in its Annual Report on Form 10-K for the year ended April 30, 2024 and its Proxy Statement on Schedule 14A, dated August 12, 2024, which are filed with the SEC.

## NO OFFER OR SOLICITATION

This presentation is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed transactions or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act. Subject to certain exceptions to be approved by the relevant regulators or certain facts to be ascertained, the public offer will not be made directly or indirectly, in or into any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction, or by use of the mails or by any means or instrumentality (including without limitation, facsimile transmission, telephone and the internet) of interstate or foreign commerce, or any facility of a national securities exchange, of any such jurisdiction.

## NON-GAAP MEASURES

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), this presentation also contains non-GAAP financial measures. See in the financial tables below the calculation of these measures, the reasons why we believe these measures provide useful information to investors, and a reconciliation of these measures to the most directly comparable GAAP measures.

# Corporate Snapshot

**AVAV**

NASDAQ

**Arlington, VA**

HQ

**1971**

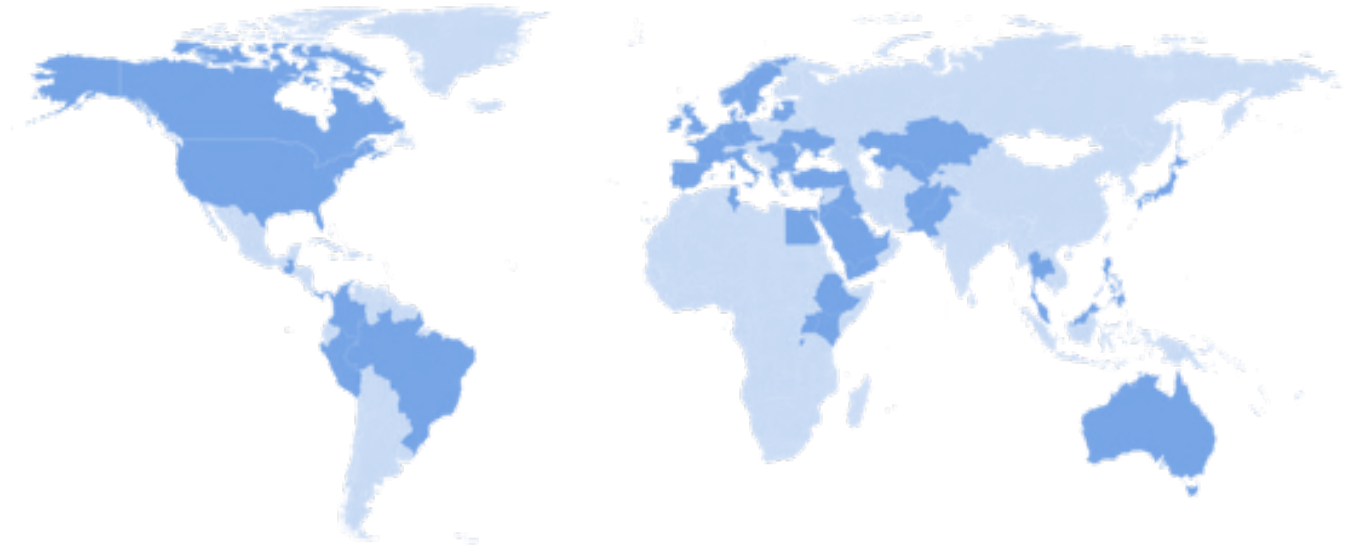
FOUNDED

**~1,450**

EMPLOYEES

- ▶ AVAV is a Leader in Defense Technology Solutions
- ▶ Delivering Solutions to the United States Military and its Allies for over 30 Years
- ▶ Strong Track of Growth
- ▶ **AVAV announced an acquisition of BlueHalo in November 2024, and it expected to close in calendar Q2 of 2025 creating a \$2 Billion Company**

## GLOBAL FOOTPRINT

**55+**

customers in allied nations

**35,000+**

AV platforms fielded and performing in most demanding environments

# Strong Track Record of Revenue Growth

(\$ Millions)



**FISCAL YEAR ENDING APRIL 30**

\*FY25 Revenue Represents Mid-Point of Guidance Range

# Consistent EBITDA Growth – Targeting 20% of Revenue Longer Term

(EBITDA \$ Millions; % of Revenue)



**FISCAL YEAR ENDING APRIL 30**

\* FY25 EBITDA Represents Mid-Point of Guidance Range

# AV + BlueHalo = Unmatched Portfolio of Defense Tech Solutions

AVAV announced acquisition of BlueHalo (BH) in November 2024 and it expected to close in calendar Q2 of 2025. Subject of AV Shareholder and regulatory approval.



## Loitering Munitions

A family of advanced lethal drones including the Switchblade family and one-way attack drones.

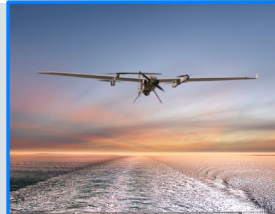


## Space Technologies

Advanced solutions, technologies and effects for space; ground-based systems for situational awareness, communications, command & control and warfare operations

## Group 1,2,3 UAS

A family of **advanced multi-use drones**. Industry leading Puma Group 1/2, JUMP 20 Multi-Domain Group 3 and recently introduced P550 Multi-Mission Group 2



## Counter UAS (C-UAS)

Full suite of **layered defense solutions** including precision target acquisition & tracking systems, autonomous offensive swarming platforms & payloads and directed energy.

## Advanced Software

Leading Computer Vision Technology, Autonomy, Object Tracking and C2 software

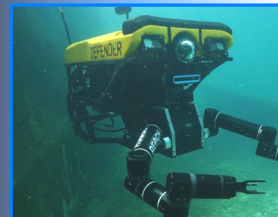
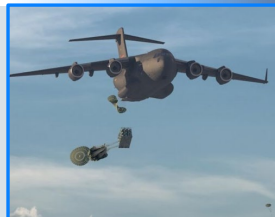


## Electronic Warfare & Cyber

Specialized support, services and technology to execute critical national security missions, including technologies and tradecraft used in **offensive and defensive cyber** and SIGINT

## Advanced Innovations

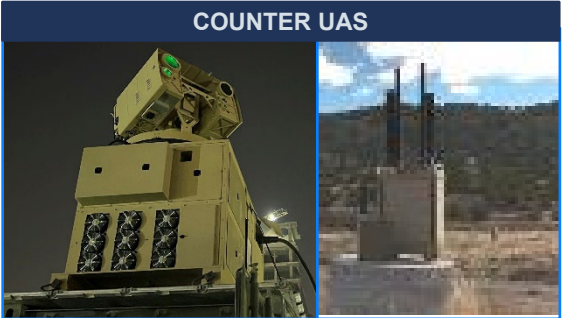
Next generation technologies delivering solutions to defense, space and commercial markets



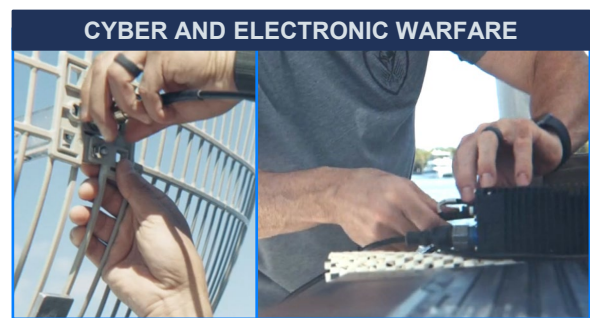
## Advanced Innovations

Next generation technologies **solving defense and national security** customers' most pressing needs in robotics, autonomy, AR/VR, materials and next generation RF

# AV + BlueHalo Combined Defense Tech Portfolio at-a-Glance

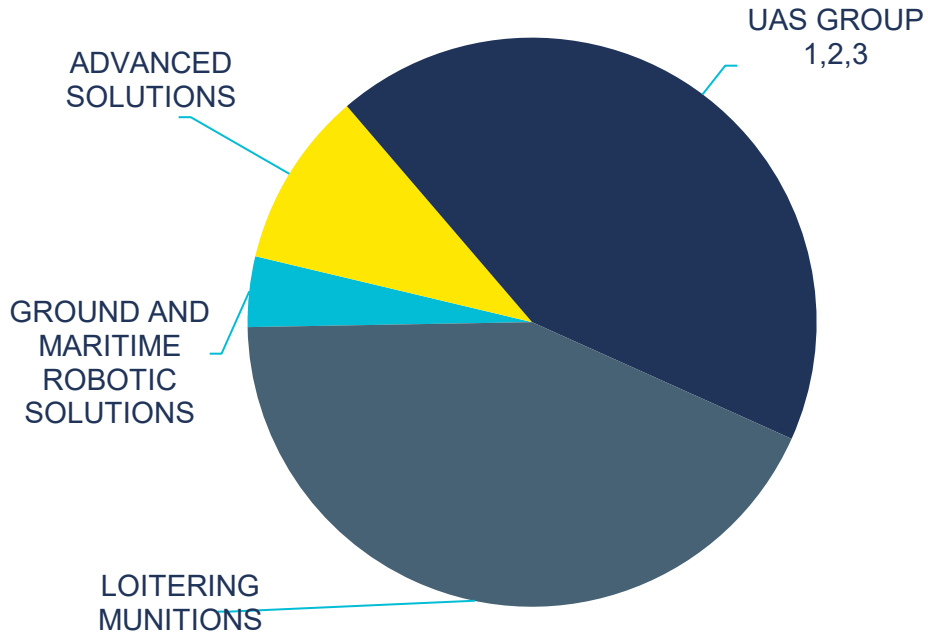


Revenue*	<b>\$2 Billion</b>	(1) Based upon pro-forma financials for the combined BlueHalo and AeroVironment FY26 the 424B3 Filed February 12, 2025
Adjusted EBITDA*	<b>\$340 Million</b>	
Employees	<b>3,600</b>	

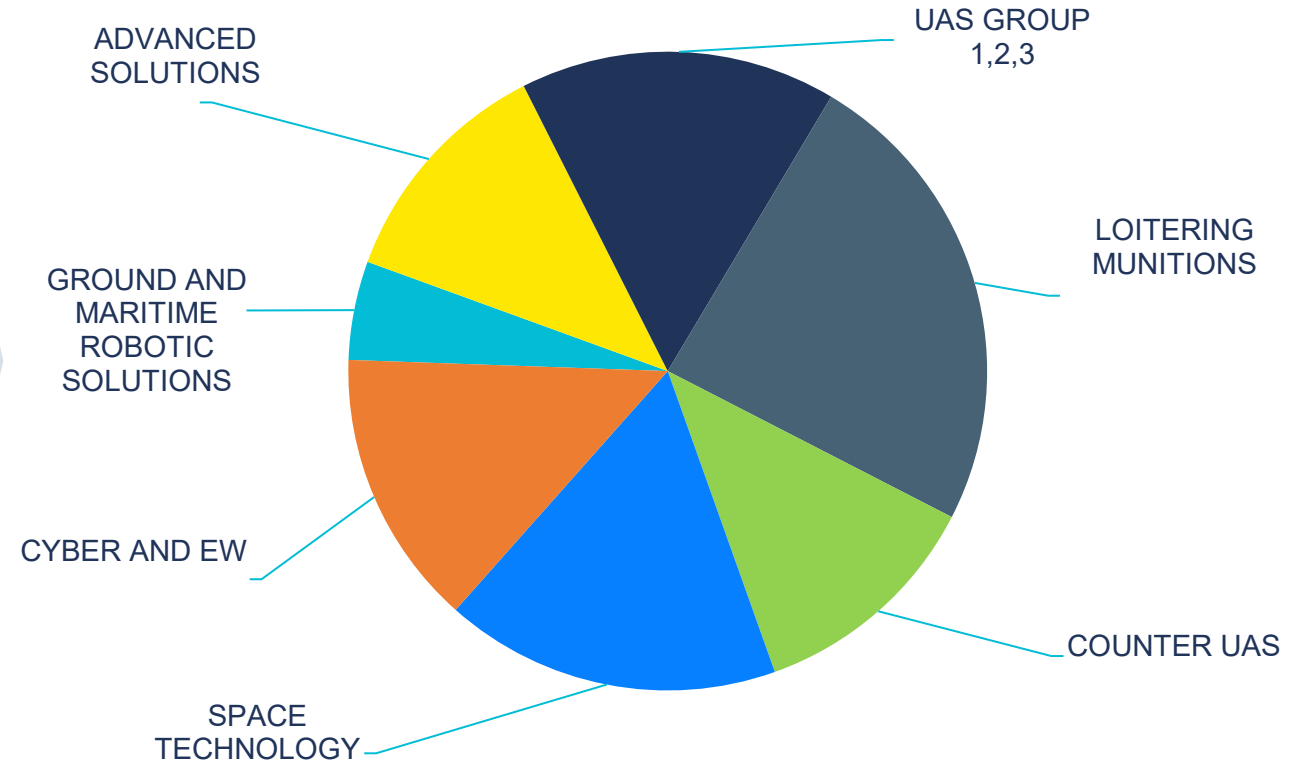


# AV+BH Creates Diversified Portfolio

## AV Today



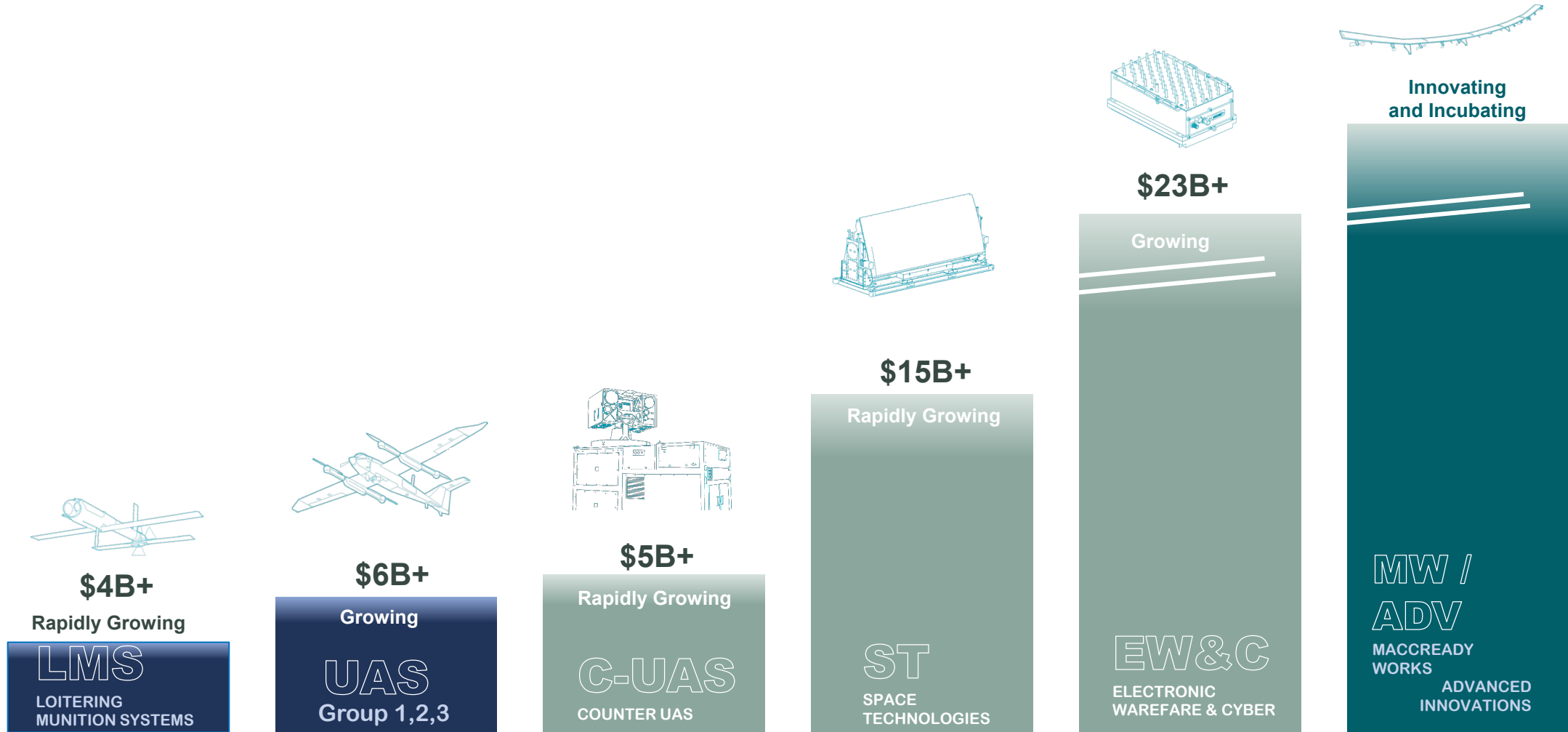
## AV Post BlueHalo Acquisition



*Combined Company Positioned Extremely Well with U.S. Defense Priorities*

# Combined AV + BlueHalo TAM over \$50B+

GLOBAL TAM



Source: Renaissance Strategic Advisors.

# AV+BH Well Positioned for New Administration's Defense Priorities

During his confirmation process, Hegseth pledged that as leader of the Pentagon he would prioritize **investments in AI, drones and counter-drone systems**, among other technologies that he considers key to military modernization.

## WHY DRONES ARE CHANGING WARFARE?

**Operational Effectiveness** // lower human risk

**Precision Strike** // reduces collateral damage

**Cost Effective** // more functionality for less

**Force Leverage** // autonomy, swarming, computer vision, reduce human capital requirements

DEFENSESCOOP

Topics ▾ Events Podcasts Videos DefenseScoop 50

## Pete Hegseth, Trump's new defense secretary, issues message vowing to 'rapidly' field emerging tech

The Pentagon chief issued his first "Message to the Force" on Saturday after being sworn in.

BY [JON HARPER](#) • JANUARY 25, 2025

🔊 Listen to this article 2:46 [Learn more.](#)



Secretary of Defense Pete Hegseth speaks after being sworn in by U.S. Vice President J.D. Vance in the Indian Treaty Room at the Eisenhower Executive Office Building at the White House on January 25, 2025 in Washington, DC. (Photo by Kent Nishimura/Getty Images)

Newly confirmed Secretary of Defense Pete Hegseth issued a message to the military on Saturday that expressed his intent to quickly field emerging capabilities to deter China and others.

Hegseth [narrowly won confirmation](#) Friday night and was officially sworn in Saturday morning.

"It is the privilege of a lifetime to lead the warriors of the Department of Defense,



# OUR UNMATCHED PORTFOLIO: *Accomplishing Missions in the Most Demanding Environments*

SOLAR HAPS

## GROUP 2-3 UAVS



JUMP 20



T-20



VAPOR 55 MX



SWITCHBLADE 600



SWITCHBLADE 300 BLOCK 20



BLACKWING



PUMA LE



PUMA 3 AE



P550



RAVEN B



WASP AE



INGENUITY MARS HELICOPTER



PUMA VTOL KIT

## GROUP 1-2 UAVS

## Loitering Munitions



LRTA



ERA



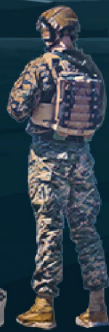
STANDARD



pDDL



CRYSLIS



TOMAHAWK



MPL



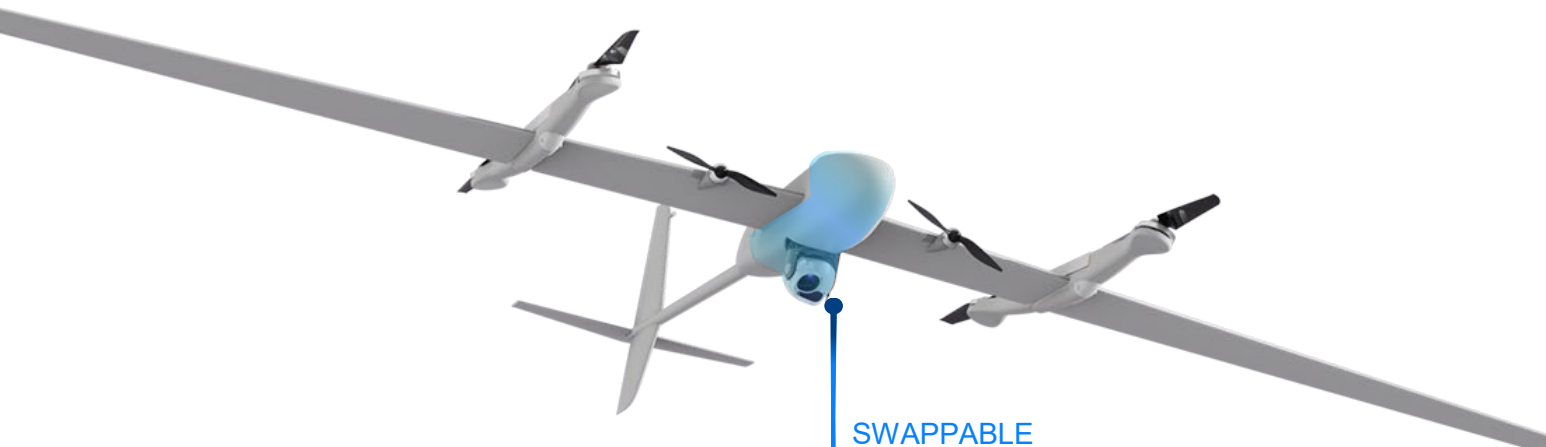
telemax UGV

tEODor EVO

# P550 - Battlefield Adaptable -

Rugged, Reliable, Portable, All-weather Tactical eVTOL Platform

Carry up to ~15lb\* @ 120+ min of flight

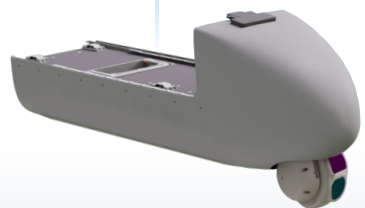


SWAPPABLE  
PAYLOADS

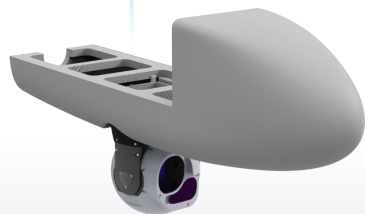
**Easily Configure P550** to meet the needs of any mission with Single & Multiple Payload options

**Unique Payload Sled with Common Payload Interfaces** allows for easy swapping of payloads for easy integration of current and future payloads

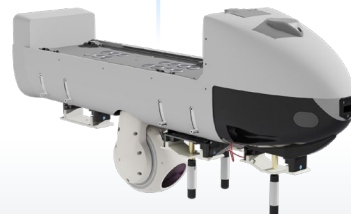
**Tool-less Quick Mount** for quick payload mounting, easily slide and click into place



STANDARD ISR



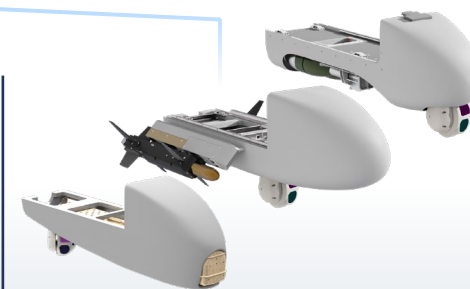
ADVANCED ISR



SIGINT w/ ISR



COMMS RELAY w/ ISR



ARMED PATROL

*Modular Payload Flexibility for Great Mission Support*

\*with HD-25 - up to a 15-18 lbs droppable payload (65 lb GTOW)

# Smart solutions that respond to evolving customer needs

# PLATFORMS

- Group 1 UAVs
- Group 2-3 UAVs
- Loitering Munitions
- Lethal Drones
- Ground Robots
- Logistic UAVs
- Space Helicopters



- Communications
- Command and Control
- Autonomy / AI
- Computer Vision / Object ID
- Visual Navigation
- Flight Control Systems
- Advanced Solutions

# SOFTWARE

*Serving Primarily Defense and Public Safety Markets*

# AV's Autonomous Solutions Help Solve Future Challenges of UAS Warfare

DATALINKS ARE  
COMPROMISED



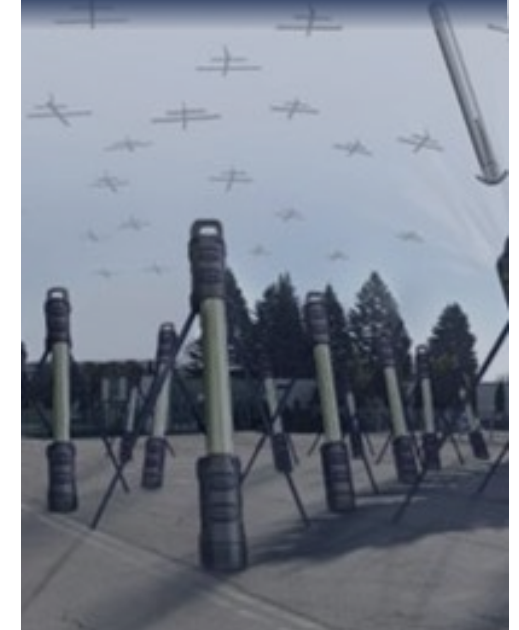
GPS IS  
UNRELIABLE



AIR DEFENSE  
SYSTEMS



RAPIDLY  
EVOLVING  
BATTLEFIELD



*AV is well positioned to solve these problems as we move toward more autonomous solutions*

# Group 1-3 UAS provide next-gen battlefield surveillance

## Business Overview

*Uncrewed aerial systems provide warfighters the massed and resilient C2ISR<sup>(1)</sup> capabilities required to dominate 21<sup>st</sup> Century contested battlespaces*

**\$6B+**

Market Opportunity

## AeroVironment Positioning<sup>(3)</sup>

Products



**P-550**



**Jump  
20-X**



**Puma  
LE / AE**



**Autonomy  
Software**

Programs



**Tac-UAS**



**sUAS**



**RQ-20B**



**MEUAS**

## Key Growth Opportunities<sup>(3)</sup>



Long Range  
Reconnaissance



Medium Range  
Reconnaissance



Family of  
Small UAS



International  
Programs of  
Record

## Key Discriminators

Global Group  
1-2 Franchise

Group 3  
Emerging  
Leader

Full-Stack  
Sensor Suites



Source: Renaissance Strategic Advisors; (1) Command, Control, Intelligence, Surveillance, and Reconnaissance; (2) Pro Forma estimate following BlueHalo merger closing expected in Q2 2025; (3) Not exhaustive

# Loitering Munitions engage beyond-line-of-sight targets

## Business Overview

*Diverse portfolio of man-portable autonomous weapon systems allow warfighters to rapidly prosecute protected adversary positions at standoff distances*

**\$4B+**

Market Opportunity

## AeroVironment Positioning<sup>(2)</sup>

Products



**Switchblade  
300**



**Switchblade  
600**



**Blackwing**

Programs



**LUS<sup>(3)</sup>**



**Foreign  
Military Sales<sup>(2)</sup>**



**TMS<sup>(4)</sup>**

## Key Growth Opportunities<sup>(2)</sup>



Long Range  
Precision Munition



Low Altitude  
Stalking & Strike  
Ordnance



Organic Precision  
Fires



Replicator  
Initiative

## Key Discriminators

Cost  
Effectiveness

Capacity and  
Throughput

Conflict Proven  
Results



Source: Renaissance Strategic Advisors; (1) Pro Forma estimate following BlueHalo merger closing expected in Q2 2025; (2) Not exhaustive; (3) Lethal Unmanned Systems; (4) Tactical Missiles Systems

# Future Defense Solutions are More Cost Effective



**SWITCHBLADE** Products  
Provide Cost Effective Solutions

UKRAINE has fired

**\$36M**

MINIMAL  
COST

worth of

**SWITCHBLADE 600**

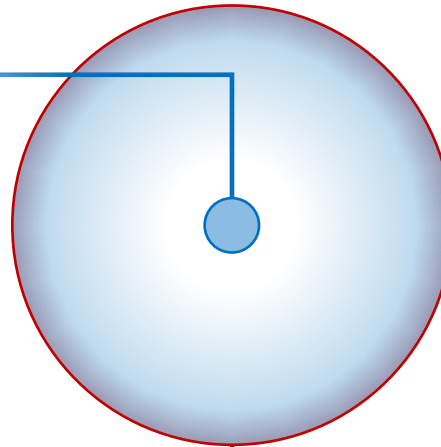
munitions

to destroy

**\$2.7B**

MAXIMUM  
IMPACT

worth of enemy equipment



**SWITCHBLADE 600**  
*Provides a 75x Cost Advantage*



# BlueHalo has a comprehensive suite of cUAS offerings

## Business Overview

AV's incoming cUAS portfolio spans capabilities (e.g., detect, track, destroy) and effectors (e.g., lasers, kinetic) to serve evolving air defense requirements

**\$5B+**

Market Opportunity

## AeroVironment Positioning<sup>(2)</sup>

Products



**Locust  
LWS**



**Freedom  
Eagle**



**TITAN**



**VigilantHalo**

Programs



**E/AMP-HEL<sup>(3)</sup>**



**Next Generation  
Missile OTA**



**IC  
Product  
Sales<sup>(4)</sup>**

## Key Growth Opportunities<sup>(2)</sup>



Replicator 2.0 Initiative



Next Generation Missile Production



DoD DE Programs of Record



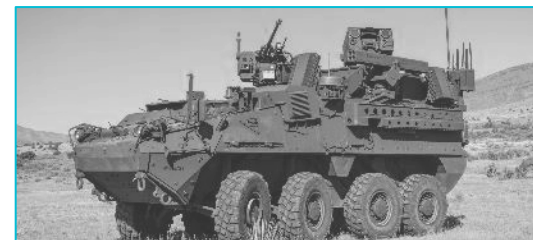
Directed Energy Foreign Military Sales

## Key Discriminators

Hardware/  
Software  
Ecosystems

Leading  
Integration  
Partners

Emerging  
Program  
Presence



Source: Renaissance Strategic Advisors; (1) Pro Forma estimate following BlueHalo merger closing expected in Q2 2025; (2) Not exhaustive; (3) Enduring / Army Multi-Purpose Laser programs; (4) Not exhaustive

# BlueHalo's Space Technology addresses critical missions

## Business Overview

AV's incoming Space offerings underpin situational awareness, superiority, SATCOM, C2, and remote sensing missions across orbits and architectures

**\$15B+**

Market Opportunity

## AeroVironment Positioning<sup>(2)</sup>

Products



Badger



WASP



OISLs



Qualified Hardware

Programs



SCAR<sup>(3)</sup>



Strategic Subcontracts



Classified DoD/IC

## Key Growth Opportunities<sup>(2)</sup>



Proliferated Warfighter Space Architecture



Classified National Security Space



Missile Defense "Golden Dome"



Select Commercial Customers



## Key Discriminators

Proprietary MSDA<sup>(4)</sup> Technology

Advanced Tracking and Sensing

Robust Installed Base



Source: Renaissance Strategic Advisors; (1) Pro Forma estimate following BlueHalo merger closing; (2) Not exhaustive; (3) Satellite Communication Augmentation Reserve; (4) Multi-band/beam Software Defined Antenna

# BlueHalo delivers key EW, cyber, and “-INT” solutions

## Business Overview

*AV will serve highly sensitive offensive / defensive cyber and “tip of the spear” intelligence missions with a suite of “off-the-shelf” products and embedded expertise*

**\$23B+**

Market Opportunity

## AeroVironment Positioning<sup>(2)</sup>

Offerings



Scraawl



Lokiset



Sharkcage  
Chassis



OS/MAS/  
SIGINT<sup>(3)</sup>

Programs

*Presence spans dozens of classified efforts across multiple DoD / IC customers*

## Key Growth Opportunities<sup>(2)</sup>



MIP + NIP  
Programs



EW/EMS Flexible  
Budget Authorities



Near Peer  
“Grey Zone”  
Operations



Tactical Space  
/ ISR  
Requirements

## Key Discriminators

Customer /  
Compartment  
Diversity

Hundreds of  
TS/SCI  
Cleared SMEs

High Margin  
Tech Product  
Sales



Source: Renaissance Strategic Advisors; (1) Pro Forma estimate following BlueHalo merger closing expected in Q2 2025; (2) Not exhaustive; (3) Open-Source, Measurement & Signature, and Signals Intelligence



# FINANCIAL

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# OVERVIEW

# Narrowing Revenue, Adjusted EBITDA and Adjusted EPS Guidance:

## Fiscal 2025 Outlook - AVAV Pre-Close of BlueHalo

AS OF 3/4/2025	FY24 RESULTS	FY25 GUIDANCE	EXPECTED % CHANGE (TO MIDPOINT)
<b>Revenue</b>	\$717 million	\$780 million – \$795 million	10%
<b>Adjusted EBITDA</b>	\$128 million <sup>1</sup>	\$135 million – \$142 million <sup>2</sup>	8%
<b>Non-GAAP Earnings per Share (diluted)</b>	\$2.99 <sup>3</sup>	\$2.92 – \$3.13 <sup>2</sup>	1%

We expect R&D Expenses between 12%-13% of Revenues and Adjusted Gross Margins<sup>4</sup> between 40% to 42% of Revenues in FY25. We expect Q4 FY25 Adjusted EBITDA to be significantly higher than the first three quarters.

<sup>1</sup> Refer to Adjusted EBITDA Reconciliation on Appendix C.

<sup>2</sup> This guidance does not include the forecasted financial results associated with the anticipated acquisition of BlueHalo or certain acquisition related expenses which are contingent upon the consummation of the acquisition. The Company cannot provide guidance for or reconciliation to GAAP net income or earnings per diluted share without unreasonable efforts due to the inherent difficulty of forecasting the timing and/or amount of the acquisition related expenses that have not yet occurred (and have been excluded from the adjusted measures). Acquisition related expenses for the fiscal year ending April 30, 2025, which are expected to be significant, will be materially impacted by the timing of the close of the acquisition and, amongst other factors, shareholder approval, required regulatory approvals, which are, in part, outside the control of the Company. As the Company cannot predict the amount or timing of acquisition related expenses with a reasonable degree of accuracy, the Company believes such reconciliation could imply a degree of precision that might be confusing or misleading to investors.

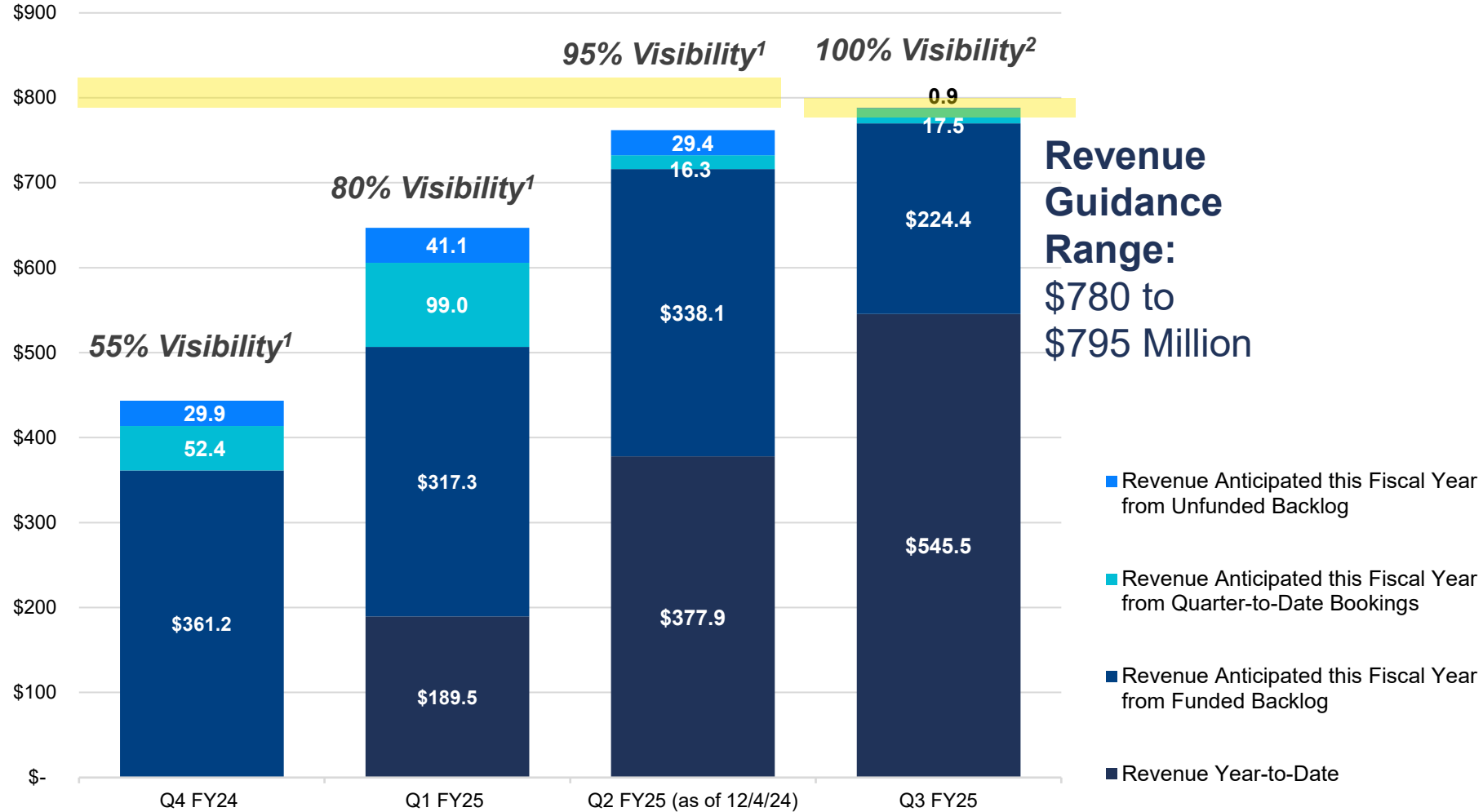
<sup>3</sup> Refer to Reconciliation of Fiscal Year 2024 Non-GAAP Diluted Earnings Per Share on Appendix D.

<sup>4</sup> We expected adjusted gross margins to be in the high 30 percent for the second half of fiscal year 2025. Adjusted gross margin is defined as gross margin before intangible amortization.

<sup>5</sup> We expect Ukraine related revenues to represent 17% of FY25 revenues and about 6% of Q4 FY25 revenues

# Visibility for FY25

## REVENUE (MILLIONS)



**Company visibility**  
(as of Mar. 4, 2024)  
supports revenue guidance range

<sup>1</sup> Based on midpoint of guidance range of \$790–\$820 million

<sup>2</sup> Based on midpoint of guidance range of \$780–\$795 million



PROCEED  
WITH  
CERTAINTY

# FINANCIAL

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# TABLES

# APPENDIX A

## Historical Non-GAAP Adjusted EBITDA Reconciliation (Unaudited)

FY20 - FY24

(in thousands)

	FY2020	FY2021	FY2022	FY2023	FY2024
Net Income (loss) from continued operations	\$ 41,339	\$ 23,331	\$ (4,188)	\$ (176,212)	\$ 59,666
Interest Expense / (Income), net	(4,828)	618	5,440	9,368	4,220
Tax provision / (benefit)	5,848	539	(10,369)	(14,665)	1,892
Depreciation and amortization	9,888	19,262	60,825	99,999	35,749
EBITDA (Non-GAAP)	\$ 52,247	\$ 43,750	\$ 51,708	\$ (81,510)	\$ 101,527
FV Step-up amortization incl. in Loss on disposal of PP&E	-	-	1,280	192	-
Cloud amortization	-	-	339	561	1,445
Stock-based compensation	6,227	6,932	5,390	10,765	17,069
Acquisition-related expenses	1,119	7,982	4,853	1,386	2,095
Arcturus Goodwill Impairment	-	-	-	156,017	-
Equity method and equity security investment activity	5,487	10,481	(4,589)	2,583	5,618
Non-controlling interest	(4)	14	3	45	-
Legal accrual related to our former EES business	-	9,300	10,000	-	-
Sale of ownership in HAPSMobile JV	-	-	(6,383)	-	-
Adjusted EBITDA (Non-GAAP)	\$ 65,076	\$ 78,459	\$ 62,601	\$ 90,039	\$ 127,754