



PROCEED
WITH
CERTAINTY



AEROVIRONMENT, INC.

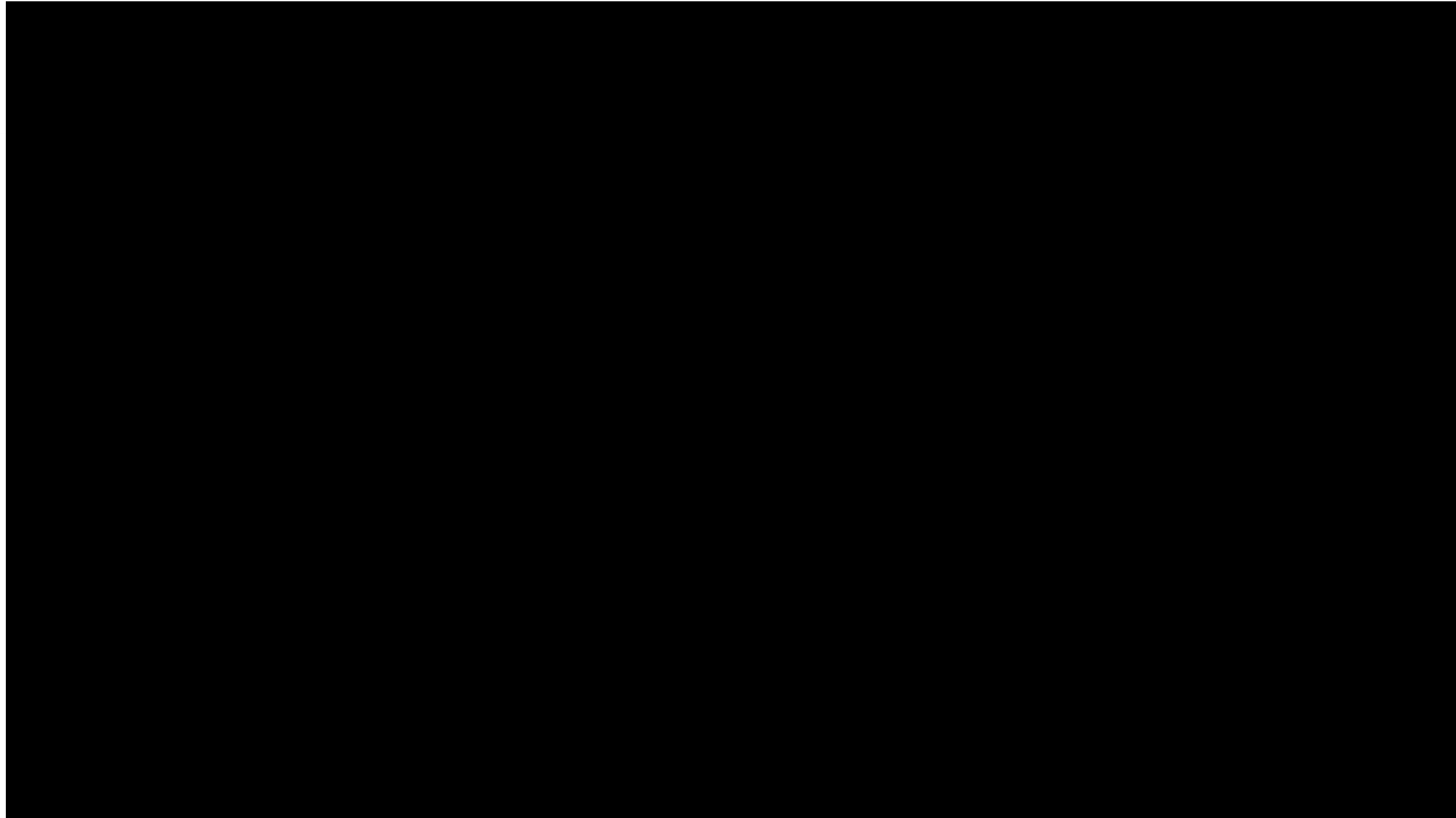
May 2024



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, including the acquisition of Tomahawk Robotics; 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; changes in the timing and/or amount of government spending, including due to continuing resolutions; adverse impacts of a U.S. government shutdown; our reliance on limited relationships to fund our development of HAPS UAS; our ability to perform under 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; 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; 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; 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; 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.



AV At-A-Glance

Honored to support our global customers as the leading pureplay unmanned systems company, providing solutions primarily to U.S. DoD and allies around the world

Global footprint with sales to

55+ allied nations



NASDAQ: **AVAV**

Market Cap: **\$5.3B+**

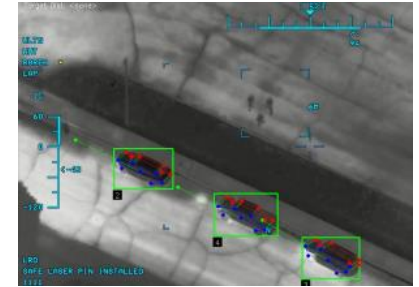
HQ: **Arlington, VA**

Employees: **~1,400**

AVAV's Business



| Platforms | Software |
|---------------------|------------------------|
| Group 1 UAVs | Communications |
| Group 2-3 UAVs | Command and Control |
| Loitering Munitions | Autonomy / AI |
| Lethal Drones | Computer Vision |
| Ground Robots | Object ID |
| Logistics UAVs | Visual Navigation |
| Space Helicopters | Flight Control Systems |
| | Advanced Solutions |



Serving Primarily Defense and Public Safety Markets

OUR UNMATCHED PORTFOLIO: Accomplishing Missions in the Most Demanding Environments



SOLAR HAPC



JUMP 20



T-20

Group 2-3 UAVS



VAPOR 55 MX



SWITCHBLADE 600

Loitering Munitions



PUMA LE



PUMA 3 AE



PUMA VTOL KIT



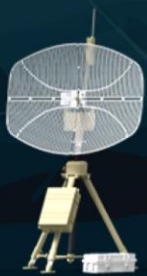
RAVEN B



Group 1-2 UAVS



INGENUITY MARS HELICOPTER



LRTA



ERA



STANDARD



pDDL



CRYSLIS



KINESIS



MPL



telemax UGV

tEODor EVO

AV Operates Three Business Segments

Uncrewed Systems (UxS)



Group 1-3 UAVs for ISR and UGVs for EOD and CBRNE missions

- SUAS, MUAS and UGV Business Units
- Leader in our markets
- Global franchise with shipments to more than **55 allied countries**
- Leading edge autonomy and AI/ML capabilities

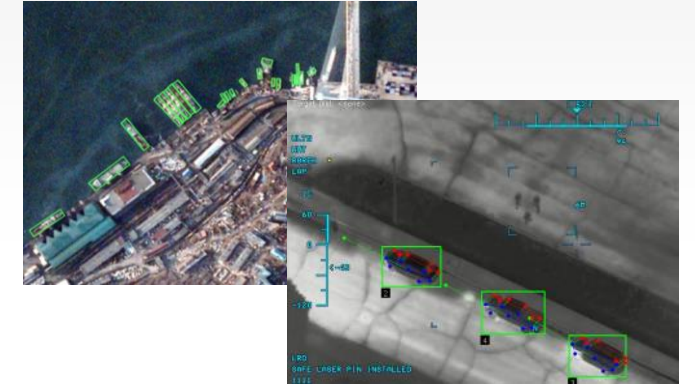
Loitering Munition Systems (LMS)



Small/Med Loitering Munitions

- Leading supplier to US DoD for **more than a decade**
- Multiple payload types with more variants in development
- Recent DoD authorization to sell to more than **50 allied countries**
- Multiple **\$1B+ Programs of Record** on horizon
- Advanced Features

MacCready Works (MW)



Advanced Programs and Customer Funded R&D

- Classified & Un-Classified Projects
- Center of Excellence for Machine Learning, AI & Autonomy
- Includes HAPS and Mars Helicopter programs
- Incubates new product lines

Growing Need for Uncrewed & Autonomous Systems



Future of warfare and US military's force structure will **include** more distributed intelligent and affordable unmanned systems & loitering munitions deployed at the edge of the battlefield. AV develops and delivers these types of disruptive capabilities to our military and global allies



Shift from conventional missiles to Loitering Munitions like the Switchblade 300 & 600 with greater range, precise targeting and **wave-off** capability



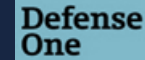
Proven that small nations can successfully defend themselves and **deter** larger adversaries using unmanned systems in the air, ground and sea — i.e. asymmetrical warfare



Trend towards more autonomous solutions utilizing machine learning and AI capabilities that operate in **contested environments**



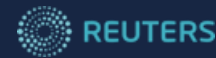
"Ukraine is building an advanced army of drones"



"Army orders loitering munition for testing as soldier-borne tank-killer"



"Pentagon to build unmanned systems to compete with China"



"Army orders loitering munition for testing as soldier-borne tank-killer"



"Ukrainian minister vows more drones for strikes on Russian warships"



"The use of autonomous systems is going to be a constant... which includes the first thousand feet of air above the land."

○ AV's unique solutions are valued by our customers and trusted to meet their growing needs

At Inflection Point and Poised for Long-Term Value Creation

Unmatched portfolio of uncrewed systems with strong global franchises



Innovation leader deploying AI/ML tech to the battlefield for autonomous missions



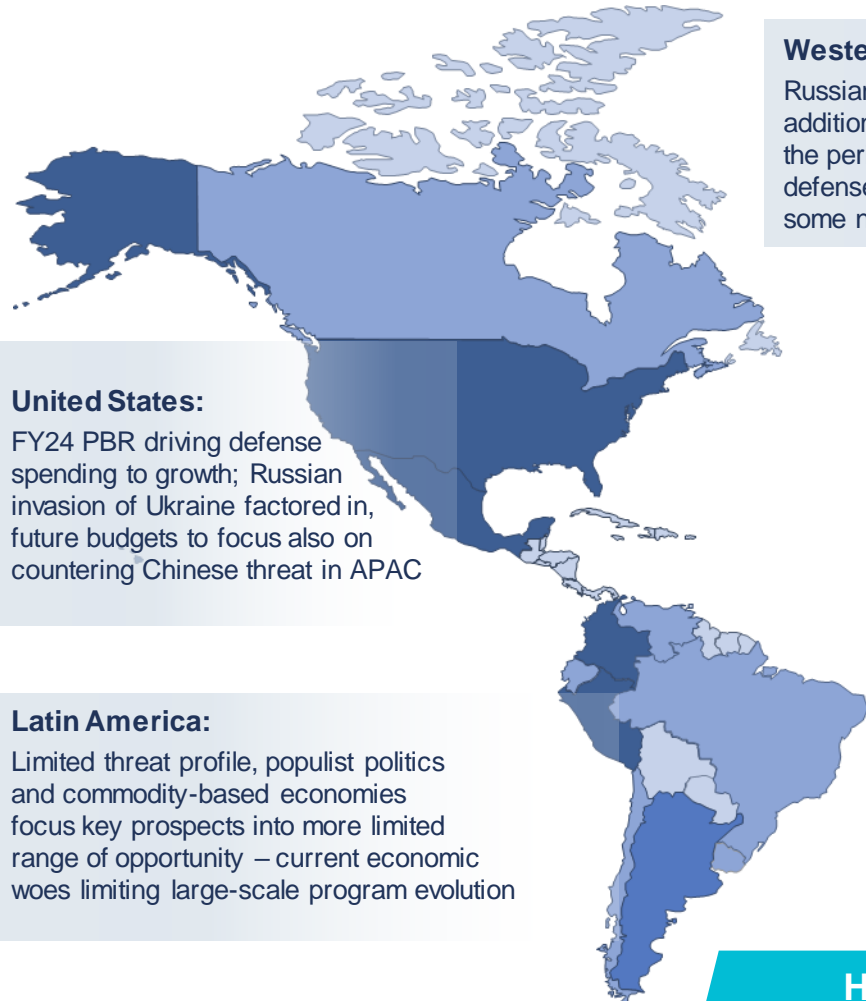
Well-positioned to benefit from key trends and strong global tailwinds



Proven track record of more than 20 years serving defense and gov't customers



Evolving Global Security Threats Are Driving Defense Spending



United States:

FY24 PBR driving defense spending to growth; Russian invasion of Ukraine factored in, future budgets to focus also on countering Chinese threat in APAC

Latin America:

Limited threat profile, populist politics and commodity-based economies focus key prospects into more limited range of opportunity – current economic woes limiting large-scale program evolution

Western Europe:

Russian invasion of Ukraine driving additional spending through the period, particularly in air defense, land systems, and some naval recap

Eastern Europe & Nordics:

Increased Russian activity in former Soviet states and conflict in Ukraine will likely drive increased spending in Eastern Europe & Nordics

MENA:

Growing involvement in defense manufacturing and in the conduct of operations is driving increasing sophistication of requirements; air defense a core priority N. Africa increasingly modernizing and seeking to develop better surveillance capabilities – Tunisia, Algeria and Morocco increasing spend

Asia/Pacific:

Chinese power projection is driving investment by its neighbors, particularly Japan, Australia, S. Korea, Malaysia, Indonesia and Singapore

Historical and projected defense and security spending patterns largely mirror geographic threat areas

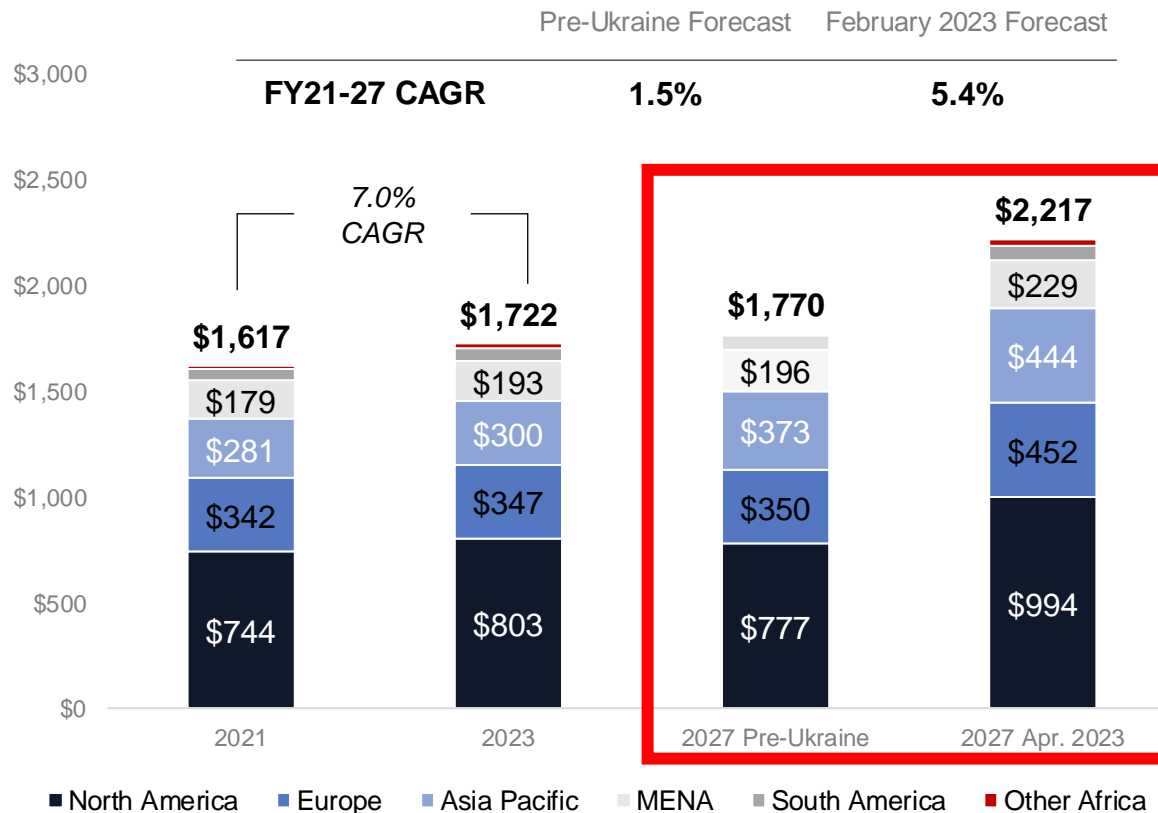
Defense Spend CAGR '17-'27:

-5% 5%

Sources: SIPRI, RSAAdvisors Defense Budget Forecasts

Solid Increase in Global Defense Budgets

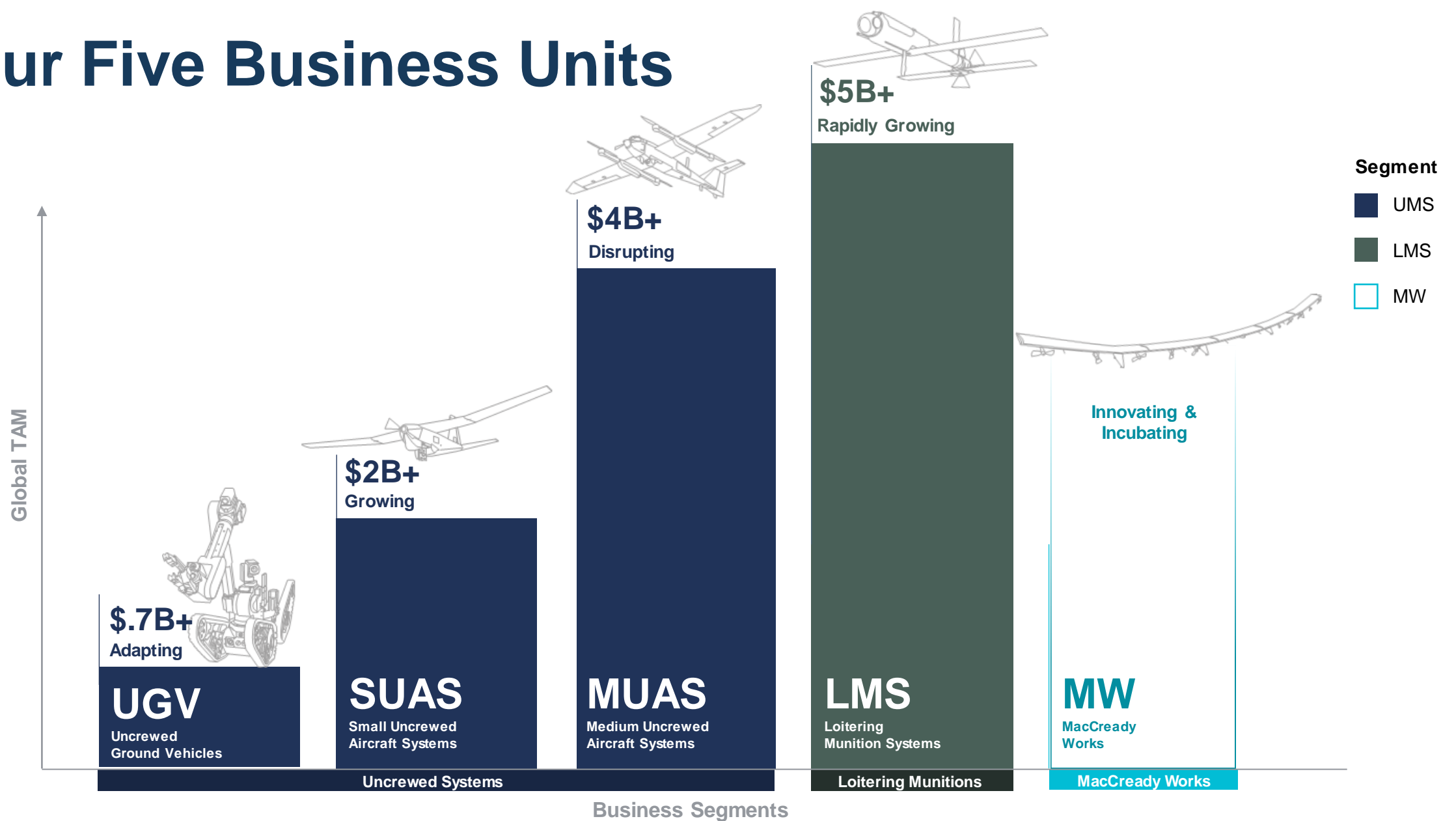
GLOBAL DEFENSE¹ BUDGET BY REGION 2021 – 2027 (\$B, Current)



- U.S. budget growth reignited to fast-track recapitalization of key platforms fleets, increase readiness and expand stockpiles.
- European defense spending is likely to increase to above \$400B by 2025.
- Germany's commitment to a €100B defense spend boost and continued investment above the 2% NATO target, particularly in 'frontier' nations such as Poland.
- Significant uplift in APAC budgets to account for heightened awareness of peer conflict and growing tension in both East and South China Seas.

(1) Excludes embargoed nations; Afghanistan, Belarus, China, CAR, DRC, Iran, Libya, Myanmar, Russia, Syria, Venezuela, Yemen, Zimbabwe; | Sources: RSAdivisors Defense Budget Forecasts; National Defense Spending Announcements

Our Five Business Units



Sources: SUAS and MUAS figures from "World Military Unmanned Aerial System Report by Teal Group". LMS, UGV Source "Renaissance Strategic Advisors"

Segment Overview: Uncrewed Systems

Group 1-3 UAVs for multiple missions and
UGVs for EOD and CBRNE missions

Global Leader in Group 1 UAS with shipments to more
than **55 allied countries**

Strong international UGV franchise with domestic
growth opportunities

Disruptor in larger Group 2-3 UAS market with **many
domestic and international growth opportunities**

Multiple **\$1B programs** of records on the horizon

Incorporate leading edge **autonomy and AI/ML
capabilities** to reduce cognitive load while enabling
operations in contested environments



Segment Overview: Loitering Munitions Systems

Tube-launched, armed UAVs with ability to identify, track, and neutralize threats, in real-time with maximum effectiveness while minimizing collateral damage

Leading supplier to US DOD for past **10 years**

More than 5,000 units shipped with capacity to produce **1000's per year**

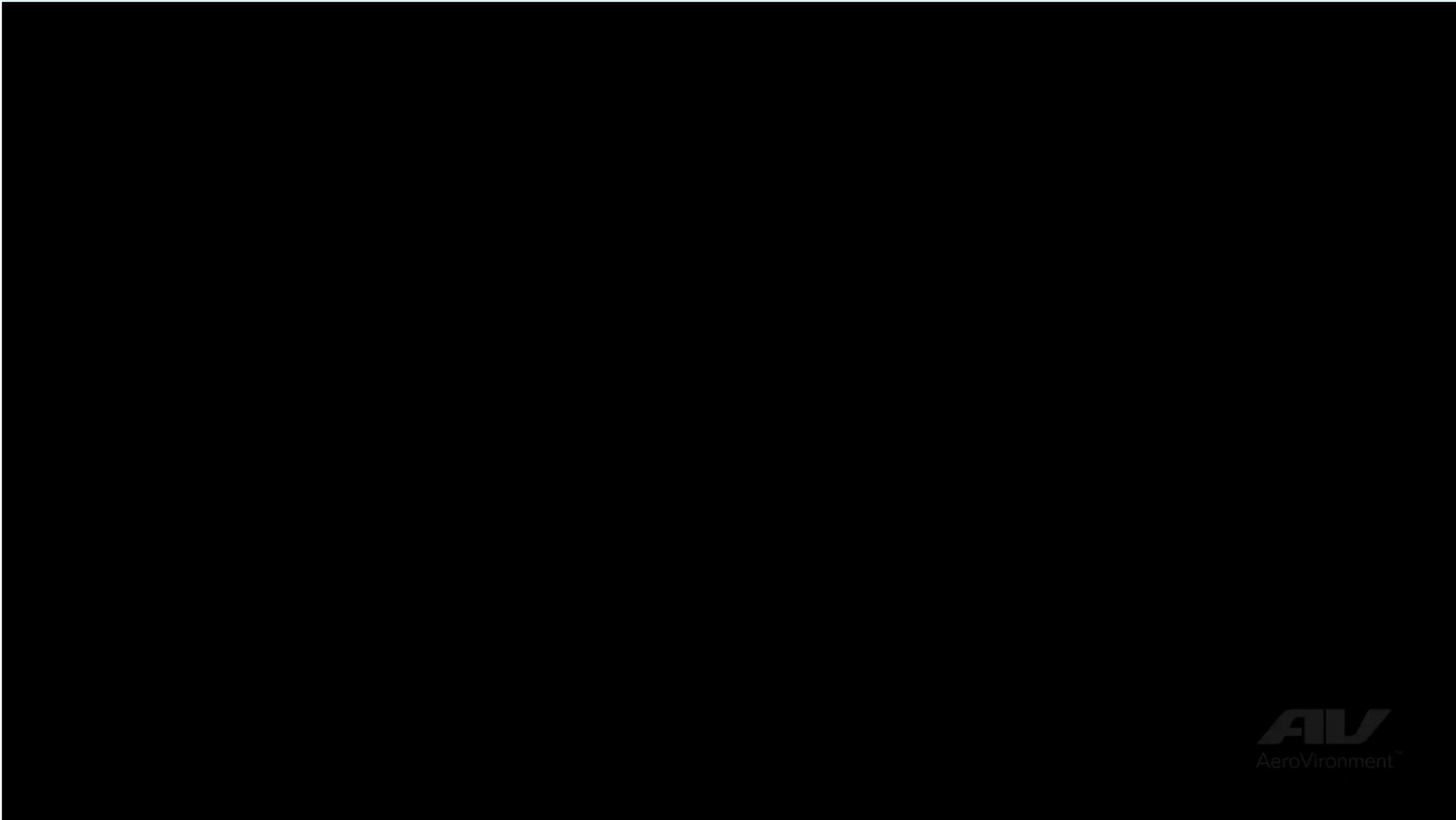
Multiple sizes and payloads with more **variants in development** to meet new customer needs

Authorization to sell to more than **50 allied countries**

Many **\$1B+ programs** of record on horizon

Selected by US DOD for Replicator, Army LASSO and Marine Corps Light Programs





Segment Overview: MacCready Works

Disruptive Innovations and Incubator for new Business Franchise

“Center of excellence” developing cutting-edge technologies to deploy machine learning, **AI and autonomy** capabilities

R&D focused on advanced technologies in robotics, sensors, software analytics and connectivity to deploy across portfolio

Classified and un-classified projects

Includes **HAPS** and **Mars Copter** programs

Explores adjacent market opportunities and **incubates** potential new business segments and product lines

Learning and Active Perception (LEAP)



Space Ventures



HAPS



Autonomy as a Product

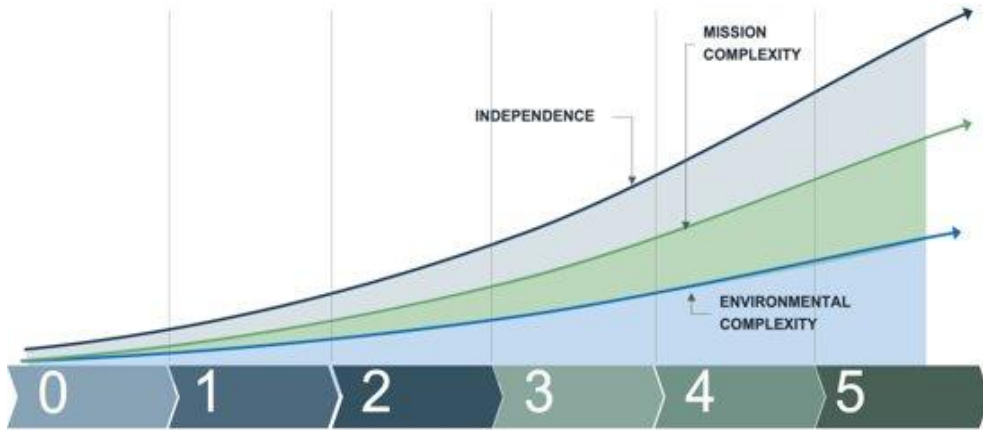


Novel Systems



Role of Autonomy in Future Systems

Autonomy

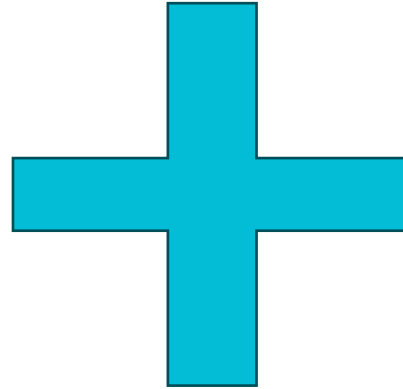


- Freedom and independence from external control or influence.
- In the context of unmanned/robotic systems this means:
 - **Safe:** The system can operate safely without constant oversight and stay within its own limitations.
 - **Cognitive:** The system understands its role in the context of the mission and performs that function.
 - **Dynamic:** The system can adapt to unexpected situations or a change in mission status.
 - **System:** Autonomy is a system consisting of multiple components that have to work together.
- Primary Goal: Provide a beneficial mission capability with increased operational advantage while reducing the human burden.

Image Recognition is Key Enabler for Autonomy

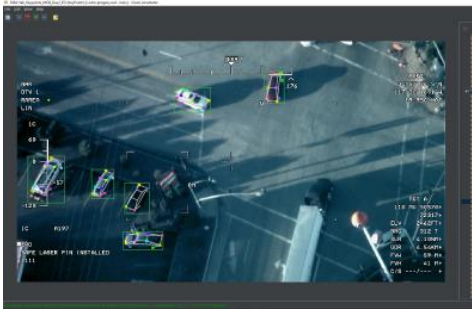


Extensive Database of Annotated Imagery



Leader in fielded defense systems with more than 50,000 deployed globally

Best-in-Class Algorithm Development



Vision Annotation



Synthetic Data Generation



Model Training



Image Understanding

Our market leading technology can detect, track, re-identify objects and navigate in GPS denied environments

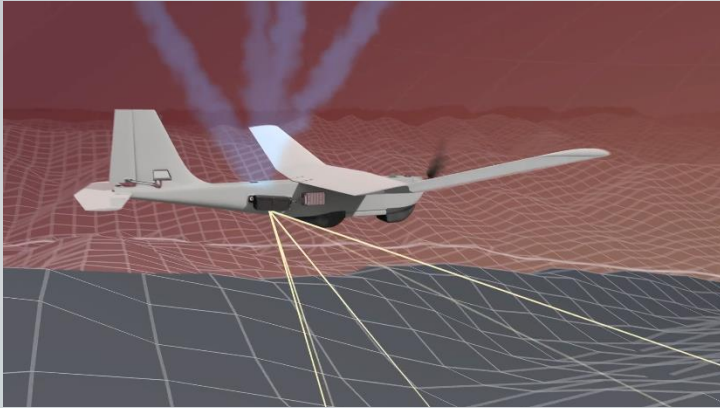
CUSTOMERS // USE CASE APPLICATIONS

USE CASES

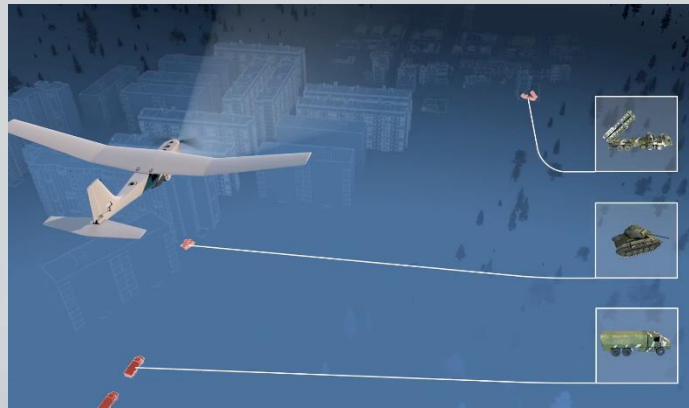
PRODUCTS EMPLOYED

| | FORCE PROTECTION | OVERHEAD IMAGERY ANALYSIS | AIRBORNE COMPUTER VISION | SURFACE DETECTION | PERSON DETECTION & RECOGNITION | RUNWAY SURFACE DETECTION | DATA ANNOTATION |
|--|--|--|--|--|---|--|---|
| | <p>U.S. Army FPS USMC G-BOSS USAF G-BOSS E</p>  | <p>U.S. Army TITAN DCGS-N BAMS-D NGA</p>  | <p>ONR-LOCUST/KOBOL MCWL-ACE ARMY-NVESD</p>  | <p>PMA-435 ISIS DOD ONR-SPRITE ONR-CODE 32 KOBOL</p>  | <p>DOD</p>  | <p>USAF-RADAS ONR-RESAT</p>  | <p>ALL</p> |
| | <p>SPOTR WebRTC ClusterUI Automated Camera Control</p> <ul style="list-style-type: none"> Video analytics to detect, track, re-identify objects of interest Clustering visually similar objects and persons | <p>SPOTR – GEO SansVisage</p> <ul style="list-style-type: none"> Satellite and overhead imagery analysis for maritime vessels, aircraft, vehicles, and HVT | <p>SPOTR – Edge Drone Control UI GPS Denied Navigation</p> <ul style="list-style-type: none"> Processing video onboard of UAS to detect, track, and re-identify objects of interest. Navigating in GPS denied areas via visual terrain matching | <p>SPOTR</p> <ul style="list-style-type: none"> Automatic detection of surface targets and tracking | <p>ClusterUI Solution0 SPOTR</p> <ul style="list-style-type: none"> Person detection and recognition Clustering visually similar persons Digital Video Recorder (DVR) Web-based Video Player | <p>SPOTR-Edge</p> <ul style="list-style-type: none"> Detecting craters and debris on runways Segmentation for navigability and object mensuration | <p>VISION</p> <ul style="list-style-type: none"> Collecting and storing massive datasets for experimentation and development Annotating imagery and video to train computer vision and machine learning algorithms |

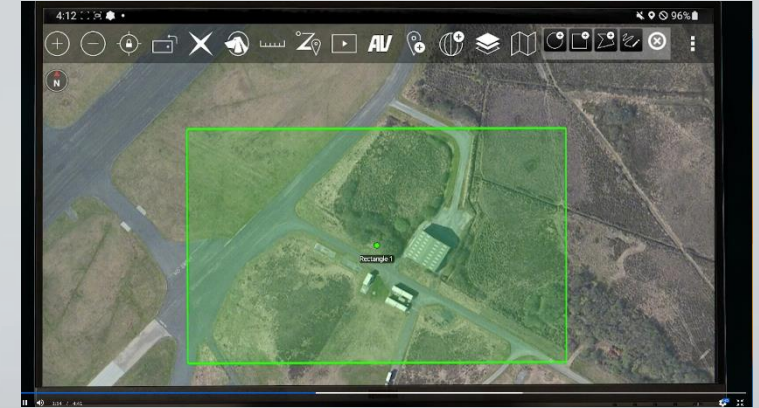
Advanced Capabilities



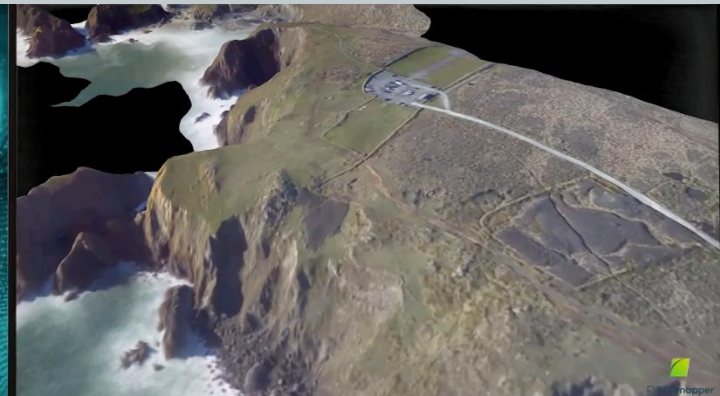
AUTONOMOUS OPERATION



AUTONOMOUS SEARCH



AUTONOMOUS SURVEY



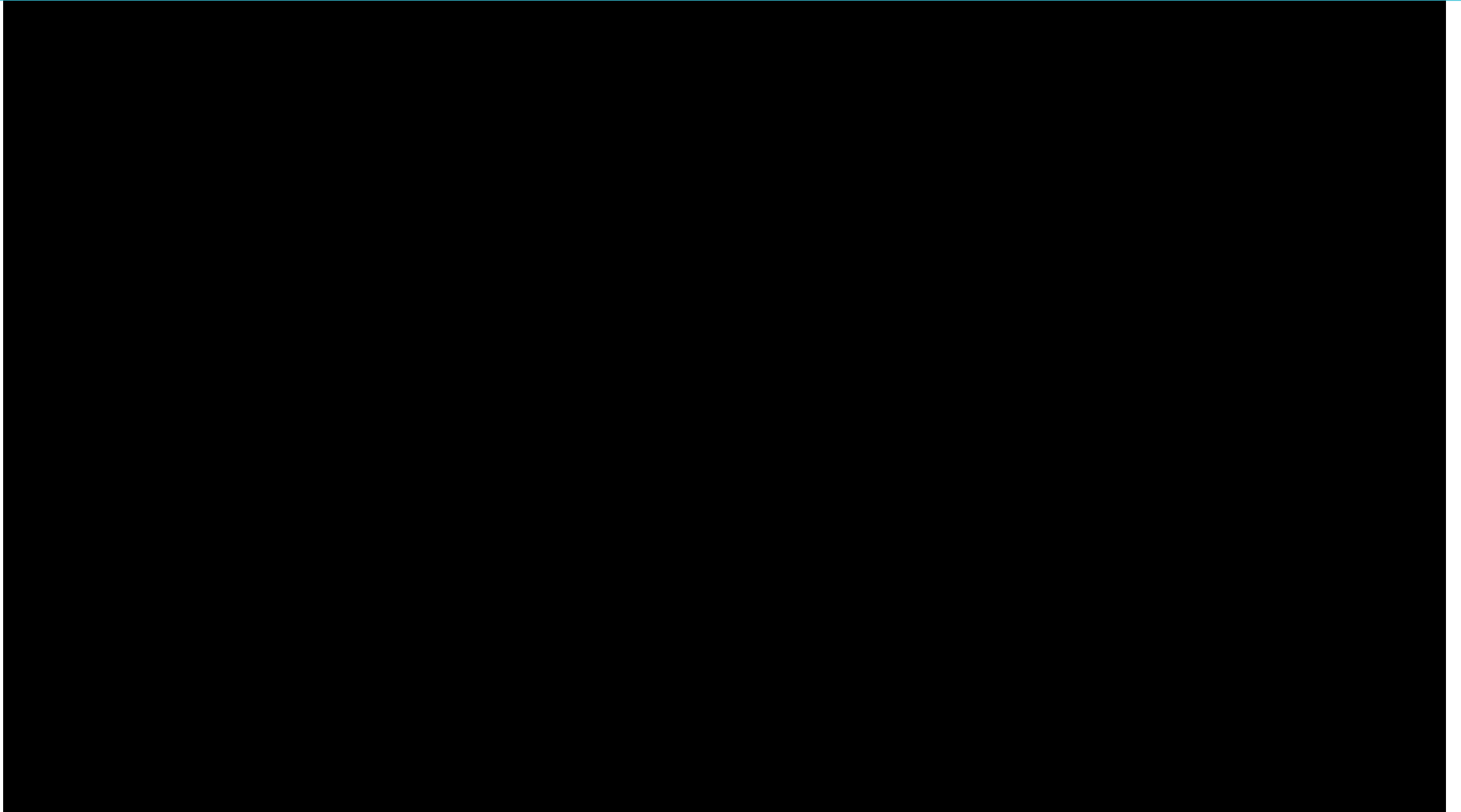
3D MAPPING



DETECT/IDENTIFY/FOLLOW



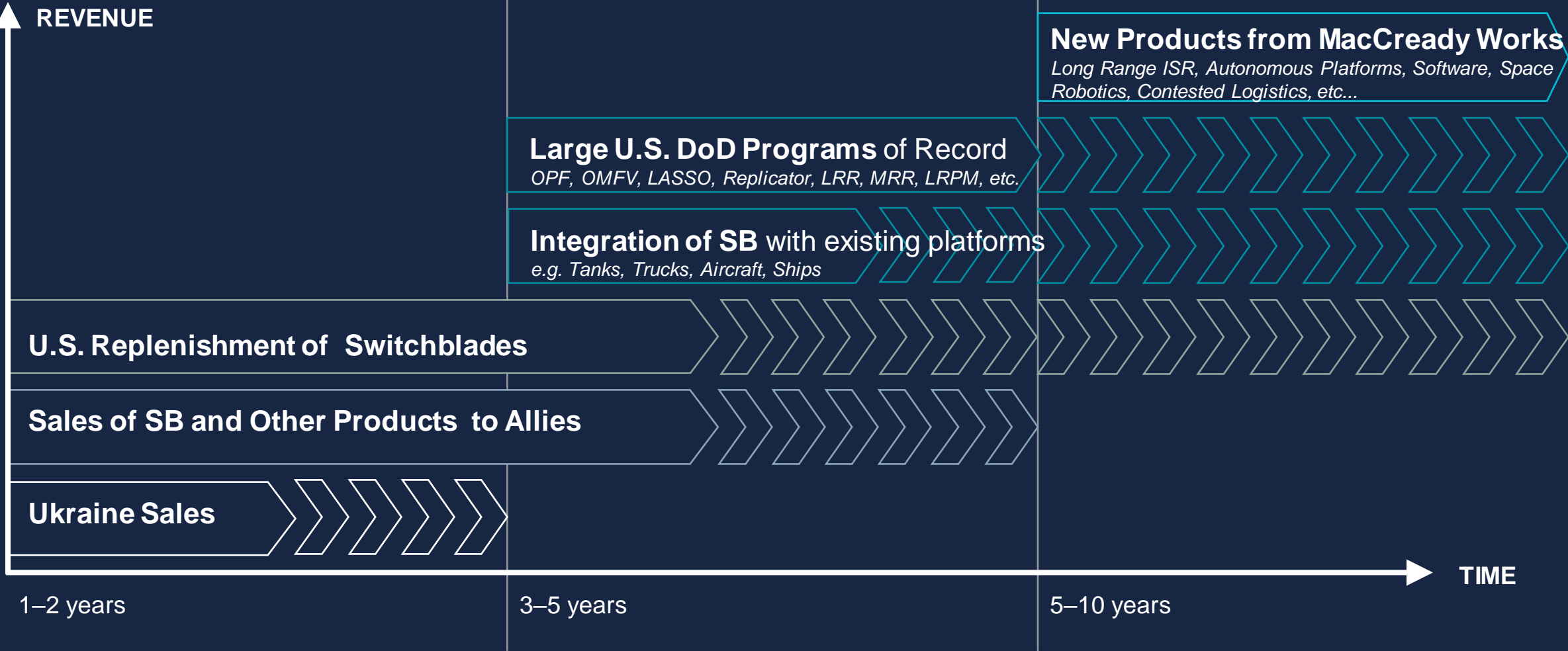
SIMULTANEOUS COORDINATION
BETWEEN MULTIPLE PLATFORMS





FINANCIAL OVERVIEW

Multiple Pathways for Sustained Growth

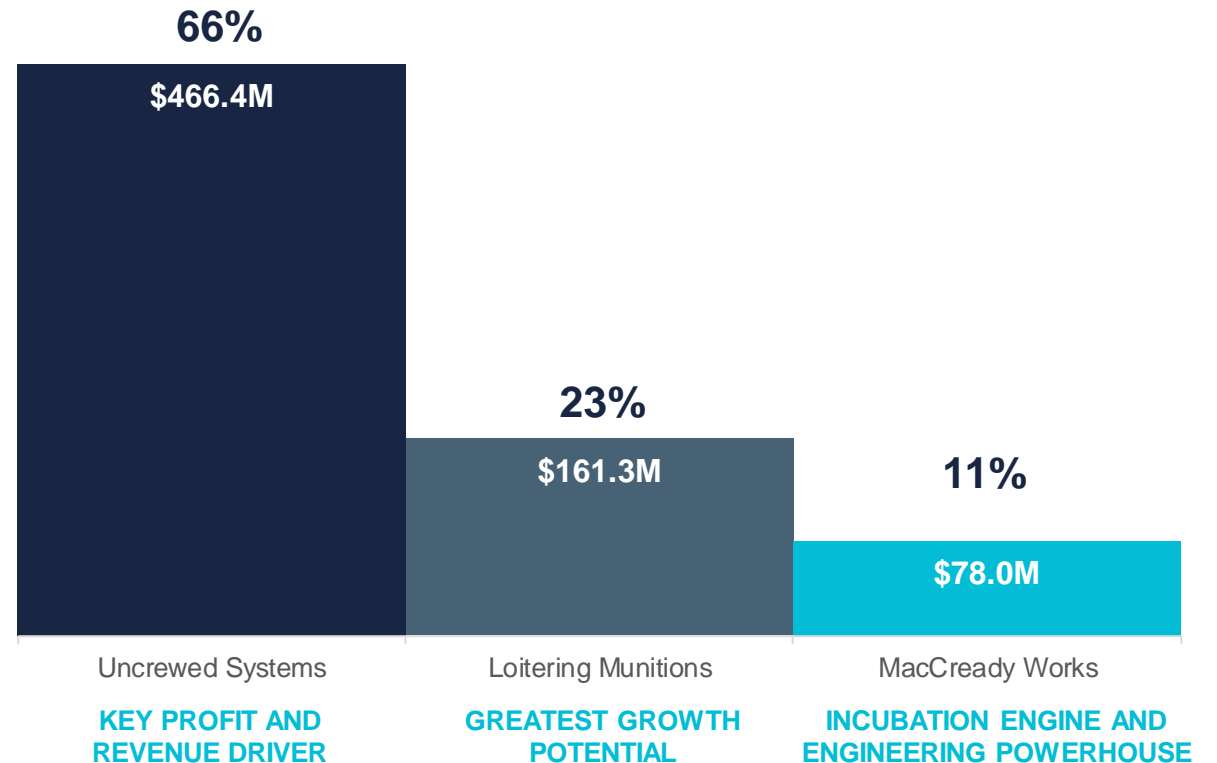


AV has several opportunities for growth over time

Last Twelve Months Results — Through Q3 FY24

| Metric | Q4 FY 2023 –Q3 FY 2024 |
|-------------------------------------|------------------------|
| Revenue | \$706M |
| Adj. Gross Profit ¹ | \$290M |
| Adj. EBITDA ² | \$152M |
| Non-GAAP EPS ³ (diluted) | \$3.63 |
| Funded Backlog | \$463M |
| R&D Investment | \$79M |

REVENUES BY SEGMENT



¹ Refer to Reconciliation of Non-GAAP Adjusted Gross Margin on Appendix C

² Refer to Reconciliation of Non-GAAP Adjusted EBITDA on Appendix B.

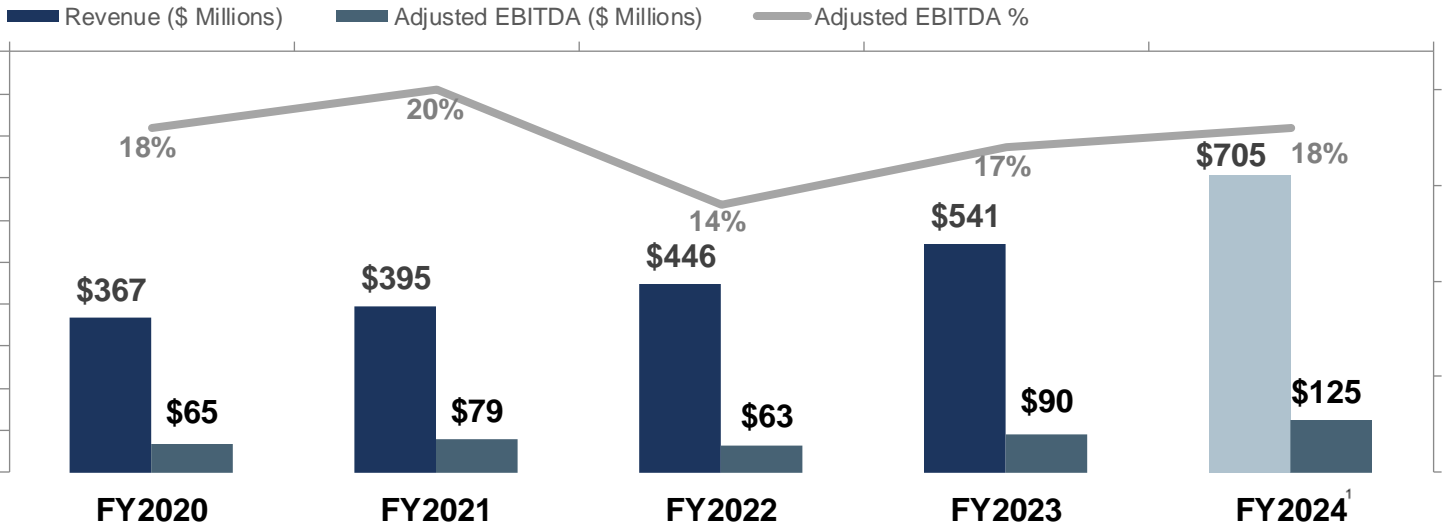
³ Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix D.

Revenue and Non-GAAP Adjusted EBITDA

(Continuing Ops)

Achieved incremental revenue growth over past 6 years and expect to continue growing

Non-GAAP Adjusted EBITDA



- FY24 profitability improvement represents favorable mix of product vs. service sales
- 21% organic revenue growth in FY23
- Midpoint of FY24 revenue guidance represents another ~30% revenue growth
- Order Visibility at 100% of mid-point of revenue guidance range

¹ FY24 estimated Revenue and Adjusted EBITDA is based on mid-point revenue and Adjusted EBITDA guidance.

FINANCIAL TABLES



APPENDIX A

RECONCILIATION OF FISCAL YEAR 2024 NON-GAAP DILUTED EARNINGS PER SHARE EXPECTATIONS (UNAUDITED)

| | <u>Fiscal year ending April 30, 2024</u> |
|--|--|
| Forecast earnings per diluted share | \$ 1.86 - 2.00 |
| Acquisition-related expenses | 0.05 |
| Amortization of acquired intangible assets and other purchase accounting adjustments | 0.54 |
| Equity method and equity securities investments activity, net | 0.24 |
| Forecast earnings per diluted share as adjusted (Non-GAAP) | <u>\$ 2.69 - 2.83</u> |

APPENDIX B

GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED EBITDA

| | FY19 | FY20 | FY21 | FY22 | FY23 | LTM |
|---|------------------|------------------|------------------|------------------|------------------|-------------------|
| Net Income from continued operations (1) | \$ 41,912 | \$ 41,339 | \$ 23,331 | \$ (4,188) | \$ (176,212) | \$ (106,853) |
| Interest Expense / (Income), net | \$ (4,672) | \$ (4,828) | \$ 618 | \$ 5,440 | \$ 9,368 | \$ 6,718 |
| Tax provision / (benefit) | \$ 4,641 | \$ 5,848 | \$ 539 | \$ (10,369) | \$ (14,665) | \$ (2,572) |
| Depreciation | \$ 6,405 | \$ 6,999 | \$ 11,709 | \$ 25,651 | \$ 36,980 | \$ 22,067 |
| Amortization | \$ 1,264 | \$ 2,889 | \$ 7,553 | \$ 35,174 | \$ 63,019 | \$ 54,792 |
| Depreciation and amortization | \$ 7,669 | \$ 9,888 | \$ 19,262 | \$ 60,825 | \$ 99,999 | \$ 76,859 |
| EBITDA (Non-GAAP) | \$ 49,550 | \$ 52,248 | \$ 43,750 | \$ 51,708 | \$ (81,510) | \$ (25,847) |
| FV Step-up amortization incl. in Loss on disposal of PP&E | \$ - | \$ - | \$ - | \$ 1,280 | \$ 192 | |
| Cloud amortization | \$ - | \$ - | \$ 3 | \$ 339 | \$ 561 | \$ 1,052 |
| Stock-based compensation | \$ 6,985 | \$ 6,227 | \$ 6,932 | \$ 5,390 | \$ 10,765 | \$ 16,082 |
| Acquisition-related expenses | \$ - | \$ 1,119 | \$ 7,982 | \$ 4,853 | \$ 1,386 | \$ 1,908 |
| Arcturus Goodwill Impairment | | | | | \$ 156,017 | \$ 156,017 |
| Equity method and equity security investment activity | \$ 3,944 | \$ 5,487 | \$ 10,481 | \$ (4,589) | \$ 2,583 | \$ 2,802 |
| Non-controlling interest | \$ (19) | \$ (4) | \$ 14 | \$ 3 | \$ 45 | |
| One-time (gains)/losses, net | \$ (3,602) | | | | | |
| Legal accrual related to our former EES business | \$ - | \$ - | \$ 9,300 | \$ 10,000 | \$ - | |
| Sale of ownership in HAPSMobile JV | \$ - | \$ - | \$ - | \$ (6,383) | \$ - | |
| Adjusted EBITDA (Non-GAAP) | \$ 56,858 | \$ 65,076 | \$ 78,462 | \$ 62,601 | \$ 90,039 | \$ 152,013 |

(1) Q4 FY23 depreciation and amortization includes \$34,149 of accelerated intangible amortization and \$14,000 of accelerated depreciation

APPENDIX C

GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED GROSS MARGIN

| <i>(in thousands)</i> | <u>FY19</u> | <u>FY20</u> | <u>FY21</u> | <u>FY22</u> | <u>FY23</u> | <u>LTM</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|------------|
| Adjusted Gross Margin | | | | | | |
| Gross Margin | \$ 128,043 | \$ 153,102 | \$ 164,558 | \$ 141,236 | \$ 173,513 | \$ 278,241 |
| Intangible Amortization | | \$ 2,284 | \$ 4,452 | \$ 18,429 | \$ 13,891 | \$ 13,264 |
| Adjusted Gross Margin | \$ 128,403 | \$ 155,386 | \$ 169,010 | \$ 159,665 | \$ 187,404 | \$ 291,505 |
| Adjusted Gross Margin % of Revenue | 40.9% | 42.3% | 42.8% | 35.8% | 34.7% | 41.2% |

APPENDIX D

GAAP TO NON-GAAP EPS RECONCILIATION TABLE

| | FY19 | FY20 | FY21 | FY22 | FY23 | LTM |
|--|-----------|---------|---------|-----------|-----------|-----------|
| Earnings (loss) per diluted shares from continuing operations | \$ 1.74 | \$ 1.72 | \$ 0.96 | \$ (0.17) | \$ (7.04) | \$ (4.01) |
| Acquisition-related expenses | | \$ 0.04 | \$ 0.26 | \$ 0.18 | \$ 0.05 | \$ 0.06 |
| Amortization of acquired intangible assets and other purchase accounting adjustments | | \$ 0.08 | \$ 0.24 | \$ 1.17 | \$ 1.97 | \$ 1.62 |
| Arcturus Goodwill Impairment | | | | | \$ 6.18 | \$ 5.85 |
| Sale of ownership in HAPSMobile JV | | | | \$ (0.25) | | |
| HAPSMobile JV impairment of investment in Loon LLC | | | \$ 0.34 | | | |
| Legal accrual related to our former EES business | | | \$ 0.30 | \$ 0.32 | | |
| One-time gain from a litigation settlement | \$ (0.26) | | | | | |
| Equity method and equity security investment activity | \$ (0.16) | \$ 0.23 | \$ 0.09 | \$ (0.19) | \$ 0.10 | \$ 0.11 |
| Earnings (loss) per diluted shares as adjusted (Non-GAAP) | \$ 1.64 | \$ 2.07 | \$ 2.19 | \$ 1.06 | \$ 1.26 | \$ 3.63 |