AeroVironment
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AeroVironment, Inc.

Kevin McDonnell, CFO

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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 or the risk of unauthorized access to our, our customers’ and/or our suppliers’ information and systems; changes in the supply and/or demand and/or prices for our products and services; increased competition; 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; unfavorable results in legal proceedings; our ability to respond and adapt to unexpected legal, regulatory and government budgetary changes, including those resulting from the ongoing COVID-19 pandemic, such as supply chain disruptions, vaccine mandates, the threat of future variants and potential governmentally-mandated shutdowns, quarantine policies, travel restrictions and social distancing, curtailment of trade, diversion of government resources to non-defense priorities, and other business restrictions affecting our ability to manufacture and sell our products and provide our services; 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.

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.

AeroVironment at-a-glance

Pureplay unmanned systems company providing air and ground vehicle solutions for defense and commercial markets

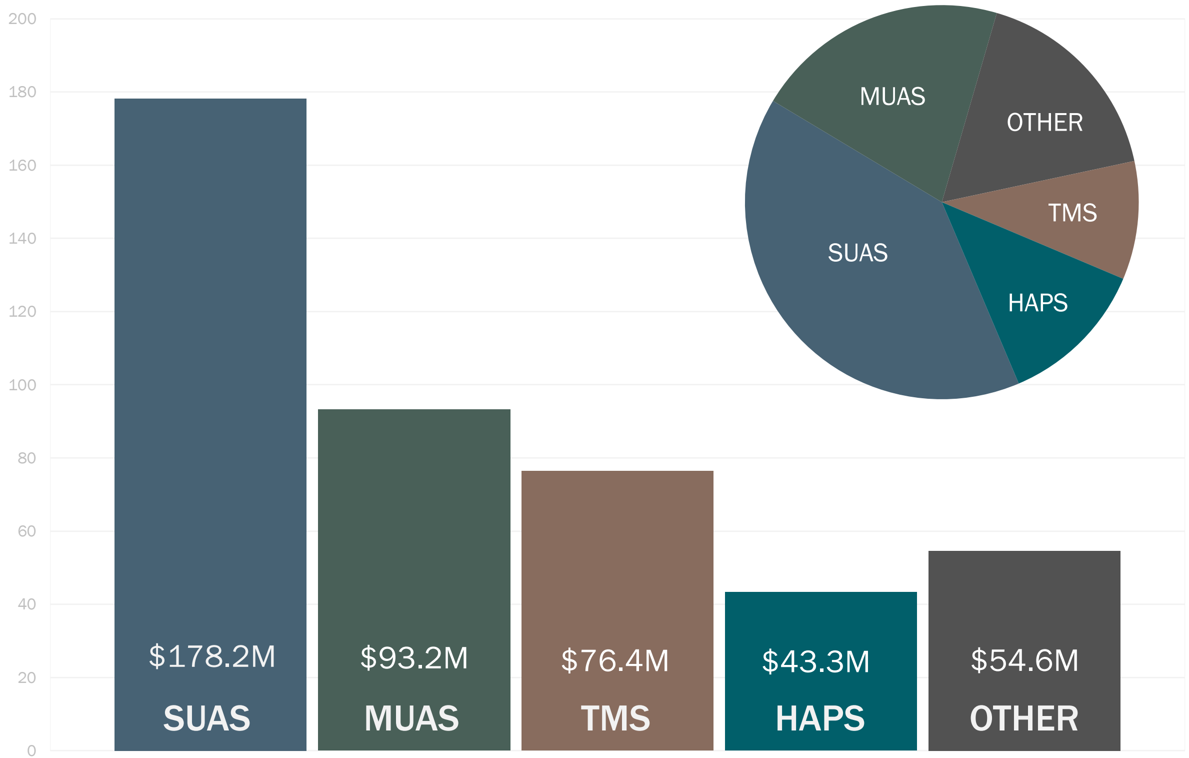
Global footprint with sales to more than 50 allied nations

Full Fiscal Year Results – FY2022

Metric	Full Fiscal Year 2022
Revenue	$446M
Adj. Gross profit[1]	$160M
Adj. EBITDA [2]	$63M
Non-GAAP EPS [3] (diluted)	$1.25
Funded Backlog	$211M

[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.

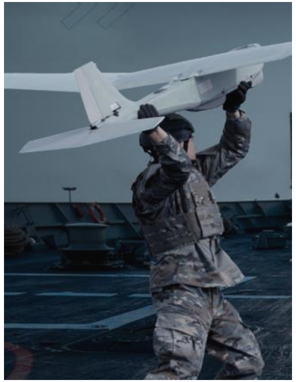
Revenue by Reporting Segment in Millions



Business Segments Support Mission-critical Applications

SEGMENT	GLOBAL TAM	OUTLOOK	HIGHLIGHTS
SUAS	$1B+	Growing	○ Global Leader Position in Group 1– Over $2B of revenue over last 15 years ○ Adding Group 2 to Target Market ○ Multiple New Product Introductions and Add-ons ○ Well Positioned for Future U.S. DOD Programs of Record
MUAS	$2B+	Disrupter	○ Targeting Group 2/3 ○ Leading the way to next generation products ○ Sole Selected for Increment 1 of Future Tactical UAS Program -$1B+ Program ○ Leveraging AV Global Franchise for U.S. and International Sales
TMS	$2B+	Growing	○ Global Leader in Loitering Munitions; Patented “Wave Off” Technology ○ Expanding U.S. DOD Footprint; Authorized to Sell in 20+ Countries ○ Targeting Multiple $1+ Billion Programs ○ Preferred Partner to integrate on aircraft, ground vehicles and ships
HAPS	$50B+	Innovating	○ Goal to deliver stratospheric cell service via solar powered platform ○ Softbank primary customer for telecom application ○ Targeting Large U.S. DOD Opportunities
UGV	$0.5B+	Adapting	○ Part of Multi-Domain Solutions ○ Benefits from Growing Defense Budgets Globally ○ Positioning for future U.S. DOD programs
MW	$2B+	Innovating	○ Significant Increased Spending for Classified U.S. DOD Programs ○ Center of Excellence for Autonomy and Machine Learning ○ Source of Potential New Products

Product Scenarios



SUAS

MUAS

TMS

FINANCIAL TABLES

APPENDIX B – GAAP to NON-GAAP Reconciliation of Adjusted EBITDA

	FY18	FY19	FY20	FY21	FY22
Net income (loss) from continued operations (1)	$ 21,750	$ 41,912	$ 41,339	$ 23,331	$ (4,188)
Interest Expense (Income)/net	(2,240)	(4,672)	(4,828)	618	5,440
Tax provision / (benefit)	9,800	4,641	5,848	539	(10,369)
Depreciation and amortization	5,982	7,669	9,888	19,262	60,825
EBITDA (Non-GAAP)	$ 35,292	$ 49,550	$ 52,247	$ 43,750	$ 51,708
FV Step-up amortization incl. in loss of disposal of PP&E	-	-	-	-	1,280
Cloud amortization	-	-	-	-	339
Stock-based compensation	4,956	6985	6,227	6,932	5,390
Acquisition-related expenses	1,238	-	1,049	7,982	4,853
Equity method investment activity	(216)	3,944	5,487	10,481	(4,589)
Non-controlling interest	-	(19)	(4)	14	3
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)	$ 41,315	$ 56,858	$ 65,006	$ 78,459	$ 62,601

(1) as reported

APPENDIX C – GAAP To NON-GAAP Reconciliation of Adjusted Gross Margin

(in thousands)	FY18	FY19	FY20	FY21	FY22
Adjusted Gross Margin					
Gross Margin	$107,685	$128,403	$153,102	$164,558	$141,236
Intangible Amortization	-	-	$2,284	$4,452	$18,542
Adjusted Gross Margin	$107,685	$128,403	$155,386	$169,010	$159,778
Adjusted Gross Margin % of Revenue	40.1%	40.9%	42.3%	42.8%	35.8%

APPENDIX D – GAAP to Non-GAAP EPS Reconciliation Table

	FY18	FY19	FY20	FY21	FY22
Earnings (loss) per diluted shares from continuing operations	$ 0.91	$ 1.74	$ 1.72	$ 0.96	$ (0.17)
Acquisition-related expenses			0.04	0.26	0.18
Amortization of acquired intangible assets and other purchase accounting adjustments			0.08	0.24	1.17
Sale of ownership in HAPSMobile JV				0.00	(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)			
Earnings (loss) per diluted shares as adjusted (Non-GAAP)	$ 0.91	$ 1.48	$ 1.84	$ 2.10	$ 1.25