Investor and Analyst Event

Nasdaq MarketSite, New York City
June 27, 2018
Welcome

Steve Gitlin, VP Corporate Strategy and Investor Relations
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; our ability to perform under existing contracts, including the asset purchase agreement for the proposed sale of our EES business, 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; 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 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.
Interpretive Notes to the Financial Presentation

- Unless otherwise noted, the amounts presented in this presentation reflect the results from continuing operations.

- Efficient Energy Systems (“EES”) business is reclassified to discontinued operations for all periods presented, unless otherwise noted.

- As the FY18 Revenue and EPS Guidance were based on the consolidated performance of the UAS business segment (continuing operations) and EES business (in FY18, reclassified to discontinued operations), this presentation contains, where noted, results consolidating continuing and discontinuing operations results for comparison purposes to FY18 Guidance.
## Agenda

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<tr>
<th>Topic</th>
<th>Time</th>
<th>Presenter</th>
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<td>Welcome</td>
<td>8:30 - 8:40</td>
<td>Steve Gitlin</td>
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<td><em>Tomorrow, Together</em></td>
<td>8:40 - 9:10</td>
<td>Wahid Nawabi</td>
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<td>UAS Overview</td>
<td>9:10 - 9:40</td>
<td>Kirk Flittie</td>
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<tr>
<td>Break</td>
<td>9:40 – 9:55</td>
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<tr>
<td>Financials</td>
<td>9:55 - 10:30</td>
<td>Teresa Covington</td>
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<td>Customer Panel</td>
<td>10:30 – 11:00</td>
<td>Steve Gitlin, Flemming Olstroem, Major, Danish Army, Ulf Bogdawa, CEO SkyDrones, SA</td>
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<tr>
<td>Q&amp;A, Closing</td>
<td>11:00 – 11:30</td>
<td>Wahid Nawabi, Teresa Covington</td>
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</table>
Tomorrow, Together

Wahid Nawabi, President and Chief Executive Officer
AeroVironment is a Technology Solutions Provider at the Intersection of Future-Defining Capabilities

- Defense Applications
  - Target acquisition
  - Effects delivery
  - Battle damage assessment
  - Force protection
  - Communication
  - Facility security
  - Convoy recon

- Commercial Applications
  - Broadband communications
  - Infrastructure monitoring
  - Crop analysis
  - Disaster damage assessment
  - Public safety
  - Environmental protection

- Sensors
- Connectivity
- Robotics
- Analytics
Growing Patent Portfolio Protects our Unique IP

- 155 U.S. patents issued
- Additional 67 applications pending
- Does not include trade secrets
- Dedicated internal and external IP counsel

Percentage of U.S. Patents Issued to AeroVironment by Business

- Small UAS: 38%
- Tactical Missile Systems: 32%
- HAPS: 6%
- Commercial Information Solutions: 3%
- Other: 21%
Strong Fiscal 2018 Performance

- $271 million revenue from continuing operations ($309 with discontinued operations)
- Exceeded revenue, earnings per share guidance
- Record fourth quarter-ending funded backlog of $174 million
- Strong international demand – 40% of company revenue
- Strong DoD funding evident in government fiscal year 2019 (GFY19) budget request
Strategic Actions Taken

- Focus on UAS and TMS - EES divestiture
- Equity investment in HAPSMobile, Inc. – likely to require significantly higher investments in future
- Partnering with others to pursue our business objectives
- Continuously evaluating deploying our balance sheet for strategic investments
The Pioneer and Leader in Small UAS
Small UAS Market Potential

Potential small unmanned aircraft fleet size – U.S.:

- Approximately 1,281,900 active duty troops\(^1\)
- Approximately 9,500 Raven B Puma AE and Wasp small unmanned aircraft in DoD as of 2013 \(^2\)
- Calculated ratio of 135 troops per AeroVironment small unmanned aircraft
- Potential fleet size at 20:1 ratio = 64,125

Potential small unmanned aircraft fleet size U.S. allies:

- Approximately 3,150,000 active duty troops in allied military forces
- Potential fleet size at 40:1 ratio = 78,750

Total potential small unmanned aircraft market potential: 142,875

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\(^1\) globalfirepower.com (allies included in estimate: South Korea, Egypt, Turkey, Italy, Japan, Saudi Arabia, France, U.K., Germany, Greece, Spain, Canada, Australia, Belgium)

The Pioneer and Leader in Loitering Munitions (TMS)

Switchblade

Rapid Response, High-Precision, Wave-Off Capability

Blackwing
TMS Market Potential

- Based on current Switchblade adoption:
  - Approximately 450,000 active duty U.S. Army soldiers
  - 1,318 LMAMS rounds budgeted for fiscal 2019 procurement
  - Calculated ratio of 341 soldiers per LMAMS round

- Potential procurement opportunity at ratio of 100 soldiers to LMAMS round = 4,500

- Based on Legacy Weapon Systems Procurement
  - U.S. Department of Defense budgeted $2.5 billion in fiscal 2018 for:
    - Tactical Missiles
    - Anti-Tank/Assault Missiles
    - Mortar Ammunition
    - Rockets
    - Grenades
    - Artillery Ammunition
    - Sonobuoys

AeroVironment TMS could address a portion of these applications

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1 Heritage.org 2017 Index of Military Strength
2 Department of the Army FY 2019 President's Budget Exhibit P-1 FY 2019 President's Budget Total Obligational Authority Feb 2018
The Pioneer and Leader in HAPS

U.S. mobile operators will spend $100B on 5G by 2020, study says.
- GSMA, March 2018

Dish Could Spend Up to $1B on NB-IoT Network, $10B on Nationwide 5G.
- Wirelessweek, May 2018

5G set to massively boost IT infrastructure spending of $326B by 2025.
- Forbes, February 2018

Upgrade to 5G costs $200 Billion a year...
- Bloomberg, December 2017

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- Bloomberg, December 2017
HAPSMobile Joint Venture Business Relationship

AeroVironment

HAPSMobile, Inc.
($100 million initial capitalization)

SoftBank

Report 5% of gain/loss on AeroVironment P&L

5% Equity ($5 million)

95% Equity ($95 million)

Development and demonstration CRAD contract (revenue)

Manufacture and supply solar HAPS systems for global broadband communications
The First “Drone as an App” Integrated Commercial Information Solution
Strategic Takeaways

1. AeroVironment is a pure-play solutions company focused on robotics, sensors, analytics and connectivity technologies
2. Excellent fiscal 2018 results
3. We are at the forefront of multiple large, promising global value creation opportunities
4. Strong financial position that enables our growth strategy
5. Demonstrated track record of capitalizing on growth opportunities
Unmanned Aircraft Systems

Kirk Flittie, VP and General Manager
AEROVIRONMENT CAPABILITY ROADMAP
June 2018

DEFENSE

SUAS Family-of-Systems (Raven®, Wasp®, Puma™)
Shrike 2 Hybrid & VTOL
Next Gen GCS
Puma LE
Sensor to Shooter System

Switchblade™ Loitering Munition

Switchblade
Swarming Switchblade from Multiple-Pack-Launcher
Integrated on Submarines, Ships, Helos and Aircraft

COMMERCIAL

Helios Solar-Powered, World Record Holder
Shrike VTOL™

Hawk 30 Telecom Platform

Quantix™

HAPS 5G + IoT Network

Quantix™ / DSS Ecosystem

FIRST GENERATION UAV PLATFORMS

NEXT GEN ADVANCED UAS FAMILY-OF-SYSTEMS

MULTI-DOMAIN, DISTRIBUTED, NETWORKED, AND INTEGRATED SYSTEMS

YESTERDAY

TODAY

TOMORROW

• Ground Robot-Aircraft
• Manned-Unmanned Teaming

• Ground Robot-Aircraft
• Manned-Unmanned Teaming

• Ground Robot-Aircraft
• Manned-Unmanned Teaming
**AEROVIRONMENT STRATEGIC ROADMAP**

**June 2018**

**AEROVIRONMENT PURPOSE**

To secure lives and advance sustainability through transformative innovation

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**TUAS 40+ Countries**

- FY 2020
  - TUAS Next Gen Group 1 Available
  - Expand TMS FoS and Variants
  - Expand Quantix AVDSS Agricultural
  - HAPS Demonstration & Start Certification
  - Expand to Multi-Domain Solutions

- FY 2021
  - Expand TUAS Next Generation FoS
  - TMS Variant PoR
  - CIS Country Expansion
  - Continue HAPS Certification
  - Expand Multi-Domain Capability

**TMS Family of Systems**

- FY 2018
  - Launch Quantix
  - Win HAPS

- FY 2019
  - TUAS Puma Long Endurance
  - TMS Family of Systems
  - Quantix Adoption
  - Build 2 prototype HAPS Aircraft

- FY 2020
  - Multi-Domain Robotics and Partnerships
  - Expand TMS FoS and Variants
  - Expand Quantix AVDSS Agricultural
  - HAPS Demonstration & Start Certification
  - Expand to Multi-Domain Solutions

- FY 2021
  - Multi-Domain Robotics Expansion
  - New TMS Full Rate Production

**HAPS**

- FY 2017
  - $229M

- FY 2018
  - $271M

**TUAS Global Services Centers Operational**

- FY 2017

**TUAS Partneships**

- FY 2018

**Quantix / DSS Partnerships**

- FY 2019

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**FUTURE STATE**

Integrated Unmanned Robotic systems (Air, Land & Sea based), coupled with advanced software analytics are going to be ubiquitous. AV will be the leader in providing these integrated system solutions to our customers in Defense and Commercial / Industrial markets. The integrated system solutions will include things such as: SUAS, SUVS, SUGVs, Sensors, Descriptive, Prescriptive, and Preventative Software Analytics, AI, Computer Vision, and related services.

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**QUANTIX**

- FY 2020
  - Multi-Domain Robotics and Partnerships

**TUAS 40+ Countries**

- FY 2020

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**AEROVIRONMENT GROWTH**

- FY 2018
  - TUAS 40+ Countries
  - TMS Rapid Growth
  - Launch Quantix
  - Win HAPS

- FY 2019
  - TUAS Puma Long Endurance
  - TMS Family of Systems
  - Quantix Adoption
  - Build 2 prototype HAPS Aircraft

- FY 2020
  - Multi-Domain Robotics and Partnerships
  - Expand TMS FoS and Variants
  - Expand Quantix AVDSS Agricultural
  - HAPS Demonstration & Start Certification
  - Expand to Multi-Domain Solutions

- FY 2021
  - Multi-Domain Robotics Expansion
  - New TMS Full Rate Production
AeroVironment is a Technology Solutions Provider at the Intersection of Future-Defining Capabilities

- Defense Applications
  - Target acquisition
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  - Battle damage assessment
  - Force protection
  - Communication
  - Facility security
  - Convoy recon

- Commercial Applications
  - Broadband communications
  - Infrastructure monitoring
  - Crop analysis
  - Disaster damage assessment
  - Public safety
  - Environmental protection

- Robotics
- Sensors
- Connectivity
- Analytics
Integrated, Highly Engineered System Designed for Real-World Military Operations

**Smart Battery** *(AeroVironment design)*
- High safety and durability
- High power quality

**High-Efficiency Electric Motor** *(AeroVironment design)*
- Low acoustic signature
- No maintenance
- Rugged design

**Airframe** *(AeroVironment design)*
- Rugged and lightweight composite airframe for repeated hard landings
- All-Environment: fresh and salt water, snow, ground
- Designed for reliability in real-world operating conditions

**Flight Computer** *(AeroVironment design)*
- Supports third party applications, advanced algorithms for image processing and navigation
- Interfaces with next generation M-Code GPS

**Digital Radio** *(AeroVironment design)*
- Ability to operate in challenging EW/cyber environments
- Wideband mode supports HD video and additional bandwidth for secondary payloads
- AES-256 encryption reduces probability of intercept
- Frequency hopping improves ability to operate in the presence of noise and jamming

**Sensors** *(AeroVironment design)*
- Electro-optical
- Low-light
- Nighttime
- All-Environment

**Maximum Portability**
- Hand-launch and auto-land: no additional launch or landing equipment required
- No tools required for assembly or dis-assembly
- Modular design permits in-field maintenance and upgrade
AeroVironment is the Leading Supplier of UAS to the U.S. Department of Defense (DoD)

- Family of rugged, secure, interoperable systems
- More than 85% share of DoD UAS fleet *
- Winner of five DoD small UAS programs of record
- Secured more than 90% of Army ID/IQ task order dollars since December 2012
- New procurement opportunities for Army Soldier Borne Sensor (SBS) and Short Range Reconnaissance (SRR)

ALLIED COUNTRIES (AS OF JUNE 2018):
Afghanistan, Australia, Belgium, Bulgaria, Burundi, Canada, Colombia, Czech Republic, Denmark, Egypt, Estonia, Ethiopia, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Jordan, Kenya, Latvia, Lebanon, Lithuania, Luxembourg, Macedonia, Malaysia, Netherlands, Norway, Pakistan, Philippines, Romania, Saudi Arabia, Singapore, Spain, Sweden, Thailand, Tunisia, Turkey, UAE, Uganda, UK, Ukraine, Uzbekistan, Yemen
Small UAS Future: The U.S. Army is Embracing Robotics & Autonomous Systems (RAS)

Objectives:
- Increase situational awareness
- Lighten the Soldiers’ physical and cognitive workloads
- Sustain the force with increased distribution, throughput, and efficiency
- Facilitate movement and maneuver
- Protect the force

Tactical Missile Systems: Smarter Missile Technology

- $111 million in orders from August 2017 through May 2018 from U.S. Army and Marine Corps
- $113 million in proposed procurement funding for Switchblade in GFY19 DoD budget request
- Variants include Blackwing™ submarine-launched reconnaissance and connectivity solution
- Networked solution with AeroVironment and other systems
HAPS Opportunity

- Mobile connection, anytime, anywhere
- IoT and drones – ubiquitous link
- Safety and security – disaster areas
- Defense and monitoring – complements satellite coverage
HAPS Telecommunications Benefits

- Deployable with existing handset technology
- Broader coverage (one aircraft = 1,800 towers)
- Flexible deployment (wherever, whenever)

- Improve network connection quality in high value urban markets
- Increase network cost efficiency and reduce operating expenses
- Expand coverage to outlying areas
- Provide IoT/Drone connectivity

- Enable and increase IoT revenue
- Enable and increase drone revenue
- Rapid deployment/re-deployment
- Upgradable payloads
- Eliminate mobile dead zones
- Reduce termination rate
- Increase subscriber count
Our HAPS Business Builds on AeroVironment’s Unique Experience with Solar-Powered High-Altitude UAS

Pathfinder
71,504 feet / (1997)
World’s first solar-powered high altitude UAS

Pathfinder Plus
80,201 feet / (1998)
World’s first 3G and HDTV connectivity from stratosphere

Helios
96,863 feet / (2001)
World’s highest flying aircraft in level flight

HAPS In Development
Next Generation Solar-Powered Haps for global Telecom

Phase 1: Design
Phase 2: Develop & Demonstrate
Phase 3: Certify, Initial launch
Phase 4: Scale Business
Commercial Information Solutions

- Entered market with disruptive solution
- Building channel through agriculture dealers
- Gaining experience
- Opportunities for strategic partnerships to accelerate education and awareness
- Integrated ecosystem of hardware, sensors, software and connectivity
Strong Visibility for AeroVironment Solutions in Government Fiscal 2019 Budget Request

- More than $100 million for Switchblade
- $46 million for Raven
- $13.5 million for Puma
- $100 million proposed in GFY20-22 for Short Range Reconnaissance program

Current Status - Congressional committee review:
- House and Senate appropriations
- House and Senate Armed Services
Break
Financial Overview

Teresa Covington, Senior VP and Chief Financial Officer
AeroVironment Strong Financial Position

- Strong, profitable core business across a diverse global customer base
- Attractive growth portfolio opportunities
- Balance sheet provides flexibility to act decisively to support adoption of AeroVironment solutions

Key Fiscal 2019 Expectations:

- Continued strength in Small UAS and Tactical Missile Systems businesses
- Continue to execute on new growth opportunities: HAPS and Commercial Information Solutions
- Complete divestiture of EES business segment *
- Identify strategic inorganic growth opportunities

* Efficient Energy Systems business segment is reclassified to discontinued operations for all periods presented, unless otherwise noted.
Delivered Strong Financial Performance in Fiscal 2018

<table>
<thead>
<tr>
<th>$M, excluding EP</th>
<th>FY17</th>
<th>FY18 *</th>
<th>Variance</th>
<th>Fiscal 2018 Guidance</th>
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<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
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<tr>
<td>Continuing Operations</td>
<td>$228.9</td>
<td>$271.1</td>
<td>$42.2</td>
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<tr>
<td>Discontinued Operations</td>
<td>$35.9</td>
<td>$37.9</td>
<td>$2</td>
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<tr>
<td>Total Revenue *</td>
<td>$264.9</td>
<td>$309</td>
<td>$44.2</td>
<td>$280 - $300 - Exceeded</td>
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<tr>
<td>Total Revenue Growth %</td>
<td>NQ</td>
<td>16.6%</td>
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<td>R&amp;D Expense</td>
<td>$28.5</td>
<td>$26.4</td>
<td>$(2.1)</td>
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<tr>
<td>R&amp;D % of Continuing Operations Revenue</td>
<td>12.4%</td>
<td>9.8%</td>
<td></td>
<td>9%-10% of Revenue R&amp;D range Inline with Expectations</td>
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<td>EPS Attributable to AeroVironment – Diluted *</td>
<td>$0.54</td>
<td>$0.84</td>
<td>$0.30</td>
<td>$0.45 - $0.65 - Exceeded</td>
</tr>
<tr>
<td>Year-End Funded Backlog</td>
<td>$70.9</td>
<td>$174.3</td>
<td>$103.4</td>
<td>Record year-ending backlog</td>
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* Notes: Unless otherwise noted, the amounts presented in the table above reflect the results from continuing operations. As the FY18 Revenue and EPS Guidance were based on the consolidated performance of the UAS business segment (continuing operations) and EES business (in FY18, reclassified to discontinued operations), we presented Total Revenues (revenue from continuing and discontinued operations) and EPS Attributable to AeroVironment – Diluted in the table above, for comparison purposes to FY18 Guidance.
Revenue and EPS Growth After Sequestration

*FY15 – FY17 Investments driving profits and revenue growth*

Notes: Revenue presented includes revenue from both UAS Business Segment (continuing operations) and the EES Business (in FY18, reclassified to discontinued operations). Diluted EPS is the fully diluted net income per share attributable to AeroVironment.
FY18 Revenue Profile – TMS & International Becoming Cornerstones of Business; HAPS Growing

FY 2018 Revenue $271 million
(continuing operations)
Majority of AeroVironment Revenue Not Historically Tied to DoD Procurement Budget Line Items
A Growing International Business, and Mix Dominated by Fixed Price and Product Sales

Revenue Mix by Geography

Revenue Mix by Contract Type

Revenue Mix by Function
Gross Margin Trends – Sensitive to Mix and Volume

Gross margin impacted by the mix between products and services...

...and quarterly sales volume
# Multi-Faceted Investment Strategy Levers P&L and Balance Sheet

## Investments

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<tr>
<th></th>
<th>Short Term</th>
<th>Medium Term</th>
<th>Long Term</th>
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<tbody>
<tr>
<td><strong>Organic</strong></td>
<td>Significant Revenue and Margin Contribution</td>
<td>Market Validation</td>
<td>Exploration</td>
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<tr>
<td><strong>Inorganic</strong></td>
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<td></td>
<td>Acquisitions</td>
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<tr>
<td></td>
<td>JV, Licensing, Strategic Investments</td>
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</table>

## Uses of Capital:
- Internally Funded R&D
- Growth Working Capital
- Growth Capital Expenditures
- Inorganic Investments
- Return of value to stockholders
AeroVironment Compares Favorably to Small Cap Defense/Defense Tech Peers

### Most Recent Fiscal 3-Year Revenue CAGR

<table>
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<tr>
<th></th>
<th>AVAV</th>
<th>ESLT</th>
<th>FLIR</th>
<th>IRBT</th>
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<th>DCO</th>
<th>OSIS</th>
<th>VSAT</th>
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<tr>
<td>Median</td>
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<td>AVAV</td>
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<td>ESLT</td>
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<td>FLIR</td>
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<td>ATRO</td>
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<td>DCO</td>
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<td>OSIS</td>
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<td>VSAT</td>
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### Most Recent Fiscal Year Gross Margin %

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Source: NASDAQ IR Insight, Company Filings

- Small Defense / Defense Tech Peers
- Big A&D Peers (> $10B Market Cap.)
AeroVironment Compares Favorably to Small Cap Defense/Defense Tech Peers

Most Recent Fiscal Year R&D Expense as a % of Revenue

Most Recent Fiscal Year SG&A Expense as a % of Revenue

Source: NASDAQ IR Insight, Company Filings

= Small Defense / Defense Tech Peers

= Big A&D Peers (> $10B Market Cap.)
Return on Net Operating Assets (RNOA) - Improving Asset Utilization Aligned with Defense Technology Peers

Source: NASDAQ IR Insight, Company Filings
## HAPS Financial Reporting

### Accounting for HAPS Mobile, JV
- **Joint Venture**
  - 5% ownership stake
  - Equity method of accounting
    - 5% of the JV gain/(loss) recorded as Equity method of, net of tax (no tax benefit)
- **Design Development Agreement/ Other Revenue**
  - Not to exceed $75.8 million cost-plus fixed-fee contract
  - $7.5M fixed price contract

### Financial Reporting
- **Joint Venture**
<table>
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<th>FY18</th>
<th>Total</th>
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<td>Cash ($M)</td>
<td>($3.3)</td>
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<tr>
<td>Other assets long-term ($M)</td>
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<tr>
<td>Equity method (loss), net of tax ($M)</td>
<td>($1.3)</td>
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</table>
- **Design Development Agreement**
<table>
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<th>FY18</th>
<th>Total</th>
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</thead>
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<td>Revenue ($M)</td>
<td>$22.1</td>
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<tr>
<td>Other Revenue ($M)</td>
<td>$7.5</td>
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<tr>
<td>Unbilled receivables and retentions ($M)</td>
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*Notes: Excludes exchange loss on conversion to Japanese Yen*
## FY19 – Financial Guidance Continuing Operations

<table>
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<th>$Millions, excluding EP</th>
<th>FY17*</th>
<th>FY18</th>
<th>FY19 Guidance</th>
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<tr>
<td>Revenue</td>
<td>$228.9</td>
<td>$271.1</td>
<td>$290 - $310</td>
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<td>Growth</td>
<td>(2)%</td>
<td>18%</td>
<td>7% - 14% Growth</td>
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<tr>
<td>Gross Profit</td>
<td>$95.2</td>
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<tr>
<td>Gross Margin</td>
<td>42%</td>
<td>40%</td>
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<td>R&amp;D Expenses</td>
<td>$28.5</td>
<td>$26.4</td>
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<td>R&amp;D</td>
<td>12%</td>
<td>10%</td>
<td>10% - 11% of Revenue</td>
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<tr>
<td>Diluted EPS from Continuing Operations</td>
<td>$0.72</td>
<td>$0.95</td>
<td>$1.10 - $1.40 @ 5% ownership of HAPS Mobile JV and inclusive of a one-time gain due to litigation settlement of $0.25 - $0.26</td>
</tr>
</tbody>
</table>

Anticipated diluted share count: 24.1 million to 24.3 million
Estimated Tax Rate on Continuing Operations: 15% - 18%
Financial Takeaways

- Strong financial position
- Increasingly diverse revenue streams
- Margin sensitivity to revenue mix and volume
- Increasing focus on strategic investments
- Anticipating continued growth
Tomorrow, Together: Customer Panel

Flemming Olstroem, Major, Branch Head IMINT&UAS Research and Development Division Danish Army Intelligence Centre

Ulf Bogdawa, Director/CEO SkyDrones Tecnologia Aviônica S/A
Danish Army Unmanned Aerial Systems

SUAS Danish Army since 2007
FROM RAVEN TO PUMA AE

• 2007 - 2013 Raven B (12,000(+)) hrs
  • DNK SOF procurement
  • DNK Army Troop trial (Afghanistan 2008-2013)

• 2012 - now Puma AE (9,000(+)) hrs
  • DNK Army and SOCOM

• Organization
  • Four man Section; three Sections/Platoon; two Platoons
    • One Platoon supports one Battalion
    • Intelligence, Surveillance & Reconnaissance (ISR)
    • Actionable Intelligence at Battalion and Company levels
PUMA AE MISSIONS

RECSYR: Removal of chemical weapons from Syria
OOS: Operation Ocean Shield (pirate hunting off the Horn of Africa)
OIR: Operation Inherent Resolve (Iraq)
ISAF: International Security Assistance Force (Afghanistan)
SkyAgri – SkyDrones Farm Services
IT’S ALL ABOUT MARKET SHARE IN A US$ 12,2 BILLION BUSINESS

Chemical companies understand that to keep the Market Share they need information and they need to deliver more than chemicals.
Focus: Provide Farm Services

- Will get precise managerial crop information
- Will be able to use spraying drones in unreachable/unsafe areas or stop using manual spraying
- Will have this information integrated with Enterprise Resource Planning Software if needed
- Will have means to reduce costs and boost productivity
FARMERS DON’T WANT FLYING CAMERAS, THEY NEED PRECISE INFORMATION. THEY DON’T WANT SPRAYING MACHINES, THEY NEED RESULTS

(and this is how we are giving it to them)
Climate Field View - Monsanto
PRODUCTIONS BELTS - COMPARATIVE

Belts EUA – Agricultural belts predominantly monoculture specialized in production

Belts BRA – Agricultural belts in polyculture favored by climate

Main Crops 2017
Corn – 33,34 hectares -> 357,26 mmt
Soy – 35,85 hectares -> 115,80 mmt

Main Crops 2017
Corn – 17,70 hectares -> 95,00 mmt
Soy – 34,70 hectares -> 107,00 mmt
IT’S ALL ABOUT FRANCHISES

To be cost-effective you need to be closest to the costumers as possible
AeroVironment QUANTIX

Benefits

- Ease of use
- Tested in the harsh conditions of Goiás
- Unlimited supply (faster manufacturing)
- Cloud processing support SkyDrones Algorithms
- Can be customized to project standards
AeroVironment Decision Support System
ALGORITHMS FOR AGRICULTURE

PLANT LINES AND FAULTS
- Sugar cane
- Corn

PLANT FAILURE AREAS
- Soy

PLANT COUNTING
- Coffee
- Citrus

WEED
- Sugar cane
Summary and Q&A

Wahid Nawabi, President and Chief Executive Officer
Teresa Covington, Senior VP and Chief Financial Officer
Key Takeaways

- Pure-play solutions company focused on robotics, sensors, analytics and connectivity technologies
- Leader in multiple market segments with promising growth opportunities
- Strong fiscal 2018 financial and operational performance
- Balance sheet to support strategic investments for long-term value creation
One More Thing!
Thank You