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AEROVIRONMENT

Investor Overview

Dec 2021

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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; 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, to create new market opportunities or to expand into new markets; changes in significant operating expenses, including components and raw materials; failure to develop new products or integrate new technology into current products; risk of litigation, including but not limited to pending litigation arising from the sale of our EES business; product liability, infringement and other claims; changes in the regulatory environment; the impact of the outbreak related to the strain of coronavirus known as COVID-19 on our business; our ability to comply with the covenants in our loan documents; our ability to attract and retain skilled employees; 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. 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.

KEY THEMES

- Focused on unique value proposition centered around innovation, customer intimacy and agility to help our customers succeed
- Delivered fourth consecutive year of profitable revenue growth amid the global pandemic
- Deployed balance sheet to expand solutions portfolio and addressable markets
- Successfully executed growth strategy and created significant value for customers, employees and shareholders
- Continued to experience strong demand and preference for our innovative, reliable & battle-proven solutions

Delivered on Financial, Operational and Strategic Commitments While Navigating Macroeconomic Challenges

FULL FISCAL YEAR 2021 RESULTS

Metric	Full Fiscal Year 2021	Year-Over-Year Change	Notes
Revenue	\$395M	+7.5%	Record annual revenue
Gross profit	\$164.6M	+7.5%	Increase in product margin resulted in higher gross profit
EPS (diluted)	\$0.96	-\$0.76	Lower EPS from legal accrual, HAPSMobile impairment of LOON investment, acquisition-related expenses, higher interest expense and lower interest income
Non-GAAP EPS (diluted)	\$2.10	+\$0.26	Higher non-GAAP EPS ¹ due to higher Sales Volume and favorable margin mix, and the exclusion of acquisition related expenses and other one-time expenses.
Funded Backlog	\$211.8M	+2%	Maintained high funded backlog despite COVID-19 pandemic impacting customer order timing

¹ Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix A.

AEROVIRONMENT AT-A-GLANCE

Delivering Mission-Critical Technology Solutions at the Intersection of Future-Defining Capabilities

Trusted Leader

Pioneering, global leader with highly differentiated offerings and IP in chosen markets spanning military and commercial applications

Diversified

Portfolio across six segments at the forefront of significant and compelling global growth opportunities

Innovative and Opportunistic

Proven history of innovation and growth continue to enhance shareholder value

Sustainable

Enduring commitment to delivering new capabilities while also reducing footprint and environmental impact; One of the largest electric UAS manufacturers in the world



Founded in 1971



Sales to more than 50 allied nations



~1,300 employees



HQ in Arlington, VA



Industry's best-in-class family of unmanned systems solution



BUSINESS SEGMENTS SUPPORT MISSION-CRITICAL APPLICATIONS

	SEGMENT		MILITARY	COMMERCIAL
	Small Unmanned Aircraft Systems	Leading global solution provider with the largest installed base of systems globally; Continuing to expand and grow our business by securing new requirements in U.S. and international markets	✓	✓
	Medium Unmanned Aircraft Systems	New business segment following acquisition of Arcturus UAV; >\$1B market opportunity; Leveraging proven SUAS playbook and AeroVironment brand to gain market share in U.S. and 50+ allied nations	✓	
	Tactical Missile Systems	Leading player in U.S.; Expanding portfolio of solution gives us access to >\$1B market opportunity by disrupting the traditional missiles market; Expanding into multi-domain applications; international expansion underway following recent U.S. government approval of first allied-nation export	✓	
	Unmanned Ground Vehicles	Resulting product line following Telerob acquisition; Retaining entire Telerob team and actively pursuing new programs and cross-selling opportunities in U.S. and international markets	✓	✓
	High-Altitude Platform Stations	Leading player in solar stratospheric HAPS platform for both defense and commercial applications; Focused on certification and commercialization of solar HAPS for global connectivity and defense applications	✓	✓
	MacCready Works Engineering Services	Provider of innovative engineering services for both defense and commercial markets; Integral in Mars Ingenuity Helicopter development & deployment; expanded capabilities in AI-enabled computer vision, machine learning and perceptive autonomy following acquisition of Progeny Systems ISG team	✓	✓

AEROVIRONMENT

PORTFOLIO OF INTELLIGENT,
MULTI-DOMAIN ROBOTIC SYSTEMS

SOLAR HAPS

T-20

JUMP 20

PUMA[®] LE

PUMA[®] 3 AE

RAVEN[®]

WASP[®] AE

SWITCHBLADE[®] 600

SWITCHBLADE[®] 300

BLACKWING[®]

QUANTIX[®] RECON

VAPOR[®] 55

VAPOR[®] 35

AV
AeroVironment[™]

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DDL
AER-584

tEODor

telemax

SMALL UNMANNED AIRCRAFT SYSTEMS (SUAS)

KEY FACTS

- **Leading global player** with product line generating **\$236M or 60% of Company revenue** in fiscal 2021
- Product Line includes **multiple fixed wing and rotary aircraft** with varying flight times, payloads/sensors and mission sets classified as Group 1 UAVs
- Majority Share of all unmanned aircraft in U.S. Dept. of Defense (DOD) inventory¹
- **Strong International position** with 47% of revenue in FY21 from international customers. Over 50 allied nations have purchased (adopted) SUAS products from AV

GROWTH DRIVERS

- Sustainment of very large global installed base of system
- Product Line expansion with new aircraft expanding mission set and market size
- Continued International expansion & growth
- Upgrades for Autonomy and GPS denied/contested airspace navigation
- Commercial and Civil adoption

¹ Source: United States Department of Defense Unmanned Systems Roadmap 2013-2038, page 5



PUMA LE

Up to 60km range and 6.5hr Flight Time
Fixed Wing, Hand Launch

Market Leader With Innovation Pipeline and Enduring U.S. and Allied Nation Relationships

MEDIUM UNMANNED AIRCRAFT SYSTEMS (MUAS)

KEY FACTS

- **Acquired Arcturus UAV** - leading provider of UAS and related services to Group 2 and Group 3 markets
- Primary revenue today from “**COCO**” **Service** (Contractor Owned Contractor Operated) to U.S. Special Operations Command on MEUAS IV ISR services program
- **Significant Market Opportunity** → \$1B today growing to \$3B by 2030¹

GROWTH DRIVERS

- Winning additional Sites under MEUAS Program
- International Aircraft Sales leveraging AeroVironment's global reach, track record, and brand recognition
- Winning future Tactical Unmanned Aircraft System Program (FTUAS)
- Leveraging contractor-owned, contractor-operated (COCO) service business model for other AeroVironment and non-AeroVironment Products

¹ Renaissance Strategic Advisors - Group 2, 3 UAS Forecast 2020-2030, January 2021



JUMP 20

115 Mile Range, 840 Minute Flight Time
VTOL, Multi-Payload (30 lbs)

Recent Acquisition, Proven SUAS Playbook, and Customer Adoption Accelerate Momentum

TACTICAL MISSILE SYSTEMS (TMS)

KEY FACTS

- AeroVironment introduces new category in 2012
- Lethal, high-precision, rapidly deployable loitering munition in use by U.S. armed forces
- Product line consists of Switchblade® 300, 600, and BlackWing® (submarine launch)
- FY21 revenue of \$87M or 22% of total company revenue
- ~\$1B U.S. market opportunity

GROWTH DRIVERS

- **Continued adoption** of the Switchblade® 300 and 600 throughout U.S. armed forces.
- **International sales** – Opportunity to grow internationally following recent U.S. approval of first Allied nation export
- **Integration with other platforms & partners**
 - Integrating Switchblade into next generation armored vehicle from General Dynamics Land Systems
 - Integrating Switchblade 600 into naval vessels for U.S. Special Operations Command



Switchblade® 600

24 Mile Range, 40 Minute Flight Time
Patented wave-off and recommit

Emerging International Opportunities, Multi-Domain Applications, and Continued Core Product Leadership

UNMANNED GROUND VEHICLES (UGV)

KEY FACTS

- **Acquired Telerob GmbH**, a leading provider of Unmanned Ground Vehicles (UGVs) in May 2021
- **Sales into 45 countries** to militaries and law enforcement primarily involved in explosive disposal (EOD) and handling of hazardous materials
- **18% CAGR 2017-2020** and total addressable market **>\$1B through 2026**
- **Establishes international presence and support location** in Europe with close proximity to multiple AeroVironment customers

GROWTH DRIVERS

- Sales to U.S. DOD and other public agencies leveraging long-established AV presence and relationships
- Expanded international sales by augmenting Telerob's international Business Development presence and AeroVironment reseller network
- Multi-Domain solutions combining the capabilities of ground and air assets to address customers' most critical missions



Telemax EVO PLUS

176 lbs Lifting Capacity, Up to 15 hr mission duration
Climbs stairs and slopes up to 45°

Telerob Acquisition Introduces Complementary UGV Line to AeroVironment's Offerings

HIGH ALTITUDE PLATFORM STATION (HAPS)

KEY FACTS

- Formed HAPSMobile JV with Softbank in 2017 to develop HAPS Aircraft and launch stratospheric 5G LTE broadband connectivity business
- Secured new AeroVironment engineering development agreement with Softbank for five additional years – initial award is valued at \$52M
- **Unmatched track record of success:**
 - Designed Sun glider solar HAPS
 - Manufactured 2 Sun glider aircrafts;
 - Conducted 5 successful low & high-altitude test flights;
 - Demonstrated stratospheric broadband connectivity (LTE video communication) via Sun glider in September 2020 from Spaceport, NM.
- JV has exclusive rights to market Sun glider solar HAPS for commercial markets globally, AeroVironment retains exclusive rights to market Sun glider solar HAPS for non-commercial markets globally (except in Japan)

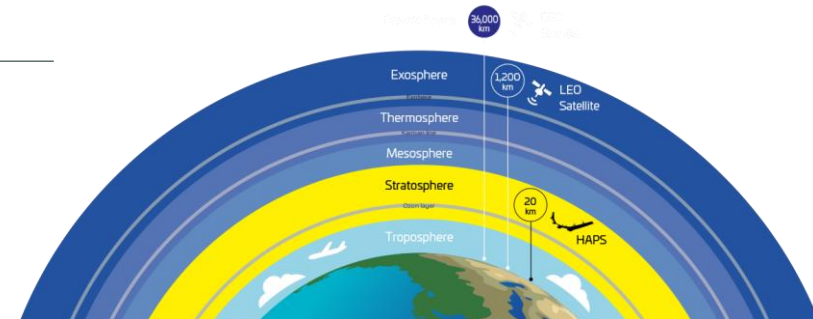


Sun glider

Ultra-long endurance solar-powered stratospheric unmanned aircraft - cruise altitude of 60,000 Feet

GROWTH DRIVERS

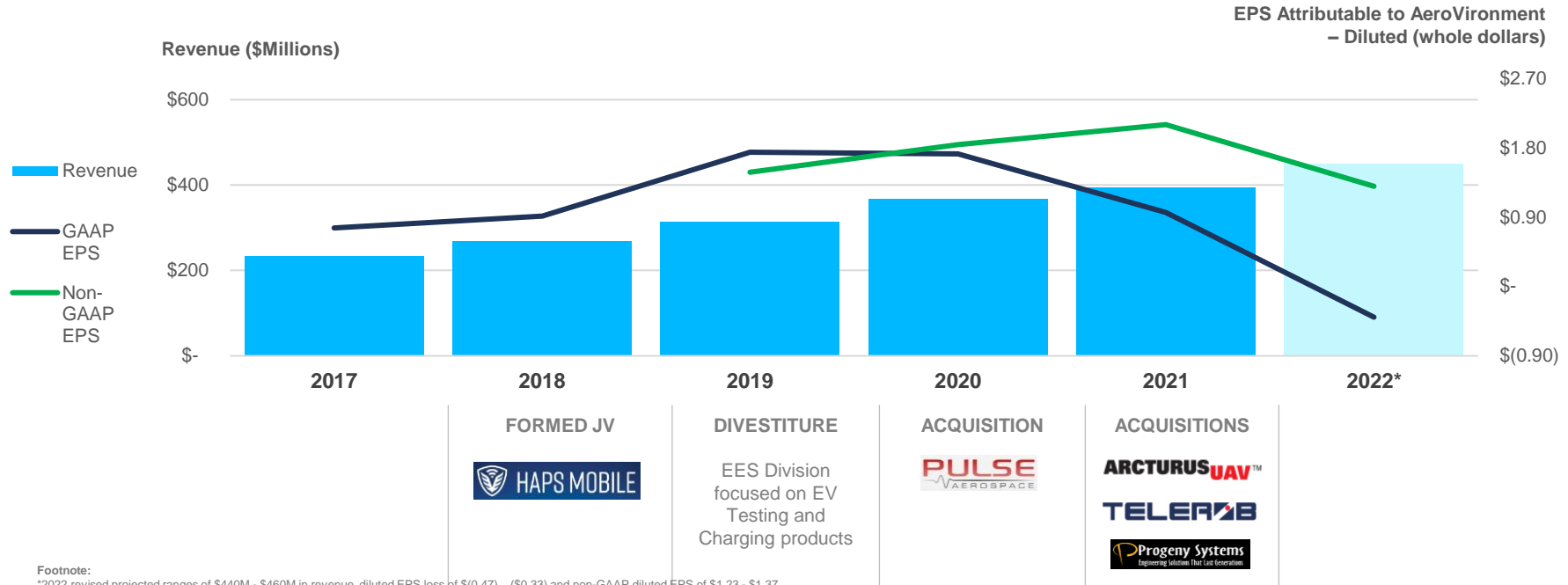
- Customer funded R&D revenue to continue Sun glider maturity and eventual FAA commercial certification
- Defense market applications for Sun glider
- Eventual production contract for Sun glider for telecommunications network



Leveraging Stratospheric Expertise to Advance Modern Connectivity

FINANCIAL SUMMARY

SUCCESSFUL EXECUTION DELIVERING PROFITABLE GROWTH



- Notes:
- All figures are as previously reported in the historical Form 10-Ks
 - 3 Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix A

Company is On Track to Deliver Fifth Consecutive Year of Profitable Growth

SUMMARY OF RECENT ACQUISITIONS

Company

Status

Benefits

Arcturus UAV



Closed
2/19/21

- Expands into >\$1B annual Group 2 & 3 segments w/ access to new programs
- Introduces attractive contractor-owned, contractor-operated (“COCO”) business model

Progeny Systems Intelligent Systems Group (ISG)



Closed
2/23/21

- Significantly accelerates artificial intelligence and autonomy initiatives with best-in-class computer vision and machine perception capabilities
- Broadens scope of engineering services and increases customer-funded R&D revenue

Telerob GmbH



Closed
5/3/21

- Broadens product offering with proven unmanned ground vehicles (UGVs)
- Unlocks sales synergies with ability to pursue multiple U.S., German and international opportunities across each company's customer base.
- Enables multi-domain, intelligent robotic solutions combining UAS, TMS and UGVs

CLEAR PATH TO CONTINUED VALUE CREATION



Continued focus on executing our strategy for benefit of shareholders, customers and employees



Ongoing effective integration of acquired businesses into MUAS and UGV product lines



Capitalizing on TMS solutions to deliver meaningful growth



Continued opportunistic approach to value-enhancing strategic investments



Strong balance sheet²: **\$105M** in cash, **\$100M** revolving credit line, Net debt/ adj EBITDA leverage of 1.3x

For Fiscal
Year 2022,
AeroVironment
expects:

Revenue
\$440M - \$460M

Net Income/(Loss)
\$(12M) - \$(8M)

Adjusted EBITDA
\$59M - \$65M

Diluted GAAP EPS
\$(0.47) - \$(0.33)

Non-GAAP diluted EPS¹
\$1.23 - \$ 1.37

¹Excludes acquisition-related expenses and amortization of intangible assets

²As of October 30, 2021. Net debt = \$193m debt less \$105m cash = \$88m. Adjusted EBITDA of \$66m LTM.

ESG FOCUS AND GOALS ALIGNED WITH VALUE CREATION

Valued Partner to our Customers and Communities

- One of the largest electric UAS manufacturers in the world, reducing environmental impact for our customers while delivering a suite of zero-emission, energy efficient, battery-powered UAS as well as stratospheric, solar powered UAS for global connectivity
- Sponsor of STEM programs in our local communities
- Maintain ISO 140001 Certified Environmental Management System while driving environmental efficiencies and reducing emissions

Strong Focus on Employees and Inclusive Culture

- Annual engagement surveys to track our success and continue improvements
- Extensive in-house leadership development training
- Diversity and Inclusion Committee established to foster a culture of inclusion for our diverse employee community
- Committed to recruiting a diverse and highly capable workforce at all levels considering background, experience, education and skills

Strong Governance

- Ongoing board refreshment: Cindy Lewis nominated for 2021, bringing strong leadership, cybersecurity and supply chain expertise
- Empowered Lead Director provides independent oversight
- Active stockholder engagement efforts



AeroVironment, Inc.
Updated July 2021.



40%

Female
Leadership
Team

36%

Ethnic
Diversity

20%

Veterans

AEROVIRONMENT IS POSITIONED FOR LONG-TERM SUCCESS

Strategy

Targeting multiple exciting markets that are >\$1B market opportunities today and growing into the future

Innovation

Demonstrated track record of disrupting traditional markets and creating new ones through innovative and differentiated technology solutions protected by over 200 U.S. Patents

Experience

Highly experienced and seasoned team of engineers and business professionals that will enable continued strategic execution while delivering outsized shareholder value.

Proven Strategy, Deep Innovative Track Record and Experienced Team Continue to Advance Our Success Into the Future



QUESTIONS



APPENDIX A - RECONCILIATION OF NON-GAAP DILUTED EARNINGS PER SHARE (UNAUDITED)

	<u>Fiscal year ending April 30, 2022</u>
Forecast loss per diluted share	\$ (0.47) - (0.33)
Acquisition-related expenses	0.16
Amortization of acquired intangible assets and other purchase accounting adjustments	1.22
Legal accrual related to our former EES business	0.32
Forecast earnings per diluted share as adjusted (Non-GAAP)	<u>\$ 1.23 - 1.37</u>

APPENDIX B - RECONCILIATION OF NON-GAAP LTM Adjusted EBITDA (UNAUDITED)

		Last twelve months ending	
		October 30, 2021	
<i>(in millions)</i>			
Net (loss) income	\$		(0.3)
Interest expense, net			3.6
Benefit from income taxes			(13.6)
Depreciation and amortization			43.7
EBITDA (Non-GAAP)			33.4
Equity Method investment gain			(0.3)
Legal accrual related to our former EES business			19.3
Acquisition-related expenses			13.5
Adjusted EBITDA (Non-GAAP)	\$		65.9