AeroVironment

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AeroVironment, Inc.

Scott Newbern, CTO

Jonah Teeter-Balin, Sr Dir. Corporate Development & Investor Relations

SEPT, 2022

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

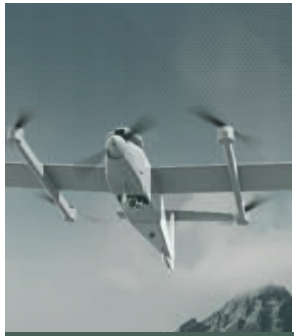
Pureplay unmanned systems company providing air and ground vehicle solutions for defense and commercial markets

Global footprint
with sales to
more than
50 allied nations

Well positioned product portfolio

SUAS
Small Unmanned Aircraft Systems

The dominant global supplier of Group 1 unmanned aircraft used for ISR with sales to over 50 allied nations



MUAS
Medium Unmanned Aircraft Systems

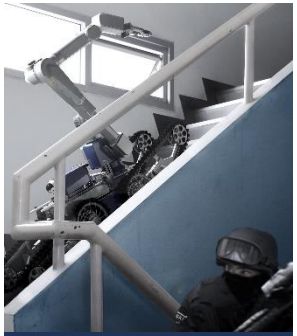
A market leading domestic supplier of Group 2 and Group 3 unmanned aircraft and associated ISR COCO services

TMS
Tactical Missile Systems

Category innovator and current domestic leader of loitering munitions with recent approvals to sell to over 20 allied nations

HAPS
High altitude Pseudo Satellites

Telecommunications and ISR unmanned platform with defense and commercial applications. Key partnership with Softbank to develop market



UGV
Unmanned Ground Vehicles

Leading international supplier of small and medium sized unmanned ground vehicles used for explosive ordnance disposal and handling of hazardous materials

MW
MacCready Works Advanced Solutions

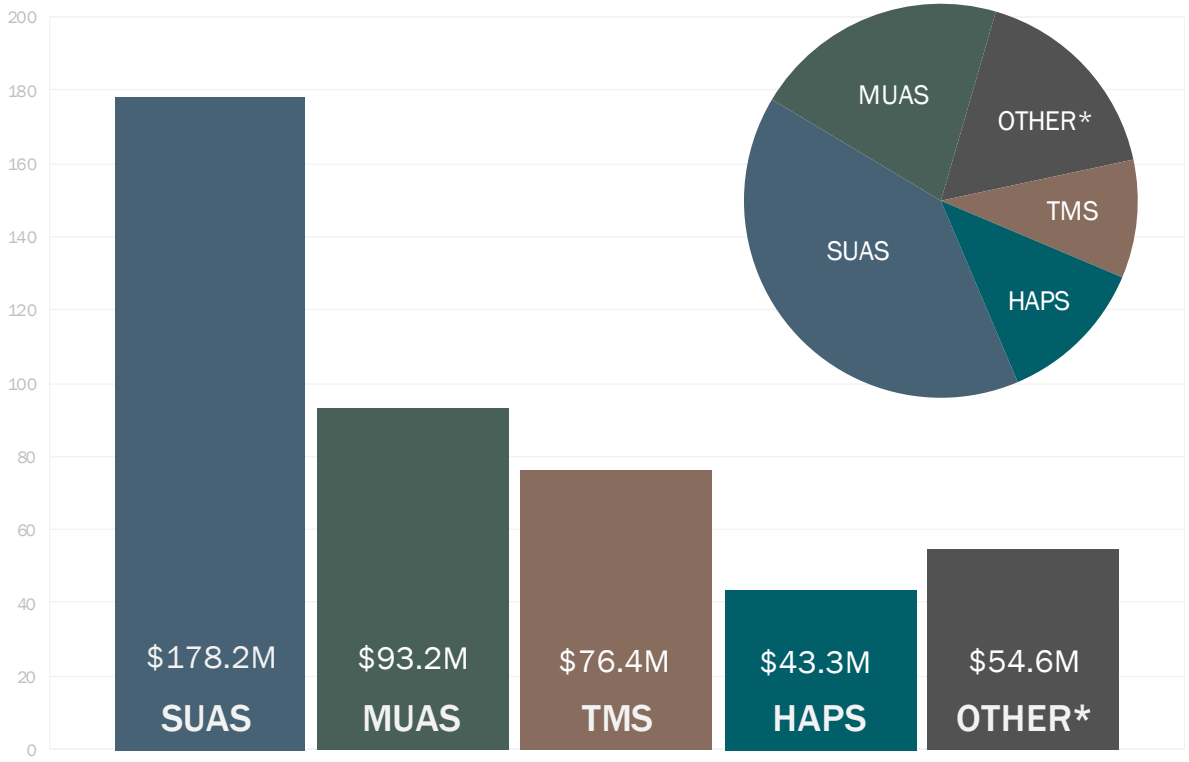
Develops cutting edge technologies to deploy within current portfolio. Explores adjacent market opportunities and incubates potential new business segments

Full Fiscal Year Results – FY2022

Metric	Full Fiscal Year 2022
Revenue	$446M
Gross profit	$165M
Adj. EBITDA [1]	$62M
Non-GAAP EPS [2] (diluted)	$1.25
Funded Backlog	$210.8M

[1] Refer to Reconciliation of Non-GAAP Adjusted EBITDA on Appendix B.
[2] Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix A.

Revenue by Reporting Segment in Millions



* Includes UGV and MacCready Works product lines

Guidance: Fiscal 2023 Outlook

AeroVironment is Poised for Organic Double-digit Growth in FY23

As of 4/30/2022	Fiscal Year 2022 Results	FY23 Guidance	Expected % Change (to midpoint)
Revenue	$446 million	$490 million - $520 million	13%
Net Income/(Loss)	($4 million)	$11 million – $18 million	---
Adjusted EBITDA [1]	$62 million	$82 million – $92 million	43%
Earnings/(Loss) Per Share (diluted)	($0.17)	$0.42 – $0.72	---
Non-GAAP Earnings Per Share (diluted)	$1.25 [2]	$1.35 – $1.65 [3]	20%
R&D as % of Revenues	12%	10%-11%	---
SG&A as % of Revenues [4]	16%	15%-16%	---

[1] Refer to Adjusted EBITDA reconciliation on Appendix B.
[2] Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix A.
[3] Refer to Reconciliation of Fiscal Year 2023 Forecast Non-GAAP Diluted Earnings Per Share on Appendix D.
[4] Excludes Intangible Amortization

Introducing Scott Newbern

- Joined Aerovironment in 1997
  - CTO since 2018
- Held multiple leadership positions within AV
  - VP and GM of SUAS business
  - Founder of MacCready Works Advanced Programs Segment
  - Product development and manufacturing
- Established industry veteran
  - BoD for Association for Uncrewed Vehicle Systems International (AUVSI)
  - Member Business Executives for National Security (BENS)
  - Advisory Board of Aviation Unmanned Vehicle Museum (AUVM)
- B.S. and M.S. in Aerospace Engineering from North Carolina State University

AeroVironment™

PROCEED WITH CERTAINTY

HOW ARTIFICIAL INTELLIGENCE IS

Reshaping Drone Command and Control

Portfolio of Intelligent Multi-Domain Robotic Systems

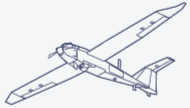
HIGH-ALTITUDE PSEUDO-SATELLITES

Based on 40 years of solar powered aircraft development experience, AeroVironment's HAPS delivers Stratospheric Multi-Domain Mission Capabilities, flying above 65K for up to six months – bending the cost curve versus traditional satellite systems.

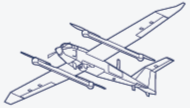
SOLAR HAPS

UNMANNED AIRCRAFT SOLUTIONS

Each of our rugged, unmanned aircraft combine powerful sensing and secure communications, superior aerodynamics and intuitive ground control systems for manual and autonomous flight.



T-20™



JUMP® 20

VAPOR® 55

VAPOR® 35

PUMA™ LE

PUMA™ 3 AE

RAVEN®

WASP® AE

QUANTIX™ RECON

TACTICAL MISSILE SYSTEMS

Closing the gap between observation and action, giving troops the ability to identify threats and deliver deliver a reconnaissance or a precision lethal payload with minimal collateral damage.

SWITCHBLADE® 600

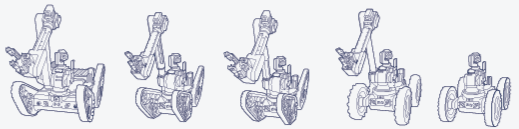
SWITCHBLADE® 300

BLACKWING™

UNMANNED GROUND VEHICLES

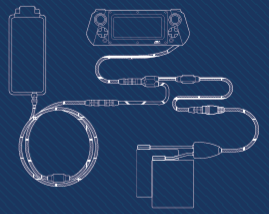
Safely and effectively perform a variety of dangerous missions, including explosive ordnance disposal (EOD), hazardous materials handling (HAZMAT) and chemical, biological, radiological and nuclear (CBRN) threat assessment.

tEODor EVO



telemax FAMILY

CRYSALIS CONTROL



COMMAND AND CONTROL

Adaptable, operationally simplified GCS solution that improves battlefield communications and collaboration by enabling users to easily share real-time information and coordinate mission-critical decisions.

DDL NETWORK

Autonomy vs. Artificial Intelligence vs. Machine Learning

Artificial Intelligence

Any machine or program that performs a complex tasks that usually require a human-like capability:

e.g. visual perception, speech recognition, decision-making

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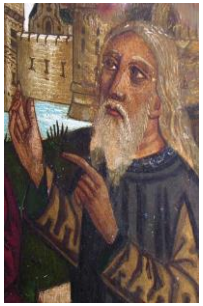
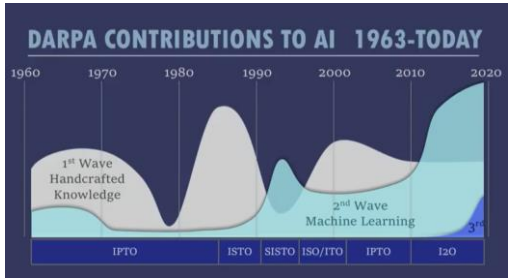
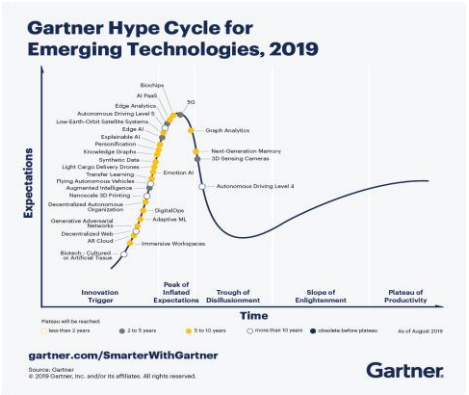






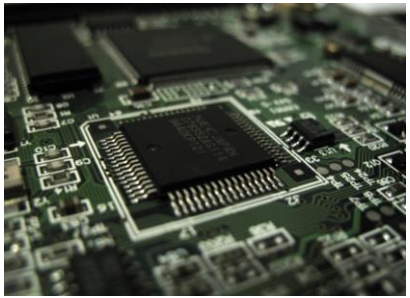
Autonomy vs. Artificial Intelligence vs. Machine Learning

Artificial Intelligence

Any machine or program that performs a complex tasks that usually require a human-like capability: e.g. visual perception, speech recognition, decision-making

Perception

Sensor Processing to obtain information e.g. computer vision, automatic target recognition, alternative precision navigation



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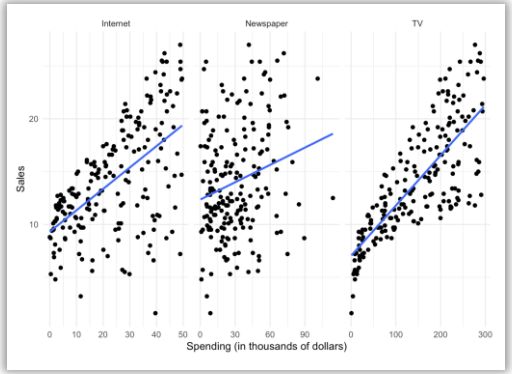
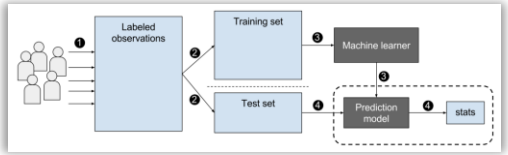
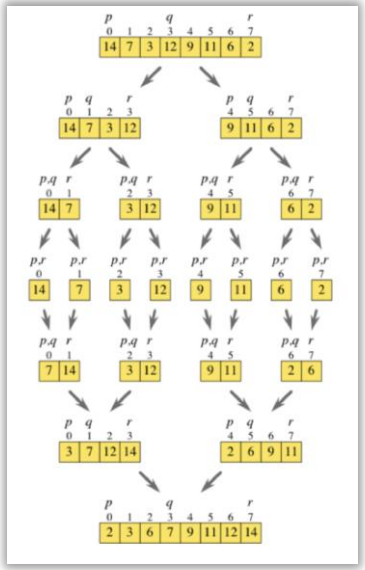






Machine learning

Automatic extraction of statistical patterns to discriminate between aspects of the data, often used for sensor processing

Autonomy vs. Artificial Intelligence vs. Machine Learning

Artificial Intelligence

Any machine or program that performs a complex tasks that usually require a human-like capability: e.g. visual perception, speech recognition, decision-making

Perception

Sensor Processing to obtain information e.g. computer vision, automatic target recognition, alternative precision navigation

Autonomy

Decision making that results in an action

Machine learning

Automatic extraction of statistical patterns to discriminate between aspects of the data, often used for sensor processing

What is Autonomy and why do we need it?

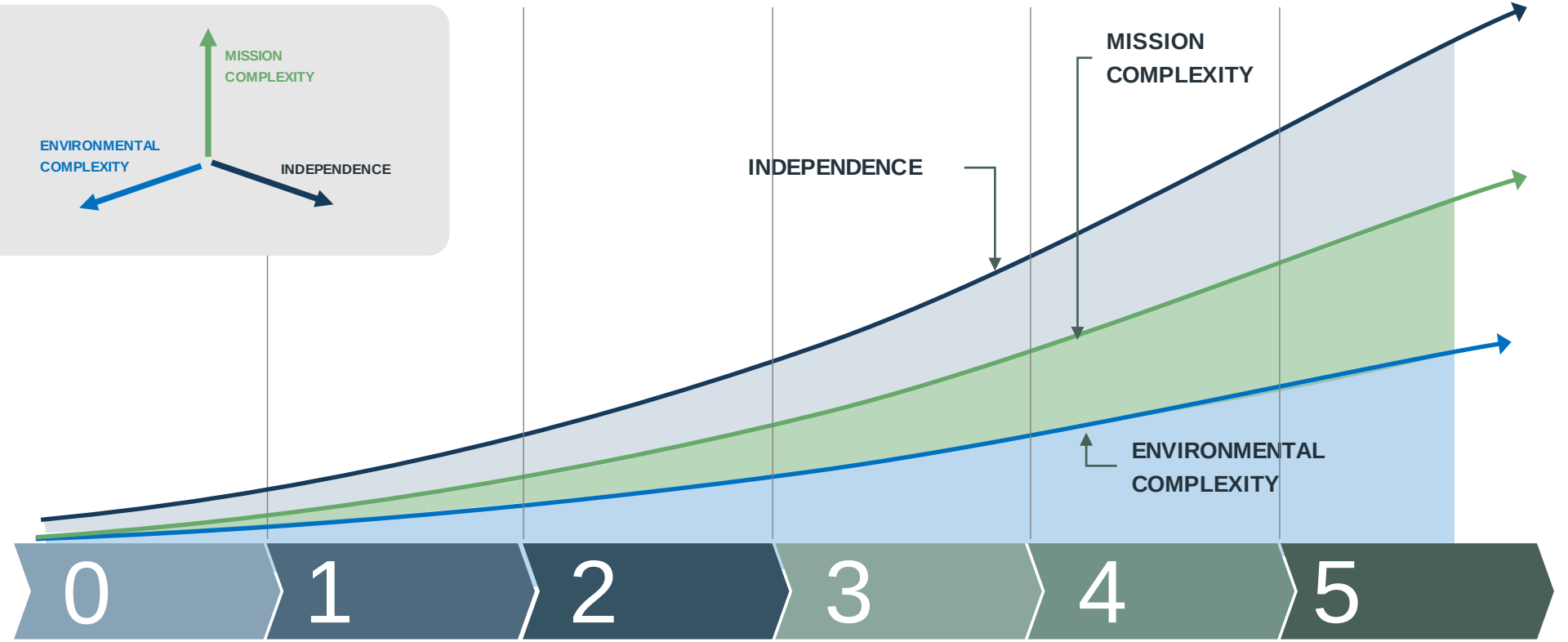
Autonomy: freedom from external control or influence; independence

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 it's 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 capability to the customer that does not add to physical or cognitive load

Progression of Autonomy Levels



Progression of Autonomy Levels

MISSION COMPLEXITY

ENVIRONMENTAL COMPLEXITY

GPS Auto-Navigation

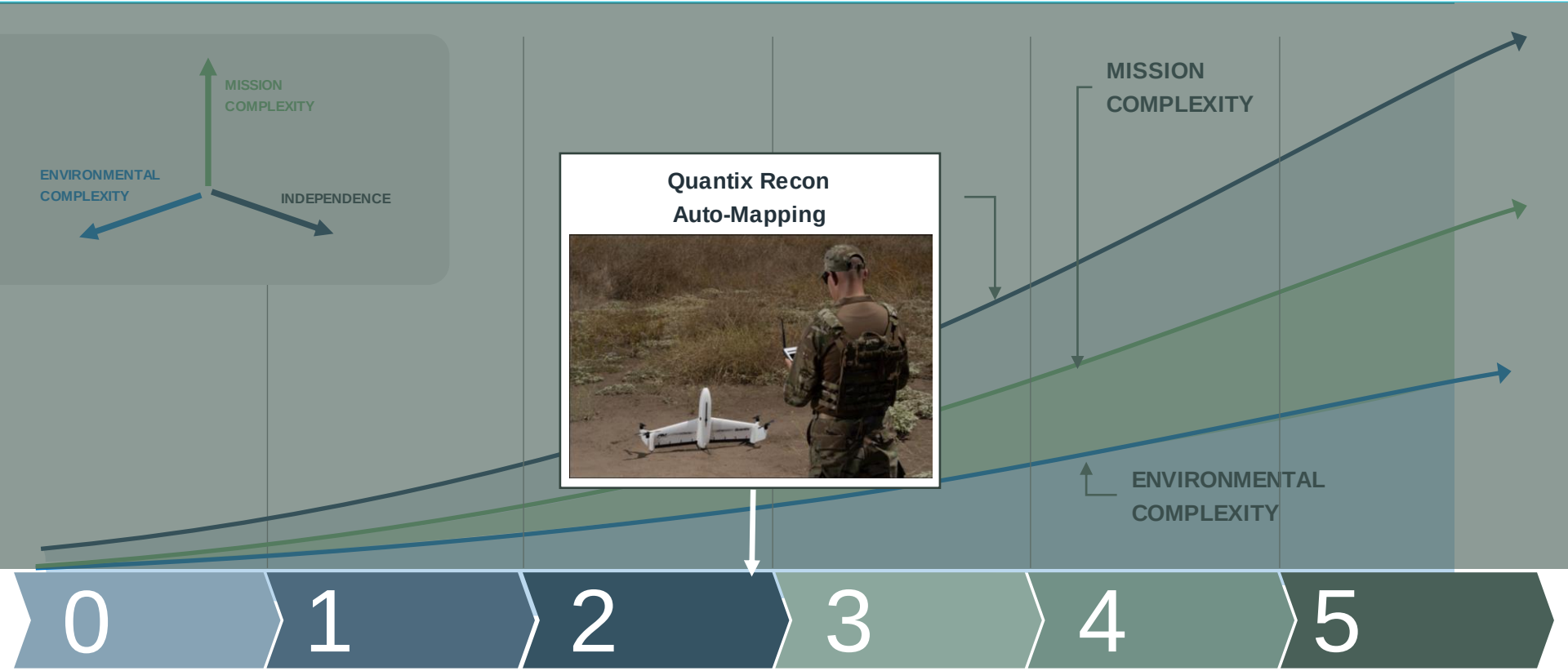
INDEPENDENCE

MISSION COMPLEXITY

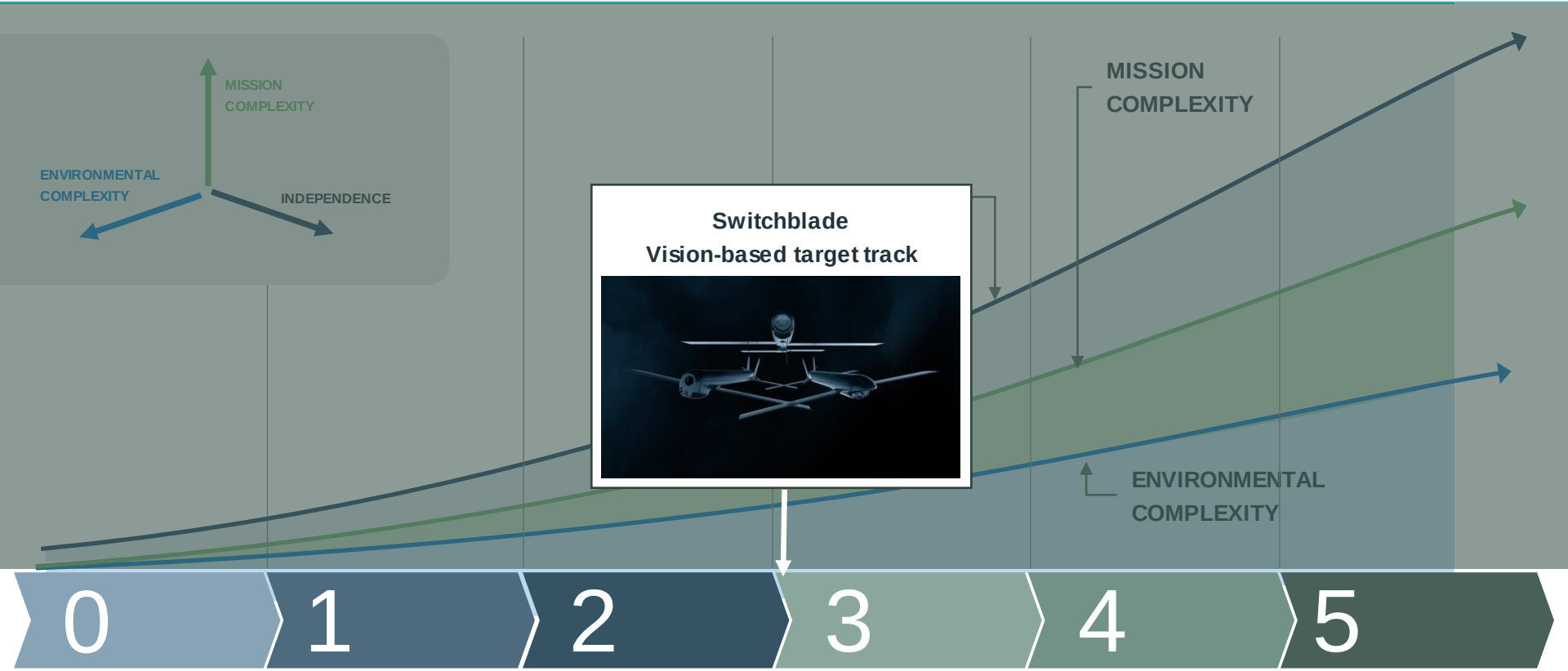
ENVIRONMENTAL COMPLEXITY

0 1 2 3 4 5

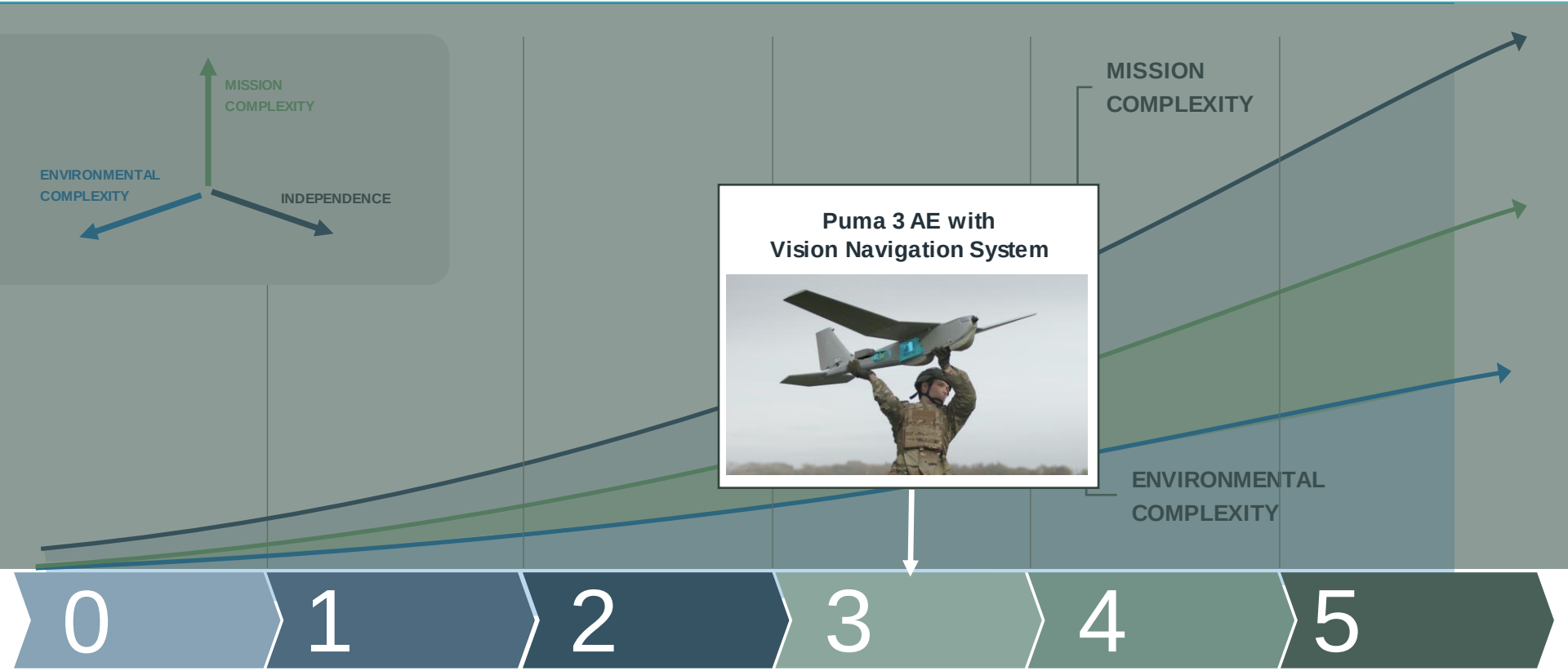
Progression of Autonomy Levels



Progression of Autonomy Levels

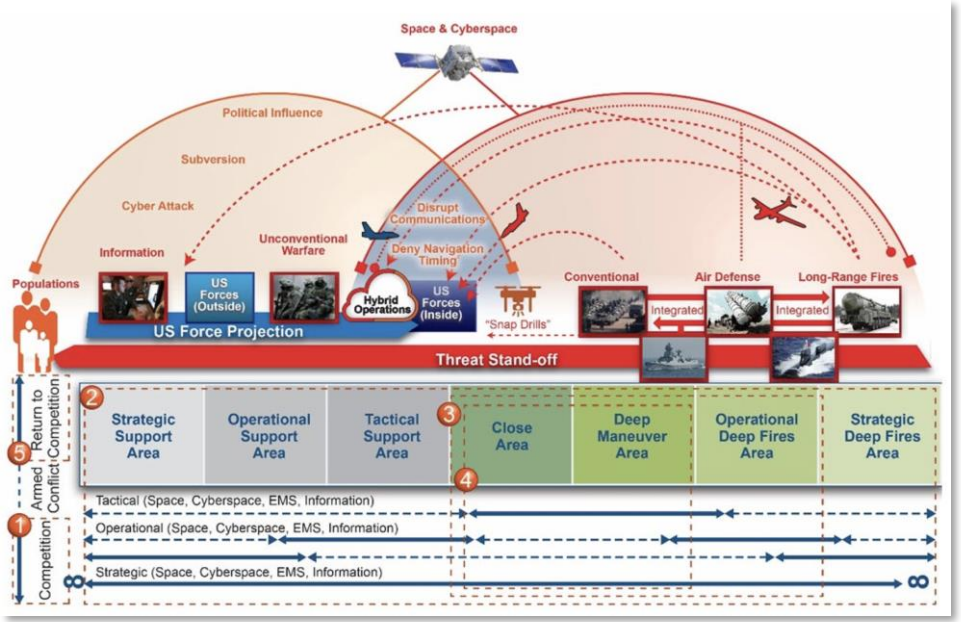


Progression of Autonomy Levels

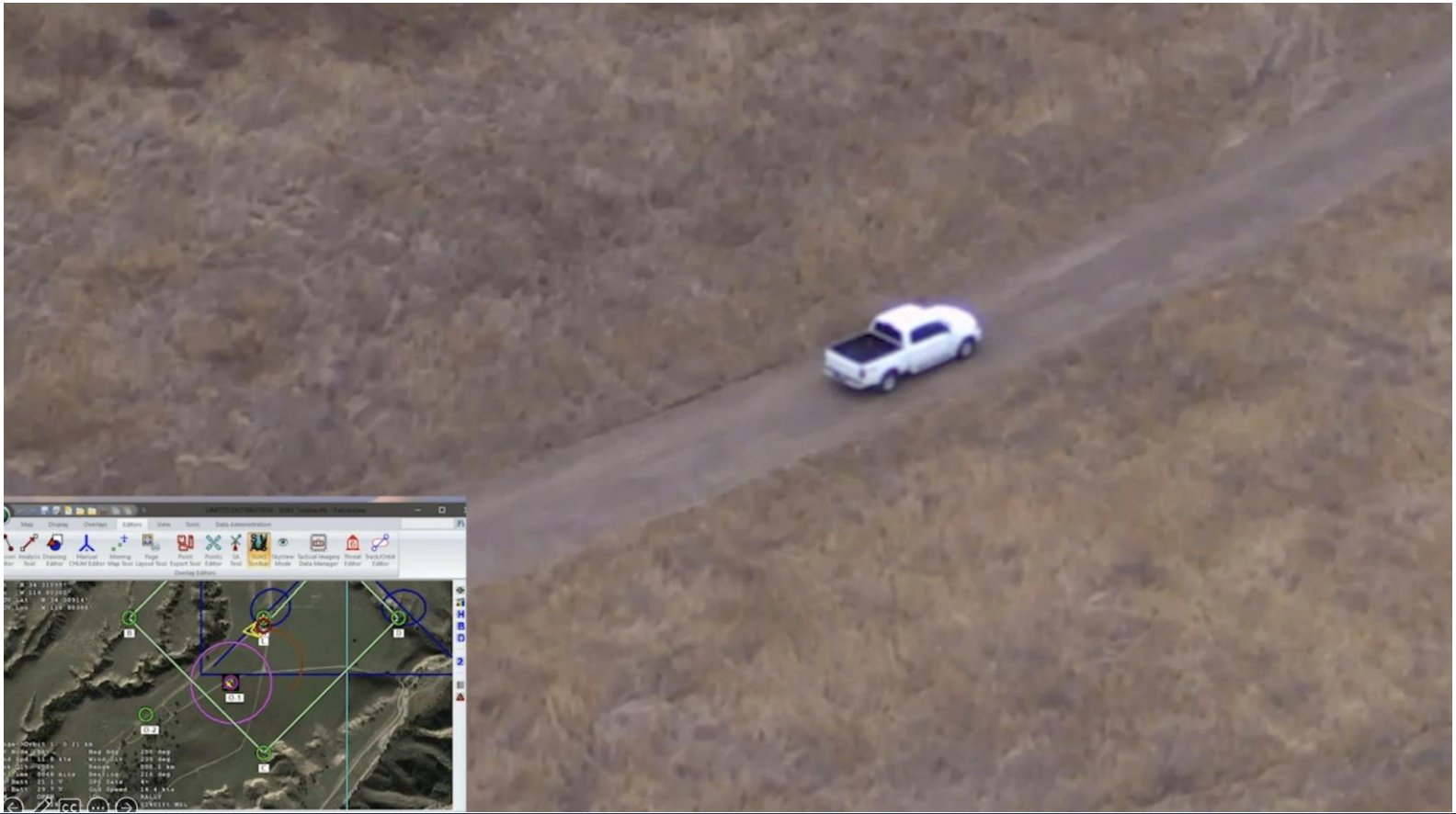


Autonomy is key enabler for robotic mission solutions

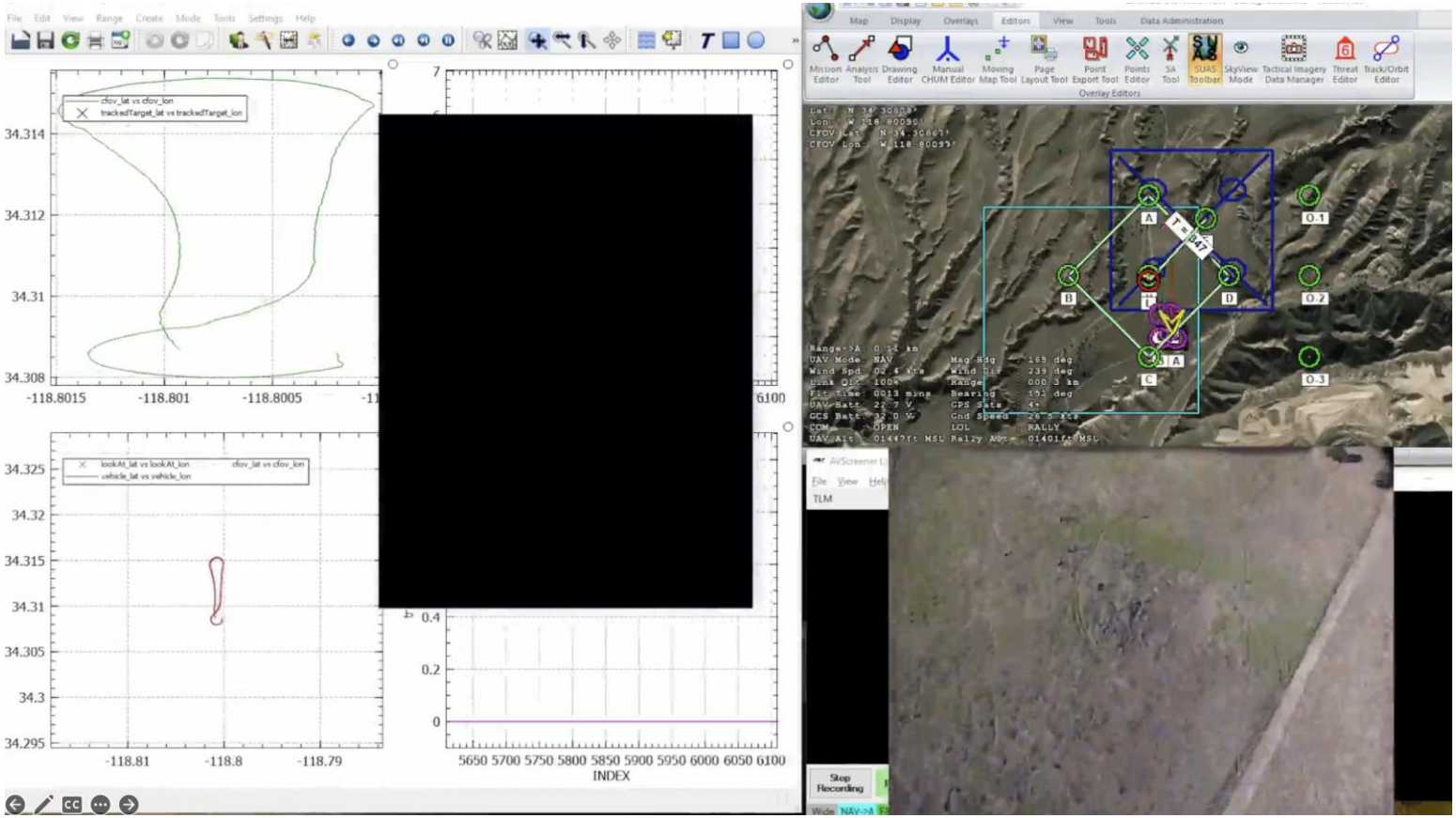
- Advanced multi-domain mission operations
  - Cross-domain
  - All-domain
  - Integrated operations across forces
- Contested environments
  - Radio frequency spectrum challenges
  - Assured precision navigation and timing
  - Collaborative mission capability
  - Operator independent mission capabilities
  - Dynamic escalation



Find and follow target, no GPS (video)



3D mapping, no coms, no GPS (video)



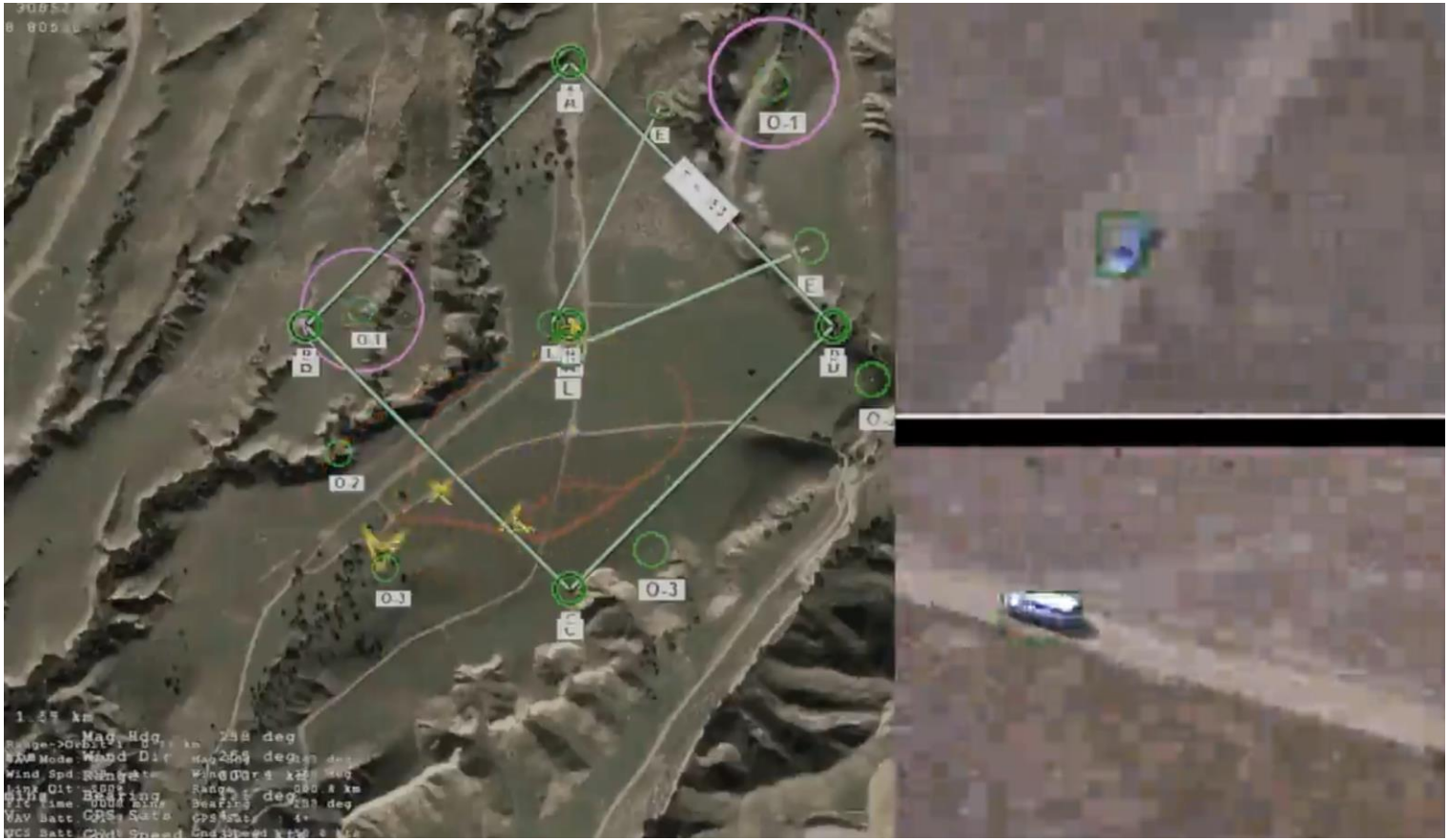
CFOV Hdg: 252°
CFOV Position:
10S FE 99268 60236
CFOV Elevation: 624 ft

FOV Corner Positions:
UL: 10S FE 99187 60120
UR: 10S FE 99133 60276
LR: 10S FE 99331 60325
LL: 10S FE 99373 60205

CFOV Hdg: 246°
CFOV Position:
10S FE 99275 60238
CFOV Elevation: 624 ft

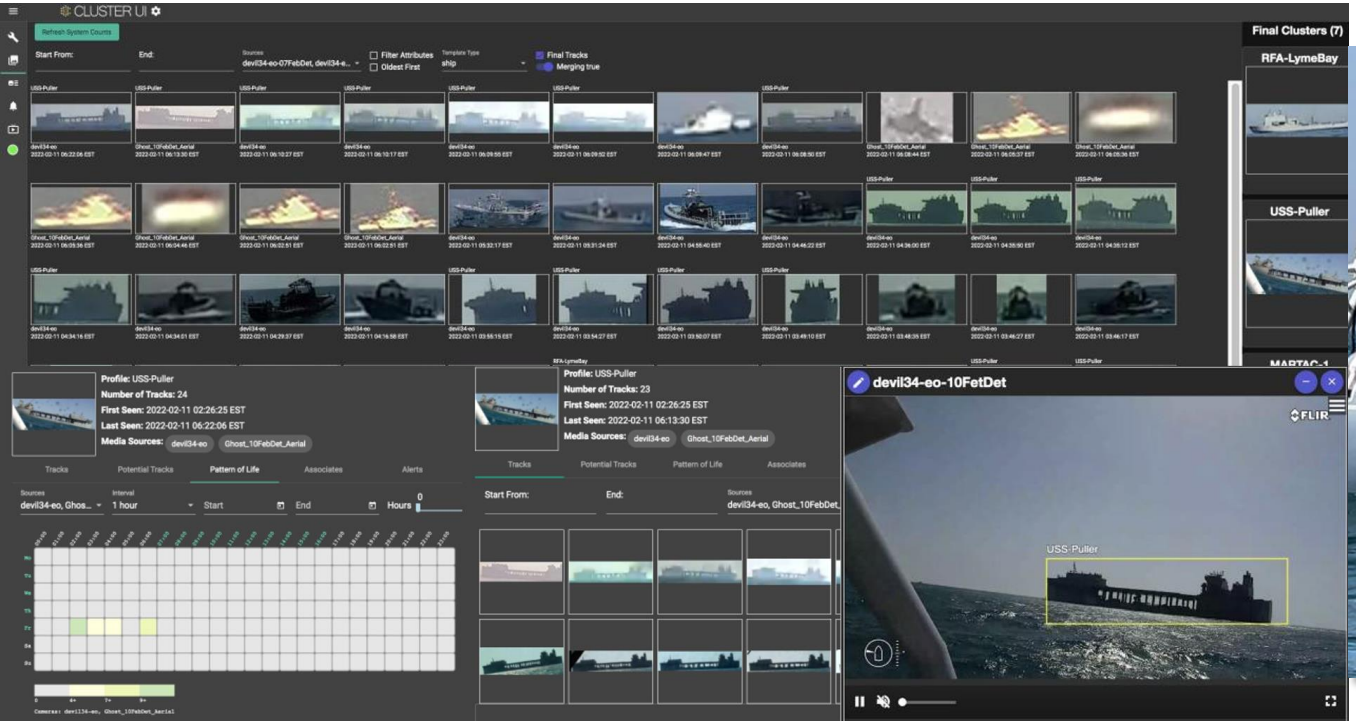
FOV Corner Positions:
UL: 10S FE 99248 60188
UR: 10S FE 99211 60249
LR: 10S FE 99299 60283
LL: 10S FE 99331 60228

Collaborative auto track and pursuit (video)



Multiple automatic target recognition, classification and tracking (video)

IMX22



Moving platform vision-based autonomous recovery (video)


AV
AeroVironment™

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

(in thousands)	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**
Adjusted Gross Margin					
Products					
Gross Margin	$82,319	$98,600	$117,627	$129,174	$100,877
Intangible Amortization and other purchase accounting	$0	$0	$2,284	$2,576	$8,301
Adjusted Gross Margin	$82,319	$98,600	$119,911	$131,750	$108,251
Adjusted Gross Margin % of Revenue	42.9%	46.5%	46.7%	47.2%	45.0%
Services					
Gross Margin	$25,366	$29,803	$35,475	$35,384	$41,149
Intangible Amortization	$0	$0	$0	$1,876	$10,331
Adjusted Gross Margin	$25,366	$29,803	$35,475	$37,260	$51,527
Adjusted Gross Margin % of Revenue	33.1%	29.2%	32.1%	32.1%	25.1%

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

	FY18	FY19	FY20	FY21	FY22
Net Income from continued operations	$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 (1)	5,982	7,669	9,888	$19,262	$60,825
EBITDA (Non-GAAP)	$35,292	$49,550	$52,248	$43,750	$51,708
FV Step-up amortization incl. in Loss on disposal of PP&E					1,280
Stock-based compensation	4,956	6,985	6,227	6,932	5,390
Acquisition-relation expenses			$1,119	$7,982	$4,853
Equity method investment activity	1,283	3,944	5,487	10,481	($4,589)
Non-controlling interest	($216)	($19)	($4)	14	3
One-time impairment		($8,000)			
CIS asset impairement		4,398			
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	$65,076	$78,459	$62,262

APPENDIX C – 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

APPENDIX D – Fiscal Year 2023 Non-GAAP Diluted Earnings Per Share Expectations

	Fiscal year ending April 30, 2023
Forecast earnings per diluted share	$ 0.42 - 0.72
Acquisition-related expenses	0.02
Amortization of acquired intangible assets and other purchase accounting adjustments	0.91
Forecast earnings per diluted share as adjusted (Non-GAAP)	$ 1.35 - 1.65