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WITH
CERTAINTY



AEROVIRONMENT, INC.

INVESTOR OVERVIEW PRESENTATION / OCTOBER 2023

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 ability to successfully close and integrate acquisitions into our operations and avoid disruptions from acquisition transactions that will harm our business, including the pending 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 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, 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; potential need for changes in our long-term strategy in response to future developments; 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; 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; any increase in litigation activity or unfavorable results in legal proceedings, including pending class actions; our ability to respond and adapt to unexpected legal, regulatory and government budgetary changes, including those resulting from the COVID-19 pandemic or future pandemics, such as supply chain disruptions and delays, potential governmentally-mandated shutdowns, travel restrictions and site access, 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.

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AeroVironment At-A-Glance

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

 **50+** years of groundbreaking innovation since 1971

 HQ in Arlington, VA

 **~1,300** employees

 **\$2.5B+** enterprise value

Global footprint with sales to

50+ allied nations

Our Investment Outlook

Near-term

- Global leader in our markets with record Fiscal Year 2023 results
- Most product lines are expected to grow organically this fiscal year
- Forecasting strong sales growth due to record US and international allied demand
- Focused on efficiently scaling the business to meet the growing needs of our customers

Long-term

- Targeting many multi-billion \$ market opportunities with high growth potential
- Unmatched & broadest portfolio of unmanned systems
- Global trends support increased adoption of distributed autonomous unmanned systems and loitering missiles
- Strong balance sheet to fund near and long-term opportunities

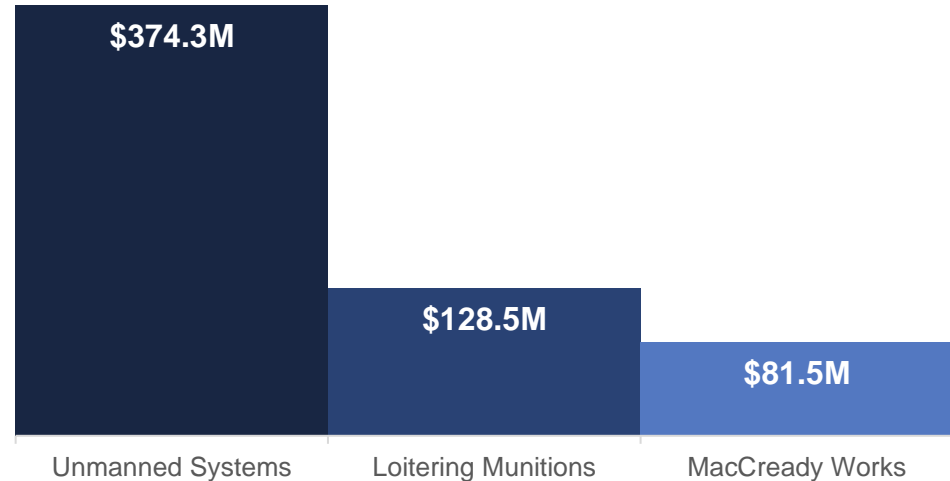


AVAV is in the best shape in company history to drive record setting performance

Last Twelve Months Results – Through Q1 FY24

Metric	Q2 FY2023 – Q1 FY 2024
Revenue	\$584M
Adj. Gross profit ¹	\$219M
Adj. EBITDA ²	\$114M
Non-GAAP EPS ³ (diluted)	\$2.41
Funded Backlog	\$540M
R&D Investment	\$65M

Revenues by Segment



¹ Refer to Reconciliation of Non-GAAP Adjusted Gross Margin on Appendix A ³ Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix D.
² Refer to Reconciliation of Non-GAAP Adjusted EBITDA on Appendix B.

Record funded backlog of \$540 million as of July 29, 2023

Comprehensive Portfolio of Robotic Solutions

AEROVIRONMENT PORTFOLIO OF INTELLIGENT, MULTI-DOMAIN UNMANNED SYSTEMS



Our Future State Evolving for our Customers



Integrated Portfolio of Intelligent, Multi-Domain Robotic Systems for Defense and Commercial Markets

- Mission-centric solutions
- Operate in the presence of near peer adversaries
- Seamlessly integrating robotic systems with humans

AVAV's Successful Evolution



JUN
2019

VTOL SUAS

Pulse Aerospace
Lawrence, Kansas

FEB
2021

AI/ML Autonomy

Progeny Systems, ISG
Manassas, Virginia

FEB
2021

MUAS/ CO-CO Svc.

Arcturus UAV
Petaluma, California

MAY
2021

UGV/EOD

Telerob
Stuttgart, Germany

AUG
2022

UAS Navigation

Planck Aerosystems
San Diego, California

AUG
2023

Common Control

Tomahawk Robotics
Melbourne, Florida

Well Positioned Product Portfolio

UMS



SUAS

Small Unmanned Aircraft Systems

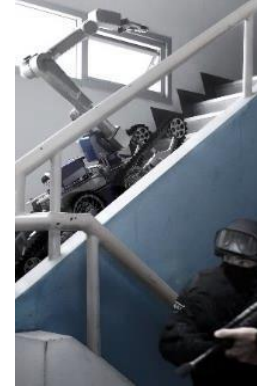
The dominant global supplier of Group 1 unmanned aircraft used for ISR with sales to over 50 allied nations



MUAS

Medium Unmanned Aircraft Systems

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



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



LMS

Loitering Missile Systems

Category innovator and current domestic leader of loitering munitions with recent approvals to sell to over 50 allied nations. Switchblade 300 & 600 are leading products.



MW

MacCready Works

Develops cutting edge technologies to deploy within current portfolio including AI, Machine Learning and Autonomy. Primary U.S. Defense Classified and Unclassified Projects. This also includes our HAPS product a High Altitude Pseudo Satellite for Telecommunications and Defense applications. Explores adjacent market opportunities and incubates potential new business segments.

Business Segments: Unmanned Systems

SUAS



GLOBAL TAM

\$1B+

OUTLOOK

Growing

Small Unmanned Aircraft Systems

- Global Leader Position in Group 1– Over \$2B of revenue last 15 years
- Adding Group 2 to Target Market
- Multiple New Product Introductions, Capabilities and Add-ons
- Well Positioned for Future U.S. DOD Programs of Record

MUAS



\$2B+

Disruptor

Medium Unmanned Aircraft Systems

- Targeting Group 2/3 Next Generation of Products
- Received \$40m+ Order related to recent Ukraine Security Assistance Package
- Only Group 3 Platform selected for Ukraine
- Leveraging AV Global Franchise for International Sales

UGV



\$0.5B+

Adapting

Unmanned Ground Vehicles

- Part of Multi-Domain Solutions and Diversification from Air Vehicles
- Benefits from Growing Defense Budgets Globally
- Fielded recently in Ukraine for Explosive Ordnance Disposal
- Positioning for Future U.S. DOD Ground Robot Programs

Business Segments: Loitering Missiles & Customer Funded Programs

LMS



GLOBAL TAM

\$2B+

OUTLOOK

Growing

Loitering Munition Systems

- 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
- Performing Well in Contested Ukraine Theatre

HAPS



\$50B+

Innovating

High Altitude Platform Stations

- Goal to Deliver Stratospheric Cell Service via Solar Powered Platform
- Softbank Primary Customer and Partner for Telecom Application
- Targeting Large U.S. DOD Opportunities
- Commercialization Targeted for Late 2020's

MW



\$2B+

Innovating

MacCready Works Advanced Programs

- Significant Increased Spending for Classified U.S. DOD Programs
- Center of Excellence for Autonomy and Machine Learning
- Pursuing Next Generation Mars Helicopter Program
- Source of Potential New Products

ESG Focus and Goals Aligned with Value Creation



Published Corporate Social Responsibility report in FY24 highlighting commitment to environmental, social and governance practices.

To view the report, visit [AVINC.COM](https://www.avinc.com)



AeroVironment, Inc.
Updated July 2021



FINANCIAL SUMMARY



Guidance

Fiscal 2024 Outlook

AeroVironment is Poised for Organic Double-digit Growth in FY24

As of 9/5/2023	Fiscal Year 2023 Results	FY24 Guidance	Expected % Change (to midpoint)
Revenue	\$541 million	\$645 million - \$675 million	22%
Net Income/(Loss)	(\$176 million)	\$51 million – \$59 million	---
Adjusted EBITDA ¹	\$90 million	\$117 million – \$127 million ²	35%
Earnings/(Loss) Per Share (diluted)	(\$7.04)	\$1.91 – \$2.21	---
Non-GAAP Earnings Per Share (diluted)	\$1.26 ²	\$2.30 – \$2.60 ³	94%
R&D as % of Revenues	12%	11%-12%	---
SG&A as % of Revenues ⁴	15%	15%-16%	---

¹ Refer to Adjusted EBITDA reconciliation on Appendix B.

² Refer to Adjusted EBITDA reconciliation on Appendix E.

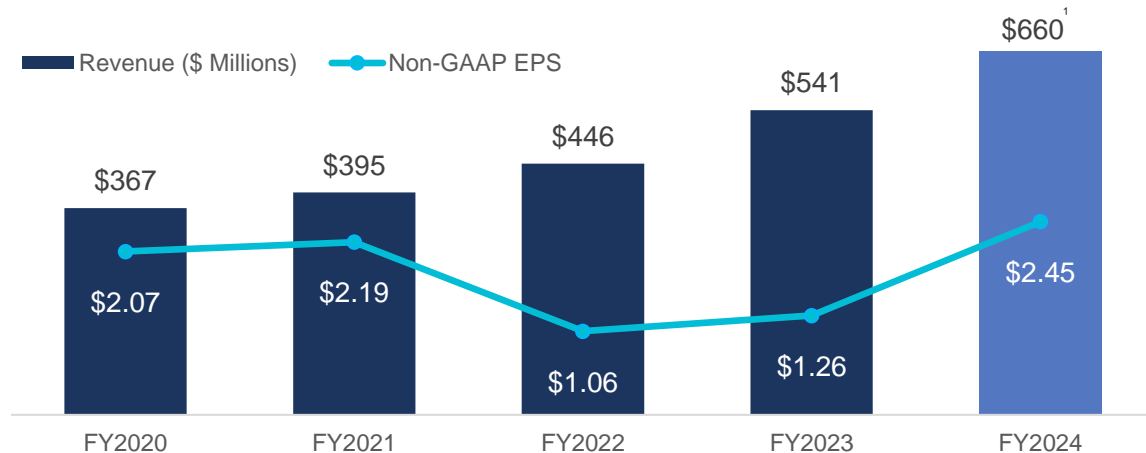
³ Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix D.

⁴ Refer to Reconciliation of Fiscal Year 2024 Forecast Non-GAAP Diluted Earnings Per Share on Appendix A.

⁵ Excludes any Acquisition related and Intangible Amortization expenses

Revenue and Non-GAAP EPS (Continuing Ops)

Non-GAAP EPS



- FY24 profitability improvement represents favorable mix of product vs. service sales
- 21% organic revenue growth in FY23
- Midpoint of FY24 revenue guidance represents another ~22% revenue growth
- Order Visibility at over 100% of mid-point of revenue guidance range

ACQUISITIONS

PULSE
AEROSPACE

ARCTURUS UAV™

Progeny Systems
Engineering Solutions That Last Generations

TELEROB
An AeroVironment™ Company

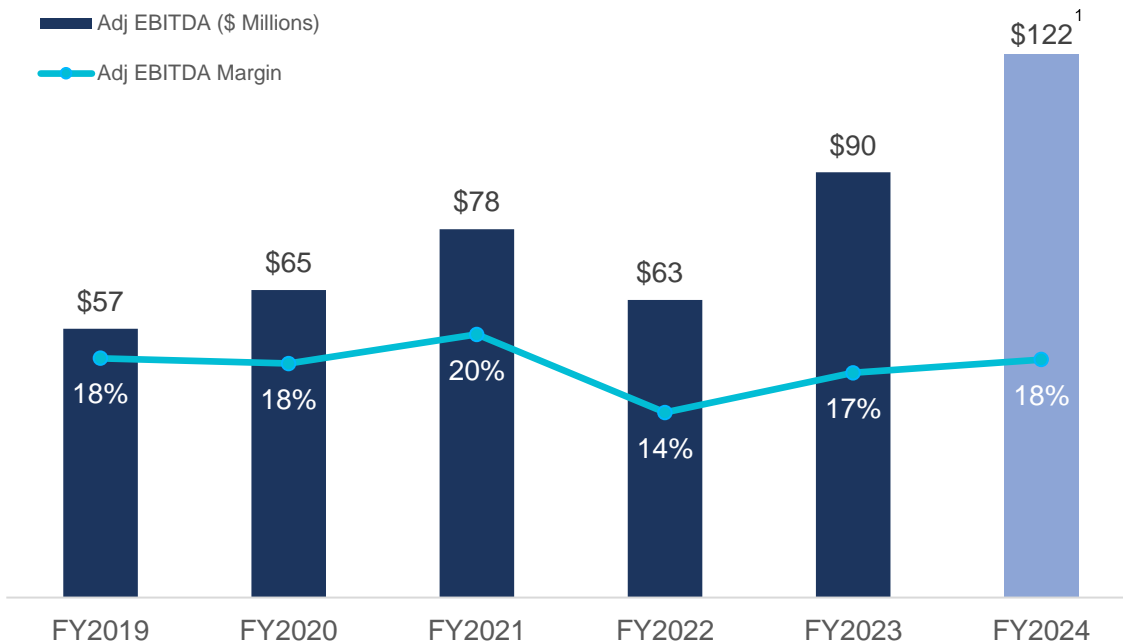
planck
EXOSYSTEMS

TOMAHAWK
ROBOTICS

¹ FY24 estimated Revenue is based on mid-point revenue and non-GAAP EPS guidance.

Adjusted EBITDA and EBITDA Margin

MARGIN & REVENUE (MILLIONS)

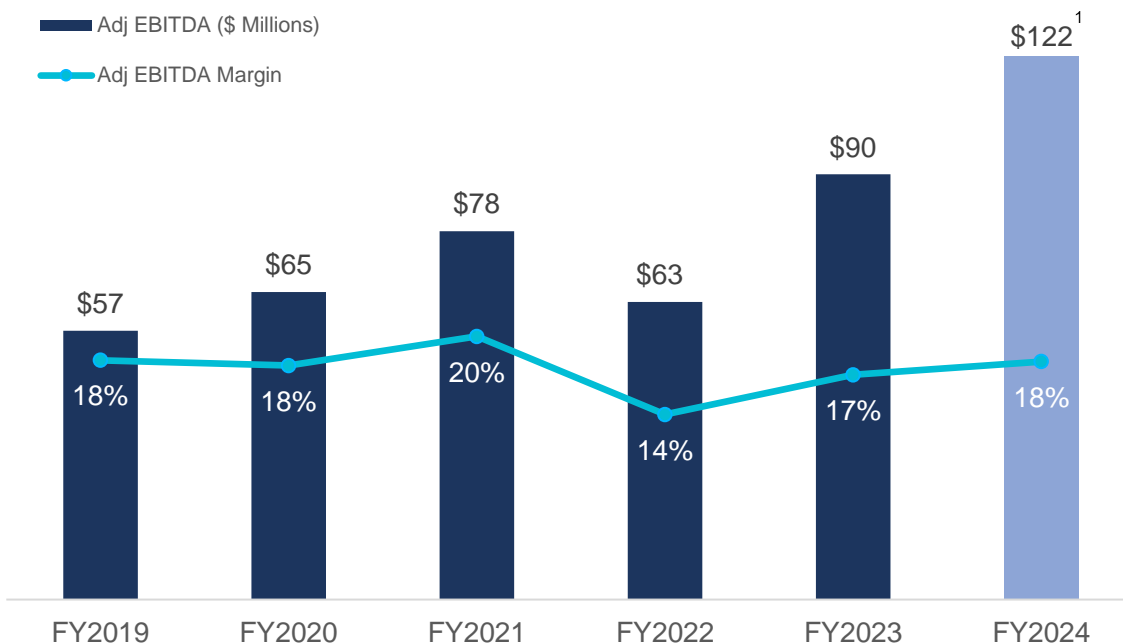


- Historically strong Adjusted EBITDA Margins and >50% improvement over FY22
- FY22 Adjusted EBITDA Margins impacted by lower gross margins as a result of mix shift to lower margin service revenues.
- Margins recovered in FY24 as mix shifted back to greater mix of product sales.

¹ FY24 estimates are based on EBITDA guidance range.

Adjusted EBITDA and EBITDA Margin

MARGIN & REVENUE (MILLIONS)

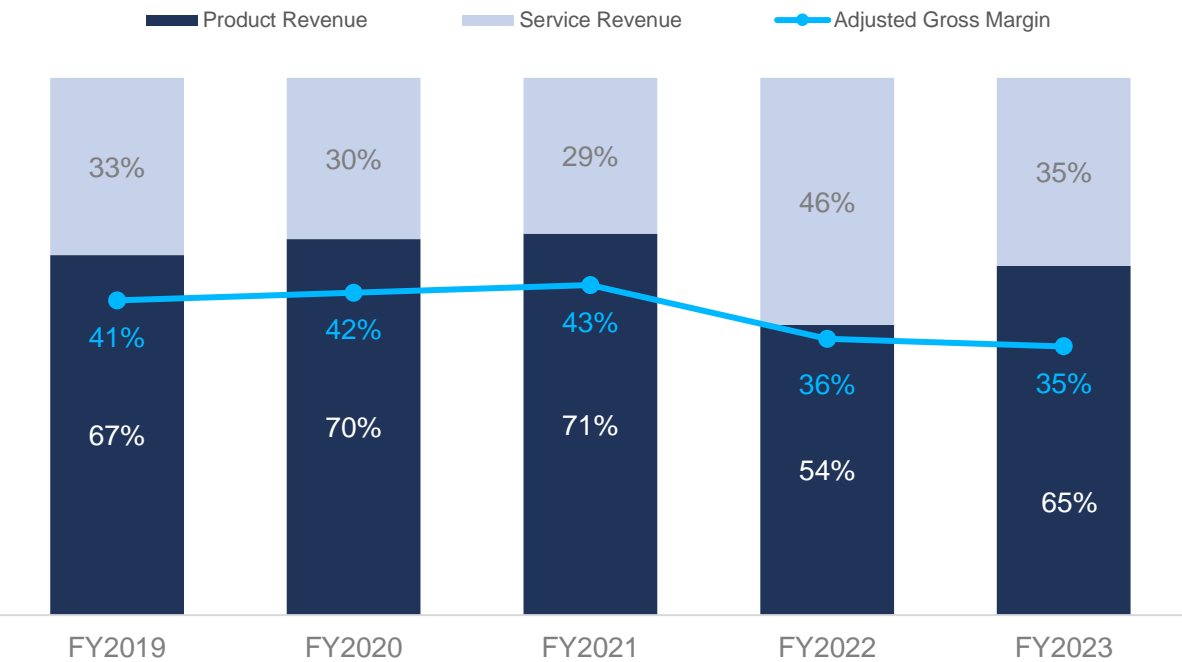


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¹ FY24 estimates are based on EBITDA guidance range.

Mix of Product and Service Revenues

REVENUE SOURCES



- Shift to higher product mix driven by SUAS and TMS sales.
- Expect continued return to historical split of product vs service sales

Refer to Appendix C

Product Scenarios

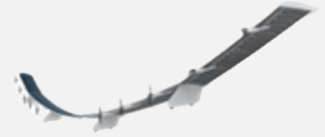
UMS



LMS



MW



VTOL FIXED-WING MEDIUM UAS



ALPHA TEAM OVERWATCH OF ENEMY ENCAMPMENT



Sunglider in stratosphere
for 5h 38min (Alt. 62,500ft)



FINANCIAL TABLES



APPENDIX A

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

	Fiscal Year Ending April 30, 2024
Forecast earnings per diluted share	\$ 1.91 - 2.21
Acquisition-related expenses	0.01
Amortization of acquired intangible and FV assets	0.34
Equity method and equity securities investments activity, net	0.04
Forecast earnings per diluted share as adjusted (Non-GAAP)	<u>\$ 2.30 - 2.60</u>

APPENDIX B –

GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED EBITDA

	FY19	FY20	FY21	FY22	FY23	LTM
Net income (loss) from continued operations (1)	\$ 41,912	\$ 41,339	\$ 23,331	\$ (4,188)	\$ (176,212)	\$ (145,922)
Interest Expense (Income)/net	(4,672)	(4,828)	618	5,440	9,368	9,773
Tax provision / (benefit)	4,641	5,848	539	(10,369)	(14,665)	(15,955)
Depreciation and amortization	7,669	9,888	19,262	60,825	99,999	92,950
EBITDA (Non-GAAP)	\$ 49,550	\$ 52,247	\$ 43,750	\$ 51,708	(81,510)	(59,155)
FV Step-up amortization incl. in loss of disposal of PP&E	-	-	-	1,280	192	77
Cloud amortization	-	-	-	339	561	637
Stock-based compensation	6985	6,227	6,932	5,390	10,765	11,752
Acquisition-related expenses	-	1,049	7,982	4,853	1,386	1,724
Arcturus Goodwill Impairment	-	-	-	-	156,017	156,017
Equity method investment activity	3,944	5,487	10,481	(4,589)	2,583	3,118
Non-controlling interest	(19)	(4)	14	3	45	39
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	\$ 65,006	\$ 78,459	\$ 62,601	\$ 90,039	\$ 114,209

(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>	FY19	FY20	FY21	FY22	FY23	LTM
Adjusted Gross Margin						
Gross Margin	\$128,403	\$153,102	\$164,558	\$141,236	\$173,513	\$205,460
Intangible Amortization	-	\$2,284	\$4,452	\$18,429	\$13,891	\$13,306
Adjusted Gross Margin	\$128,403	\$155,386	\$169,010	\$159,665	\$187,404	\$218,766
Adjusted Gross Margin % of Revenue	40.9%	42.3%	42.8%	35.8%	34.7%	37.4%

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)	\$ (5.75)
Acquisition-related expenses	-	0.04	0.26	0.18	0.05	0.02
Amortization of acquired intangible assets and other purchase accounting adjustments	-	0.08	0.24	1.17	1.97	1.87
Arcturus Goodwill Impairment	-	-	-	-	6.18	6.14
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)	-	-	-	-	-
Equity method and equity security investment activity	0.16	0.23	0.09	(0.19)	0.10	0.12
Earnings (loss) per diluted shares as adjusted (Non-GAAP)	\$ 1.64	\$ 2.07	\$ 2.19	\$ 1.06	\$ 1.26	\$ 2.41

APPENDIX E

FY24 FORECASTED GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED EBITDA

	Fiscal Year Ending April 30, 2024
<i>(in millions)</i>	
Net income	\$ 51 - 59
Interest expense, net	8
Benefit from income taxes	3 - 5
Depreciation and amortization	35
EBITDA (Non-GAAP)	97 - 107
Cloud amortization	1
FV step-up amortization included in loss on disposal of PP&E	0
Equity method and equity security investments activity, net	1
Deal and integration costs	1
Stock-based compensation	17
Adjusted EBITDA (Non-GAAP)	\$ 117 - 127