

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 29, 2018**

AEROVIRONMENT, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

001-33261

(Commission File Number)

95-2705790

(I.R.S. Employer Identification No.)

800 Royal Oaks Drive, Suite 210

Monrovia, CA

(Address of Principal Executive Offices)

91016

(Zip Code)

Registrant's telephone number, including area code: **(626) 357-9983**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

As previously reported by AeroVironment, Inc. (the "Company") in its Current Report on Form 8-K, filed with the Securities and Exchange Commission on June 4, 2018 (the "Form 8-K"), the Company entered into an Asset Purchase Agreement, dated June 1, 2018 (the "Purchase Agreement"), with Webasto Charging Systems, Inc. (the "Purchaser"), pursuant to which the Company agreed to sell, and the Purchaser agreed to acquire, the Company's efficient energy systems business, which designs, manufactures, and sells energy products and solutions, including, but not limited to, products and solutions related to electric vehicle charging, industrial charging, power management, and power cycling and test systems (the "EES Business").

On June 29, 2018, the Company and Purchaser entered into a Side Letter Agreement related to the Purchase Agreement (the "Letter Agreement"), pursuant to which the parties agreed that the purchase price to be paid by the Purchaser to the Company at the closing of the transactions contemplated by the Purchase Agreement would be reduced by \$6.5 million (the "Holdback Amount"), until certain specified approvals and consents from certain customers of the EES Business are obtained by the Company and provided to the Purchaser. The Purchaser has agreed to pay the Holdback Amount to the Company within three business days of the Purchaser's receipt of such specified approvals and consents from the Company. The Company also agreed to indemnify the Purchaser, up to the amount of the Holdback Amount, for losses and damages arising from or related to liabilities relating to such specified approvals and consents and the Company's breach or non-fulfillment of any covenant or agreement contained in the Letter Agreement.

The foregoing description of the Letter Agreement and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the complete text of such agreement. The Company will file the Letter Agreement as an exhibit to its Quarterly Report on Form 10-Q for the quarter ending July 29, 2018.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On June 29, 2018, the Company closed its disposition of the EES Business pursuant to the Purchase Agreement. In connection with the acquisition of the EES Business, the Purchaser paid the Company \$32.0 million in cash at closing, which amount excludes the Holdback Amount and remains subject to certain post-closing adjustments, and the Purchaser assumed certain liabilities.

The foregoing description of the Purchase Agreement and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the complete text of such agreement. The Company will file the Purchase Agreement as an exhibit to its Quarterly Report on Form 10-Q for the quarter ending July 29, 2018.

Item 2.05. Costs Associated with Exit or Disposal Activities

In connection with the matters described under Item 2.01, which description is incorporated herein by reference, and as previously reported by the Company in the Form 8-K, the Company estimates certain material costs associated with management’s plan to exit the Company’s EES Business segment including, but not limited to, legal and other transaction advisory fees, and other transaction related costs. As a result of work performed by the Company and its advisors since the date of the Form 8-K, the Company now expects that the known costs associated with the sale of the EES Business will be approximately \$1.8 million in aggregate (including previously disclosed known costs). However, certain other costs associated with selling or exiting the EES Business are not currently reasonably estimable.

All of the above charges, the nature of such charges and the effect of such charges are estimates and are subject to change.

Item 7.01. Regulation FD Disclosure.

On July 3, 2018, the Company issued a press release announcing the consummation of its disposition of the EES Business. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

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The information in this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of such section. Such information shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	AeroVironment, Inc. press release dated July 3, 2018.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AEROVIRONMENT, INC.

Date: July 3, 2018

By: /s/ Wahid Nawabi
Wahid Nawabi
President and Chief Executive Officer

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PROCEED
WITH
CERTAINTY

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www.avinc.com • NASDAQ: AVAV

PRESS RELEASE

AeroVironment Announces Close of Efficient Energy Systems Business Segment Divestiture

MONROVIA, Calif., July 3, 2018 — AeroVironment, Inc. (NASDAQ: AVAV), a leader in unmanned aircraft systems and tactical missile systems, today announced that on June 29, 2018 it completed the previously announced divestiture of its Efficient Energy Systems (EES) business to Webasto Group. The purchaser paid the Company \$32 million in cash at closing, which excludes a holdback amount of \$6.5 million, and remains subject to certain post-closing adjustments, and the purchaser assumed certain liabilities. The holdback amount will be payable to the company upon the receipt of certain approvals and consents from certain EES business customers. The company expects proceeds from the divestiture to be accretive to U.S. GAAP earnings in the first fiscal quarter of 2019.

“We are reshaping our portfolio to put all our focus on solutions based on robotics, sensors, software analytics and connectivity, to serve promising, large global markets consisting of defense, telecommunications and commercial information solutions,” said AeroVironment President and Chief Executive Officer Wahid Nawabi. “We are pioneers and leaders in small unmanned aircraft systems and tactical missile systems for defense markets, and high altitude pseudo satellites and commercial information solutions for commercial markets. We are fully focused on generating value for our stockholders through the effective execution of our strategy across these promising opportunities.”

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ABOUT AEROVIRONMENT, INC.

AeroVironment (NASDAQ: AVAV) provides customers with more actionable intelligence so they can proceed with certainty. Based in California, AeroVironment is a global

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leader in unmanned aircraft systems and tactical missile systems, and serves defense, government and commercial customers. For more information visit www.avinc.com.

FORWARD-LOOKING STATEMENTS

This press release contains “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; 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 and international customers; the consequences to our financial position, business and reputation that could result from failing to comply with such regulatory requirements; product liability, infringement and other claims; changes in the regulatory environment; and general

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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 additional media and information, please follow us at:

Facebook: <http://www.facebook.com/aerovironmentinc>

Twitter: <http://www.twitter.com/aerovironment>

LinkedIn: <https://www.linkedin.com/company/aerovironment>

YouTube: <http://www.youtube.com/user/AeroVironmentInc>

Instagram: <https://www.instagram.com/aerovironmentinc/>

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