22\textsuperscript{nd} Annual Needham Growth Conference

January 14, 2020
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 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 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; risk of litigation, including but not limited to pending litigation arising from the sale of our EES business; the impact of our recent acquisition of Pulse Aerospace, LLC and our ability to successfully integrate it into our operations; 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. 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.
Table of Contents

- AeroVironment Overview…. Slide 4
- Fiscal 2020 Drivers…. Slide 13
- Financial Summary…. Slide 14
AeroVironment
Overview
AeroVironment is a Technology Solutions Provider at the Intersection of Future-Defining Capabilities

We Provide More Actionable Intelligence So You Can Proceed With Certainty
A Success Story of Serial Innovation Since Our Founding in 1971

1977
- Gossamer Condor
  - 1st controlled human powered flight

1981
- Solar Challenger
  - World Records: Longest, highest, farthest solar powered flights

1986
- Pointer
  - 1st backpack portable small UAS

1995
- Pathfinder/Pathfinder Plus
  - Solar platform for HALE flight

2001
- Helios
  - World Record: Highest flying airplane in history

2005
- Global Observer Prototype
  - 1st liquid hydrogen powered UAS

2010
- Global Observer®
  - Test flight program begins

2012
- Switchblade®
  - 1st operational deployment of back-packable tactical missile system

2014
- Commercial UAS
  - 1st FAA-approved commercial services over land

2016
- Blackwing™
  - 1st submarine-launched loitering ISR system for US Navy

2019
- HAWK30
  - Next generation solar HAPS for global connectivity and defense

1979
- Gossamer Albatross
  - 1st human powered flight across English Channel

1985
- Pterosaur
  - Featured in IMAX film, On The Wing

1987
- Sunraycer
  - Winner 1st solar car race

2003
- Dragon Eye
  - 1st U.S. DoD Small UAS Program of Record

2008
- Small UAS Digital Data Link (DDL™)
  - A wireless communications link that provides greater security, range and utility than analog links

2011
- Nano Air Vehicle
  - 1st flapping wing nano UAV with tri-axis control

2013
- Long Endurance Puma™
  - 1st small UAS extended solar flight: nine hours

2018
- Quantix™ & AVDSS™
  - 1st integrated drone, sensor, analytics solution as an app

2001
- Pathfinder/Pathfinder Plus
  - Solar platform for HALE flight

2010
- Global Observer®
  - Test flight program begins

2012
- Switchblade®
  - 1st operational deployment of back-packable tactical missile system

2020
AeroVironment Investment Thesis

- A profitable, pure-play unmanned robotics company
- The global leader in selected markets, at the forefront of multiple large, global growth opportunities
- Strong financial position and performance enabling our growth strategy
- Demonstrated track record of capitalizing on growth opportunities
Small Unmanned Aircraft Systems

58% of fiscal year 2019 company revenue

Majority Share of all unmanned aircraft in U.S. Dept. of Defense inventory

Growing & Diversified International Revenue

- More than 45 international small UAS customers - most with additional procurement potential

- International revenue driven mainly by small UAS, and in Fiscal Years 2018-2019 by small UAS and HAPS

Note: FY15 – FY16 figures have not been adjusted for ASC-606.
Tactical Missile Systems

Switchblade®

- Lethal, high-precision, rapidly deployed munition
- In use by United States armed forces
- Current solution for Army LMAMS requirement
- Developing larger variant capable of longer flight time and greater effects

21% of fiscal year 2019 company revenue

Ground and Air Vehicle Integration

- Working with General Dynamics Land Systems to integrate Switchblade into next generation armored vehicles
- Working with Kratos to integrate Switchblade into unmanned jet for long-distance, precision missions
Significant Progress on HAPS Program Builds on Decades of Experience

- SoftBank Corp. owns approximately 95% of HAPSMobile Inc. & AeroVironment owns approximately 5%
- HAWK30 solar HAPS unmanned aircraft system to deliver next generation connectivity (i.e., 5G mobile, IoT)
- Total contract value of HAPS project to AeroVironment now $148.9 million
- AeroVironment has the potential to manufacture and supply HAWK30 systems to HAPSMobile on exclusive basis
- AeroVironment retains exclusive rights to market HAWK30 to defense customers worldwide, except in Japan

- **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

18% of fiscal year 2019 company revenue

HAPS Notional Program Plan: Design, Develop, Test/Demonstrate, Certify, Launch & Grow Business

Q2 FY20 Earnings 12/3/19
Commercial Information Solutions (CIS)
Long-Term Potential in Multiple Large Verticals

- Integrated Drone, Sensors, Software Analytics & Connectivity Solution
- Simple & easy to operate
- Automated solution

Quantix™ Drone with integrated sensors + AV Decision Support Software Analytics + Tablet with Connectivity
Fiscal 2020 Drivers

- Continued focus on executing our growth strategy
- Strength in international end markets
- Tactical Missile System growth
- Continued evaluation of strategic investments
Financial Summary
Profitable Growth Driven by Innovation & Strategic Investments

Increased strategic investments in FY15, FY16 & FY17

Note: all figures are as previously reported in the historical Form 10-Ks
## Fiscal Year 2020 Quarterly Results (Continuing Operations)

<table>
<thead>
<tr>
<th>In $ Millions (except EPS)</th>
<th>Qtr. 1</th>
<th>Qtr. 2</th>
<th>Qtr. 3</th>
<th>Qtr. 4</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$86.9</td>
<td>$83.3</td>
<td>-</td>
<td>-</td>
<td>$170.2</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>$41.3</td>
<td>$35.2</td>
<td>-</td>
<td>-</td>
<td>$76.4</td>
</tr>
<tr>
<td>Gross Margin %</td>
<td>47%</td>
<td>42%</td>
<td>-</td>
<td>-</td>
<td>45%</td>
</tr>
<tr>
<td>Income from Continuing Operations</td>
<td>$18.9</td>
<td>$8.1</td>
<td>-</td>
<td>-</td>
<td>$26.9</td>
</tr>
<tr>
<td>Operating Margin%</td>
<td>22%</td>
<td>10%</td>
<td>-</td>
<td>-</td>
<td>16%</td>
</tr>
<tr>
<td>Net Income Attributable to AeroVironment</td>
<td>$17.1</td>
<td>$7.5</td>
<td>-</td>
<td>-</td>
<td>$24.6</td>
</tr>
<tr>
<td>Net Income Attributable to AeroVironment Margin %</td>
<td>20%</td>
<td>9%</td>
<td>-</td>
<td>-</td>
<td>14%</td>
</tr>
<tr>
<td>GAAP Diluted Earnings Per Share (EPS)</td>
<td>$0.71</td>
<td>$0.31</td>
<td>-</td>
<td>-</td>
<td>$1.02</td>
</tr>
<tr>
<td>GAAP Diluted Earnings Per Share (EPS)</td>
<td>$0.74</td>
<td>$0.34</td>
<td>-</td>
<td>-</td>
<td>$1.08</td>
</tr>
</tbody>
</table>
A Strong Balance Sheet is Essential to our Growth Strategy: Confidence, Speed, Conviction

$306 million in cash, equivalents, restricted cash and investments

No debt
For more information:

Steven Gitlin
Vice President Investor Relations
ir@avinc.com
+1 (805)520-8350
Appendix – Reconciliation of Non-GAAP Diluted Earnings Per Share (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Six Months Ended</th>
<th></th>
<th>Six Months Ended</th>
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<tbody>
<tr>
<td></td>
<td>October 26, 2019</td>
<td>October 27, 2018</td>
<td>October 26, 2019</td>
<td>October 27, 2018</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Earnings per diluted share from continuing operations</td>
<td>$0.31</td>
<td>$0.29</td>
<td>$1.02</td>
<td>$1.14</td>
<td></td>
<td></td>
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<tr>
<td>Acquisition related expenses</td>
<td>0.01</td>
<td>-</td>
<td>0.02</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>0.02</td>
<td>-</td>
<td>0.04</td>
<td>-</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>One-time gain from a litigation settlement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.26)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per diluted share from continuing operations as adjusted (Non-GAAP)</td>
<td>$0.34</td>
<td>0.29</td>
<td>$1.08</td>
<td>$0.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>