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): September 4, 2019

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.)

900 Innovators Way

Simi Valley, California (Address of Principal Executive Offi	ices)	93065 (Zip Code)
Registrant's telep	phone number, including area code	: (805) 520-8350
Securities r	registered pursuant to Section 12(b) of the Act:
Title of Class Common Stock, par value \$0.0001 per share	Trading Symbol(s) AVAV	Name of each exchange on which registered The NASDAO Stock Market LLC
Check the appropriate box below if the Form 8-I under any of the following provisions (see General Control of the following provisions)		sly satisfy the filing obligation of the registrant
☐ Written communications pursuant to Rule 4	25 under the Securities Act (17 Cl	FR 230.425)
☐ Soliciting material pursuant to Rule 14a-12	under the Exchange Act (17 CFR	240.14a-12)
☐ Pre-commencement communications pursua	ant to Rule 14d-2(b) under the Exc	change Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursua	ant to Rule 13e-4(c) under the Exc	change Act (17 CFR 240.13e-4(c))
Indicate by check mark whether the registrant is 1933 (§230.405 of this chapter) or Rule 12b-2 of		
Emerging growth company □		
If an emerging growth company, indicate by che complying with any new or revised financial acc		

Item 2.02. Results of Operations and Financial Condition

On September 4, 2019, AeroVironment, Inc. (the "Company") issued a press release announcing first quarter financial results for the period ended July 27, 2019, a copy of which is attached hereto as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure

The information under Item 2.02 above is incorporated herein by reference.

Attached as Exhibit 99.2 hereto is a presentation containing additional information regarding the Company's first quarter financial results for the period ended July 27, 2019. A copy of the presentation is also available on the investor relations section of the Company's website at https://investor.avinc.com/events-and-presentations. The information contained on the Company's website is not incorporated by reference into, and does not form a part of, this Current Report on Form 8-K.

In addition to historic information, this report, including the exhibits, contains forward-looking statements regarding events, performance and financial trends. Various factors could affect future results and could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. Some of those factors are identified in the exhibits, and in our periodic reports filed with the Securities and Exchange Commission.

The information in this Current Report on Form 8-K, including the exhibits, is furnished pursuant to Items 2.02 and 7.01 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing of AeroVironment, Inc. under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Description
99.1	Press release issued by AeroVironment, Inc., dated September 4, 2019.
99.2	Presentation regarding AeroVironment, Inc.'s first quarter financial results dated September 4, 2019.
	2

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: September 4, 2019 By: /s/ Wahid Nawa

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



900 Innovators Way, Simi Valley, CA 93065 Tel (805) 520.8350 www.avinc.com • NASDAQ: AVAV

PRESS RELEASE

AeroVironment, Inc. Announces Fiscal 2020 First Quarter Results

SIMI VALLEY, Calif., September 4, 2019 — AeroVironment, Inc. (NASDAQ: AVAV) today reported financial results for its first quarter ended July 27, 2019.

- · Revenue of \$86.9 million, up 11 percent year-over-year
- · Earnings per diluted share of \$0.71 down \$0.14 year-over-year; non-GAAP earnings per diluted share of \$0.74, up \$0.15 year-over-year
- · Funded backlog of \$165.2 million, an increase of five percent year-over-year

"Our team delivered outstanding first quarter results of \$87 million in revenue, \$0.71 and \$0.74 in GAAP and non-GAAP earnings per diluted share, respectively, and funded backlog of \$165 million," said Wahid Nawabi, AeroVironment president and chief executive officer. "Strong performance globally in our small unmanned aircraft systems product line reflects our continued leadership in this category, which will benefit further from our newly acquired VAPOR unmanned helicopter solutions. We now have visibility into the timing of U.S. Army orders for our Switchblade tactical missile systems, and we are making great progress in our HAPS program, with ground testing underway and flight testing about to begin. Across our business, we are executing our plans and delivering results that support our current year guidance and long-term value creation objectives."

FISCAL 2020 FIRST QUARTER RESULTS

Revenue for the first quarter of fiscal 2020 was \$86.9 million, an increase of 11% from first quarter fiscal 2019 revenue of \$78.0 million. The increase in revenue was due to an increase in product sales of \$10.5 million, partially offset by a decrease in service revenue of \$1.7 million.

Gross margin for the first quarter of fiscal 2020 was \$41.3 million, an increase of 27% from first quarter fiscal 2019 gross margin of \$32.6 million. The increase in gross margin was primarily due to an increase in product margin of \$9.9 million, partially offset by a decrease in service margin of \$1.2 million. As a percentage of revenue, gross margin increased to 47% from 42%. The increase in gross margin percentage was primarily due to the increase in sales volume and an increase in the proportion of product revenue to total revenue.

Income from continuing operations for the first quarter of fiscal 2020 was \$18.9 million, an increase of 33% from first quarter fiscal 2019 income from continuing operations of \$14.2 million. The increase in income from continuing operations was primarily a result of an increase in gross margin of \$8.7 million, partially offset by an increase in research and development expense of \$2.3 million and an increase in selling, general and administrative expense of \$1.7 million.

Other income, net for the first quarter of fiscal 2020 was \$1.7 million compared to other income, net of \$9.3 million for the first quarter of fiscal 2019. The decrease in other income, net was primarily due to a one-time gain from a litigation settlement during the first quarter of fiscal 2019.

Provision for income taxes for the first quarter of fiscal 2020 was a \$2.1 million compared to \$2.6 million for the first quarter of fiscal 2019. The decrease in provision for income taxes was primarily due to a decrease in income before income taxes.

Equity method investment loss, net of tax for the first quarter of fiscal 2020 was \$1.3 million compared to \$0.6 million for the first quarter of fiscal 2019. The equity method loss is associated with our investment in the HAPSMobile Inc. joint venture formed in December 2017.

Net income attributable to AeroVironment for the first quarter of fiscal 2020 was \$17.1 million, a decrease from first quarter fiscal 2019 net income attributable to AeroVironment of \$27.3 million. The first quarter of fiscal 2019 included a one-time gain from a litigation settlement.

Earnings per diluted share from continuing operations attributable to AeroVironment for the first quarter of fiscal 2020 was \$0.71 compared to earnings per diluted share from continuing operations attributable to AeroVironment for the first quarter fiscal 2019 of \$0.85. The first quarter of fiscal 2019 included a one-time gain from a litigation settlement of \$0.26.

Non-GAAP earnings per diluted share from continuing operations was \$0.74 for the first quarter of fiscal 2020 compared to Non-GAAP earnings per diluted share from continuing operations for the first quarter of fiscal 2019 of \$0.59.

BACKLOG

As of July 27, 2019, funded backlog (remaining performance obligations under firm orders for which funding is currently appropriated to us under a customer contract) was \$165.2 million compared to \$157.0 million as of July 28, 2018.

FISCAL 2020 — OUTLOOK FOR THE FULL YEAR

For fiscal 2020, the Company continues to expect to generate between \$350 million and \$370 million in revenue and between \$1.35 and \$1.55 in earnings per diluted share. This financial guidance assumes approximately 5% ownership of the HAPSMobile joint venture and includes the expected losses of Pulse Aerospace, which the Company acquired on June 10, 2019. The Company continues to expect non-GAAP earnings per diluted share, which excludes acquisition related expenses and amortization of acquired intangible assets to be between \$1.47 and \$1.67.

The foregoing estimates are forward looking and reflect management's view of current and future market conditions, including certain assumptions with respect to our ability to obtain and retain government contracts, changes in the timing and/or amount of government spending, changes in the demand for our products and services, activities of competitors, changes in the regulatory environment, and general economic and business conditions in the United States and elsewhere in the world. Investors are reminded that actual results may differ materially from these estimates.

CONFERENCE CALL AND PRESENTATION

In conjunction with this release, AeroVironment, Inc. will host a conference call today, Wednesday September 4, 2019, at 1:30 pm Pacific Time that will be broadcast live over the Internet. Wahid Nawabi, president and chief executive officer, Teresa P. Covington, chief financial officer and Steven A. Gitlin, vice president of investor relations, will host the call.

4:30 PM ET 3:30 PM CT 2:30 PM MT 1:30 PM PT

Investors may dial into the call at (800) 708-4540 (U.S.) and enter the passcode 48934545 or (847) 619-6397 (international) five to ten minutes prior to the start time to allow for registration.

Investors with Internet access may listen to the live audio webcast via the Investor Relations page of the AeroVironment, Inc. website, http://investor.avinc.com. Please allow 15 minutes prior to the call to download and install any necessary audio software.

Audio Replay Options

An audio replay of the event will be archived on the Investor Relations page of the company's website, at http://investor.avinc.com. The audio replay will also be available via telephone from Wednesday September 4, 2019, at approximately 4:00 p.m. Pacific Time through September 11, 2019, at 11:59 p.m. Pacific Time. Dial (888) 843-7419 and enter the passcode 48934545#. International callers should dial (630) 652-3042 and enter the same passcode number to access the audio replay.

A supplementary investor presentation for the first fiscal quarter 2020, can be accessed at https://investor.avinc.com/events-and-presentations.

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 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; 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.

NON-GAAP MEASURES

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), this earnings release also contains a non-GAAP financial measure. See in the financial tables below the calculation of this measure, the reasons why we believe this measure provides useful information to investors, and a reconciliation of this measure to the most directly comparable GAAP.

- Financial Tables Follow -

AeroVironment, Inc. Consolidated Statements of Operations (Unaudited) (In thousands except share and per share data)

Product sales \$65,839 \$55,31 Contract services (inclusive of related party revenue of \$12,335 and \$11,563 for the three months ended July 28, 2018, respectively) 21,072 22,73 Cost of sales: 86,911 78,04 Product sales 30,408 29,81 Contract services 45,639 45,635 Gross margin: 35,431 25,50 Product sales 35,431 25,50 Contract services 5,841 7,08 Selling, general and administrative 3,568 11,99 Selling, general and edministrative 8,709 6,43 Research and development 8,709 6,43 Interest income, net 13,55 8,709 Other income 3,55 8,38 Income from continuing operations before income taxes 20,53		Three Months Ended			
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Loss from discontinued operations, net of tax	Discontinued operations:				
Net income from discontinued operations — 6,990 Net income 17,099 27,310 Net loss attributable to noncontrolling interest 11 14 Net income attributable to AeroVironment \$ 17,110 27,330 Net income per share attributable to AeroVironment—Basic \$ 0.72 \$ 0.80 Discontinued operations — 0.30 Net income per share attributable to AeroVironment—Basic \$ 0.72 \$ 1.10 Net income per share attributable to AeroVironment—Diluted \$ 0.71 \$ 0.80 Discontinued operations — 0.20 Net income per share attributable to AeroVironment—Diluted \$ 0.71 \$ 0.80 Weighted-average shares outstanding: — 0.20 Basic 23,745,199 23,574,599	Gain on sale of business, net of tax expense of \$2,577		_		8,843
Net income 17,099 27,310 Net loss attributable to noncontrolling interest 11 14 Net income attributable to AeroVironment \$ 17,110 \$ 27,330 Net income per share attributable to AeroVironment—Basic \$ 0.72 \$ 0.80 Discontinued operations — 0.30 Net income per share attributable to AeroVironment—Basic \$ 0.72 \$ 1.10 Net income per share attributable to AeroVironment—Diluted \$ 0.71 \$ 0.80 Continuing operations — 0.20 \$ 0.71 \$ 0.80 Discontinued operations — 0.20 \$ 0.71 \$ 1.14 Weighted-average share attributable to AeroVironment—Diluted \$ 0.71 \$ 1.14 Weighted-average shares outstanding: Basic 23,745,199 23,574,599	Loss from discontinued operations, net of tax		_		(1,850)
Net loss attributable to noncontrolling interest 11 14 Net income attributable to AeroVironment \$ 17,110 \$ 27,330 Net income per share attributable to AeroVironment—Basic \$ 0.72 \$ 0.80 Discontinued operations — 0.30 Net income per share attributable to AeroVironment—Basic \$ 0.72 \$ 1.10 Net income per share attributable to AeroVironment—Diluted Continuing operations \$ 0.71 \$ 0.80 Discontinued operations — 0.20 \$ 0.71 \$ 0.80 Net income per share attributable to AeroVironment—Diluted \$ 0.71 \$ 1.14 Weighted-average shares outstanding: Basic 23,745,199 23,574,595	Net income from discontinued operations		_		6,993
Net income attributable to AeroVironment \$ 17,110 \$ 27,330 Net income per share attributable to AeroVironment—Basic \$ 0.72 \$ 0.80 Discontinued operations — 0.30 Net income per share attributable to AeroVironment—Basic \$ 0.72 \$ 1.10 Net income per share attributable to AeroVironment—Diluted \$ 0.71 \$ 0.80 Continuing operations — 0.20 \$ 0.71 \$ 0.80 Discontinued operations — 0.20 \$ 0.71 \$ 1.14 Weighted-average share attributable to AeroVironment—Diluted \$ 0.71 \$ 1.14 Weighted-average shares outstanding: Basic 23,745,199 23,574,599	Net income		17,099		27,316
Net income per share attributable to AeroVironment—Basic Substitute Substitut	Net loss attributable to noncontrolling interest		11		14
Net income per share attributable to AeroVironment—Basic Continuing operations \$ 0.72 \$ 0.80 Discontinued operations — 0.30 Net income per share attributable to AeroVironment—Basic \$ 0.72 \$ 1.10 Net income per share attributable to AeroVironment—Diluted \$ 0.71 \$ 0.80 Continuing operations — 0.20 \$ 0.71 \$ 1.14 Net income per share attributable to AeroVironment—Diluted \$ 0.71 \$ 1.14 Weighted-average shares outstanding: Basic 23,745,199 23,574,599	Net income attributable to AeroVironment	\$	17,110	\$	27,330
Discontinued operations — 0.30 Net income per share attributable to AeroVironment—Basic	Net income per share attributable to AeroVironment—Basic				
Net income per share attributable to AeroVironment—Basic Net income per share attributable to AeroVironment—Diluted Continuing operations Discontinued operations Net income per share attributable to AeroVironment—Diluted Net income per share attributable to AeroVironment—Diluted \$ 0.71 \$ 0.85 - 0.25 Net income per share attributable to AeroVironment—Diluted Weighted-average shares outstanding: Basic 23,745,199 23,574,595	Continuing operations	\$	0.72	\$	0.86
Net income per share attributable to AeroVironment—Basic Net income per share attributable to AeroVironment—Diluted Continuing operations Discontinued operations Net income per share attributable to AeroVironment—Diluted Net income per share attributable to AeroVironment—Diluted \$ 0.71 \$ 0.85 - 0.25 Net income per share attributable to AeroVironment—Diluted Weighted-average shares outstanding: Basic 23,745,199 23,574,595	U I		_		0.30
Net income per share attributable to AeroVironment—Diluted Continuing operations Discontinued operations Net income per share attributable to AeroVironment—Diluted Net income per share attributable to AeroVironment—Diluted Solvant 1.14 Weighted-average shares outstanding: Basic 23,745,199 23,574,599		\$	0.72	\$	1.16
Continuing operations \$ 0.71 \$ 0.85 Discontinued operations — 0.29 Net income per share attributable to AeroVironment—Diluted \$ 0.71 \$ 1.14 Weighted-average shares outstanding: Basic 23,745,199 23,574,595	1	<u> </u>		_	
Discontinued operations — 0.29 Net income per share attributable to AeroVironment—Diluted \$ 0.71 Weighted-average shares outstanding: Basic 23,745,199 23,574,599		\$	0.71	\$	0.85
Weighted-average shares outstanding: Basic 23,745,199 23,574,599			_		0.29
Weighted-average shares outstanding: Basic 23,745,199 23,574,599	*	\$	0.71	\$	1.14
Basic 23,745,199 23,574,599	•	_		•	
-,,-,			23.745.199		23,574,595
			, ,		24,010,303

AeroVironment, Inc. Consolidated Balance Sheets (In thousands except share data)

Deferred rent — 1,173 Non-current operating lease liabilities 7,597 — Other non-current liabilities 2,298 150 Deferred tax liability 29 29 Liability for uncertain tax positions 51 51 Commitments and contingencies 51 51 Stockholders' equity: Preferred stock, \$0.0001 par value: Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 — — Common stock, \$0.0001 par value: Authorized shares—100,000,000 Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at April 30, 2019 — — Additional paid-in capital 177,207 176,216 Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571		July 27, 2019			April 30, 2019	
Current assets: Cash and cash equivalents \$ 137,094 \$ 172,008 Accounts receivable, ent of allowance for doubtful accounts of \$1,053 at July 27, 2019 and Accounts receivable, ent of allowance for doubtful accounts of \$1,053 at July 27, 2019 and \$1,041 \$15,043 at April 30, 2019 \$42,724 \$31,051 Unbilled receivables and retentions (inclusive of related party unbilled receivables of \$12,649 at July 27, 2019 and \$2,028 at April 30, 2019) \$47,935 \$3,047 Inventories \$6,336 \$4,056 \$4,766 \$1,418 Prepaid expenses and other current assets \$6,336 \$4,056 <		J)	J naudited)			
Cash and cash equivalents \$ 137,094 \$ 172,708 Short-tern investments 163,634 150,487 Short-tern investments 163,634 150,487 Accounts receivable, net of allowance for doubtful accounts of \$1,053 at July 27, 2019 and \$1,012 \$3,015 Unbilled receivables and retentions (inclusive of related party unbilled receivables of \$12,649 at July 27, 2019 and \$9,028 at April 30, 2019) 47,935 \$3,047 Inventories 5,6336 \$4,056 \$4,						
Short-term investments 163,634 150,487 Accounts receivable, net of allowance for doubtful accounts of \$1,053 at July 27, 2019 and 31,051 13,051 SL (Jul at April 30, 2019) 42,724 31,051 Umbilled receivables and retentions (inclusive of related party unbilled receivables of \$12,649 at July 27, 2019 and \$3,0219) 47,935 53,047 Inventories 56,336 54,056 7,066 7,418 Income taxes receivable 7,06 7,418 1,000 4,000		¢.	127.004	ø.	172 700	
Accounts receivable, net of allowance for doubtful accounts of \$1,053 at July 27, 2019 and \$1,041 at April 30, 2019	*	2		Þ		
1,014 at April 30,2019			163,634		150,487	
Unbilled receivables and retentions (inclusive of related party unbilled receivables of \$12,649 at July 27, 2019 and \$9,028 at April 30, 2019) 47,935 53,047 Inventories 56,336 54,056 Prepaid expenses and other current assets 7,606 7,418 Income taxes receivable — 821 Ital current assets 455,329 469,588 Long-term investments 17,747 16,905 Operating lease right-of-use assets 9,917 — Operating lease right-of-use assets 7,699 6,688 Interpolate assets 7,699 6,688 Interpolate assets 7,699 6,688 Interpolate assets 8,080 — Other assets 14,196 5,821 Total assets \$ 334,582 5,834 Total assets \$ 14,196 5,821 Total assets \$ 1,145 15,972 Current partial ballities 2,925 5,821 Current partial ballities 2,71 — Current operating lease liabilities 2,71 — Other con-current			10.704		21.051	
2019 and \$9,028 at April 30, 2019) 47,935 53,047 Inventories 56,336 54,056 Prepaid expenses and other current assets 7,606 7,418 Income taxes receivable - 821 Cord according to the seasests 485,339 469,588 Long-term investments 4,887 9,386 Property and equipment, net 17,747 16,905 Deferred income taxes 9,917 - Deferred income taxes 7,699 6,685 Goodwill 8,080 - Goodwill 8,080 - Collar assets 14,196 5,824 Current liabilities 534,582 508,844 Current appace 11,450 5,824 Current appace 11,450 5,872 Wages and related accruals 11,265 18,507 Customer advances 3,268 2,926 Current operating lease liabilities 12,171 - Total current liabilities 12,171 - Total current liabilities			42,724		31,051	
Prepaid expenses and other current assets			47.025		52.047	
Prepaid expenses and other current assets 7,606 7,418 Income taxes receivable 455,39 469,588 Long-term investments 4,887 9,386 Orpertant glease right-of-use assets 9,917						
Income taxes receivable — 821 Iodal current assets 455,329 455,88 Long-term investments 4,887 9,386 Property and equipment, net 17,747 16,905 Deferred income taxes 9,917 -4 Deferred income taxes 16,727 459 Octoball 8,08 - Cottent 1,145 8,59 Cottent 1,26 1,59 Cottent 1,26 1,59 Counted paralial decruals 1,26 1,26 Current operating lease liabilities 1,26 1,22<					/	
Iotal current assets 455,329 469,588 Long-term investments 4,887 9,388 Operating lease right-of-use assets 9,917 — Deferred income taxes 16,672 459 Goodwill 16,672 459 Goodwill 8,880 — Other assets 14,196 5,821 Other assets 14,196 5,821 Current labilities 534,582 508,844 Current labilities and stockholders' equity 534,582 508,844 Current labilities 2,202 8,800 — Current labilities 12,085 8,804 — Current labilities 12,085 8,804 — Current labilities 12,085 8,804 — Current labilities 12,085 18,507 — Current labilities 2,171 — — Current labilities 2,771 — — — 1,173 — — — 1,174 — — —			7,606			
Long-term investments 4,887 9,386 Property and equipment, net 17,747 16,905 Deferred income taxes 9,917 — Deferred income taxes 16,227 459 Codewill 8,080 — Other assets 14,196 5,821 Stoad sasets 534,582 508,884 Custing and stockholders' equity 511,450 5,821 Current liabilities 21,205 18,507 Customer advances 21,205 18,507 Customer advances 3,268 2,962 Current operating lease liabilities 2,771 — Income taxes payable 3,368 2,962 Current operating lease liabilities 2,771 — Other current liabilities 3,368 2,962 Current operating lease liabilities 4,106 4,860 Deferred arch — 1,737 — Other current liabilities 2,29 120 Deferred tax liability 2,29 129 Deferred tax liability </td <td></td> <td>_</td> <td>455 220</td> <td>_</td> <td></td>		_	455 220	_		
Property and equipment, net 17,747 16,905 Operating lease right-of-use assets 9,917 — Obefetered income taxes 7,699 6,688 Condwill 8,080 — Obber assets 16,727 459 Obber assets \$534,582 \$508,844 Liabilities and stockholders' equity Turnet liabilities: Turnet liabilities: Accounts payable \$11,450 \$15,972 Wages and related accruals 12,085 18,507 Customer advances 2,771 — Customer advances 2,771 — Other current liabilities 2,771 — Income taxes payable 1,367 — Other current liabilities 2,771 — Income taxes payable 1,367 — Other current liabilities 2,771 — Other current liabilities 2,797 — Oberared text 5,972 — Oberared text in tax positions 51 51 Common-current liabilities <td< td=""><td></td><td></td><td></td><td></td><td></td></td<>						
Operating lease right-of-use assets 9,917 ————————————————————————————————————					,	
Deferred income taxes 7,699 6,685 Intangibles, net 16,727 459 Goodwill 8,080 — Other assets 14,196 5,821 Ictal assets \$534,582 \$508,844 Liabilities and stockholders' equity Turrent liabilities: Accounts payable \$11,450 \$15,972 Wages and related accruals 12,085 18,507 Customer advances 3,268 2,962 Current operating lease liabilities 2,771 — Income taxes payable 13,67 — Other current liabilities 2,771 — Income taxes payable 13,67 — Other current liabilities 2,167 7,425 Total current liabilities 7,97 — Deferred reurl 43,108 44,866 Deferred retax liability 2,298 150 Other on-current liabilities 2,298 150 Deferred tax liability for uncertain tax positions 5 5 5 Commitments and					16,905	
Transpibles, net 16,727 459 250					_	
Goodwill 8,080 — Other assets 14,196 5,824 Liabilities 354,582 508,844 Liabilities S 5,972 Current liabilities 11,450 \$ 1,972 Wages and related accruals 12,085 18,507 Customer advances 2,771 — Custome taxes payable 1,367 7,425 Other current liabilities 12,167 7,425 Other current liabilities 43,108 44,866 Orefered rent 43,108 44,866 Orefered rent operating lease liabilities 7,597 — One-current liabilities 7,597 — Obter non-current liabilities 7,597 — Obter of dax liability 2,298 150 Obter of dax liability 2,298 150 Obter of dax liability 2,298 150 Commitments and contingencies 3,245 2 Stockholders' equity: 2 2 Preferred stock, \$0,0001 par value: 2 2 <td></td> <td></td> <td></td> <td></td> <td></td>						
Other assets 14,196 5,821 Iotal assets \$ 534,582 \$ 508,844 Liabilities and stockholders' equity Current liabilities Security and stockholders' equity Current postating payable \$ 11,450 \$ 15,972 Wages and related accruals 12,085 18,507 Customer advances 3,268 2,962 Current operating lease liabilities 2,771 — Income taxes payable 13,67 — Other current liabilities 43,108 4,866 Other current liabilities 43,108 4,866 Other current operating lease liabilities 7,597 — Other current poperating lease liabilities 7,597 — Other current poperating lease liabilities 2,298 150 Other current poperating lease liabilities 3,204 2 Commentical liabilities					459	
Total assets \$ 534,582 \$ 508,844 Liabilities and stockholders' equity Current liabilities \$ 11,450 \$ 15,972 Accounts payable \$ 12,085 18,507 Customer advances 3,268 2,962 Current operating lease liabilities 2,771 — Income taxes payable 1,367 — Other current liabilities 43,108 44,866 Deferred rent 7,597 — Obered urrent liabilities 7,597 — One-current operating lease liabilities 7,597 — Oberered eart 2,298 150 Deferred tax liability 2,298 150 Commitments and contingencies 5 5 Stockholders' equity: — — — Preferred stock, \$0,0001 par value: — — — Authorized shares—10,000,000 non eissued or outstanding at July 27, 2019 and April 30, 2019 — — — Common stock, \$0,0001 par value: — — — — — <td></td> <td></td> <td></td> <td></td> <td></td>						
Current liabilities Surphysical State Su		_				
Current liabilities: \$ 11,450 \$ 15,972 Accounts payable \$ 11,450 \$ 15,972 Wages and related accruals 12,085 18,507 Customer advances 3,268 2,962 Current operating lease liabilities 2,771 — Income taxes payable 12,167 7,425 Other current liabilities 43,108 44,866 Deferred rent — 1,173 Non-current operating lease liabilities 7,597 — Other non-current liabilities 2,298 150 Other non-current liabilities 2,298		\$	534,582	\$	508,844	
Accounts payable \$ 11,450 \$ 15,972 Wages and related accruals 12,085 18,507 Customer advances 3,268 2,962 Current operating lease liabilities 2,771 — Income taxes payable 12,167 7,425 Other current liabilities 43,108 44,866 Deferred rent — 1,173 Non-current operating lease liabilities 7,597 — Other non-current liabilities 7,597 — Other non-current perating lease liabilities 2,298 150 Other non-current liabilities 2,298 150 Other non-current liabilities 5 51 Other non-current liabilities 2,298 150 Other non-current liabilities 5 51 Commitants and contingencies 5 51	* *					
Wages and related accruals 12,085 18,507 Customer advances 3,268 2,962 Current operating lease liabilities 2,771 — Income taxes payable 13,67 — Other current liabilities 12,167 7,425 Total current princeurent liabilities 43,108 44,866 Deferred rent — 1,173 Non-current operating lease liabilities 2,298 150 Other non-current liabilities 2,298 150 Deferred tax liability 29 29 Commitments and contingencies 51 51 Stockholders' equity: — — Preferred stock, \$0,0001 par value: — — Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 — — Common stock, \$0,0001 par value: — — Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and 23,946,293 shares at April 30, 2019 — — April 30, 2019 2 2 2 Additional paid-in capital 177, 207						
Customer advances 3,268 2,962 Current operating lease liabilities 2,771 — Income taxes payable 1,367 — Other current liabilities 12,167 7,425 Fotal current liabilities 43,108 44,866 Deferred rent — 1,173 Non-current operating lease liabilities 7,597 — Other non-current liabilities 2,298 150 Deferred tax liability 29 29 Liability for uncertain tax positions 51 51 Commitments and contingencies 51 51 Stockholders' equity: Preferred stock, \$0,0001 par value: — — Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 — — Common stock, \$0,0001 par value: — — Authorized shares—100,000,000 — — — Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at — — April 30, 2019 2 2 2 Additional paid-in capital	1 2	\$		\$		
Current operating lease liabilities 2,771 — Income taxes payable 1,367 — Other current liabilities 12,167 7,425 Total current liabilities 43,108 44,866 Deferred rent — 1,173 Non-current operating lease liabilities 7,597 — Other non-current liabilities 2,298 150 Deferred tax liability 29 29 Liability for uncertain tax positions 51 51 Commitments and contingencies Stockholders' equity: — Preferred stock, \$0.0001 par value: — — Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 — — Common stock, \$0.0001 par value: — — Authorized shares—100,000,000 — — — Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at 3 2 2 April 30, 2019 — 2 2 2 Additional paid-in capital 177,207 176,216 Accu						
Income taxes payable					2,962	
Other current liabilities 12,167 7,425 Total current liabilities 43,108 44,866 Deferred rent — 1,173 Non-current operating lease liabilities 7,597 — Other non-current liabilities 2,298 150 Deferred tax liability 29 29 Deferred tax liability for uncertain tax positions 51 51 Commitments and contingencies 51 51 Stockholders' equity: — — Preferred stock, \$0.0001 par value: — — Authorized shares—10,000,000, none issued or outstanding at July 27, 2019 and April 30, 2019 — — Common stock, \$0.0001 par value: — — April 30, 2019 2 2 April 30, 2019 2 2 Additional paid-in capital 177, 207 176,216 Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571	1 0				_	
Total current liabilities 43,108 44,866 Deferred rent — 1,173 Non-current operating lease liabilities 7,597 — Other non-current liabilities 2,298 150 Deferred tax liability 29 29 Liability for uncertain tax positions 51 51 Commitments and contingencies 51 51 Stockholders' equity: — — Preferred stock, \$0,0001 par value: — — Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 — — Common stock, \$0,0001 par value: — — Authorized shares—100,000,000 Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at Table 10,000 Table 10,0	1 7					
Deferred rent — 1,173 Non-current operating lease liabilities 7,597 — Other non-current liabilities 2,298 150 Deferred tax liability 29 29 Liability for uncertain tax positions 51 51 Commitments and contingencies 51 51 Stockholders' equity: Preferred stock, \$0.0001 par value: Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 — — Common stock, \$0.0001 par value: Authorized shares—100,000,000 Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at April 30, 2019 — — Additional paid-in capital 177,207 176,216 Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571						
Non-current operating lease liabilities 7,597 — Other non-current liabilities 2,298 150 Deferred tax liability 29 29 Liability for uncertain tax positions 51 51 Commitments and contingencies 51 51 Stockholders' equity: Preferred stock, \$0.0001 par value: Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 — — Common stock, \$0.0001 par value: Authorized shares—100,000,000 Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at April 30, 2019 2 2 Additional paid-in capital 177,207 176,216 Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571	Total current liabilities		43,108		44,866	
Other non-current liabilities 2,298 150 Deferred tax liability 29 29 Liability for uncertain tax positions 51 51 Commitments and contingencies Stockholders' equity: Preferred stock, \$0.0001 par value: Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 — — Common stock, \$0.0001 par value: Authorized shares—100,000,000 Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at April 30, 2019 2 2 Additional paid-in capital 177,207 176,216 Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571	Deferred rent		_		1,173	
Deferred tax liability 29 29 Liability for uncertain tax positions 51 51 Commitments and contingencies 51 51 Stockholders' equity: Preferred stock, \$0.0001 par value: Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 — — Common stock, \$0.0001 par value: Authorized shares—100,000,000 Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at April 30, 2019 2 2 Additional paid-in capital 177,207 176,216 Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571	Non-current operating lease liabilities		7,597		_	
Liability for uncertain tax positions 51 51 Commitments and contingencies Stockholders' equity: Preferred stock, \$0.0001 par value: Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 — — — Common stock, \$0.0001 par value: Authorized shares—100,000,000 Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at April 30, 2019	Other non-current liabilities		2,298		150	
Commitments and contingencies Stockholders' equity: Preferred stock, \$0.0001 par value: Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 — — — Common stock, \$0.0001 par value: Authorized shares—100,000,000 Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at April 30, 2019 2 2 Additional paid-in capital 177,207 176,216 Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571	Deferred tax liability		29		29	
Stockholders' equity: Preferred stock, \$0.0001 par value: Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 — — — Common stock, \$0.0001 par value: Authorized shares—100,000,000 Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at April 30, 2019 2 2 Additional paid-in capital 177,207 176,216 Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571	Liability for uncertain tax positions		51		51	
Preferred stock, \$0.0001 par value: Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 — — Common stock, \$0.0001 par value: — — Authorized shares—100,000,000 — — Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at — 2 2 April 30, 2019 2 2 2 Additional paid-in capital 177,207 176,216 Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571	Commitments and contingencies					
Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019 Common stock, \$0.0001 par value: Authorized shares—100,000,000 Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at April 30, 2019 Additional paid-in capital Accumulated other comprehensive loss Retained earnings Total AeroVironment stockholders' equity — — — — — — — — — — — — — — — — — —	Stockholders' equity:					
Common stock, \$0.0001 par value: Authorized shares—100,000,000 Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at April 30, 2019 Additional paid-in capital 177,207 176,216 Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571	Preferred stock, \$0.0001 par value:					
Authorized shares—100,000,000 3 2 <t< td=""><td>Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019</td><td></td><td>_</td><td></td><td>_</td></t<>	Authorized shares—10,000,000; none issued or outstanding at July 27, 2019 and April 30, 2019		_		_	
Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at 2 2 April 30, 2019 2 177,207 176,216 Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571	Common stock, \$0.0001 par value:					
April 30, 2019 2 2 Additional paid-in capital 177,207 176,216 Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571	Authorized shares—100,000,000					
Additional paid-in capital 177,207 176,216 Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571	Issued and outstanding shares—23,990,459 shares at July 27, 2019 and 23,946,293 shares at					
Accumulated other comprehensive loss 171 2 Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571	April 30, 2019		2		2	
Retained earnings 304,126 286,351 Total AeroVironment stockholders' equity 481,506 462,571	Additional paid-in capital		177,207		176,216	
Total AeroVironment stockholders' equity 481,506 462,571	Accumulated other comprehensive loss		171		2	
Total AeroVironment stockholders' equity 481,506 462,571	Retained earnings		304,126		286,351	
	Total AeroVironment stockholders' equity		481,506		462,571	
	Noncontrolling interest		(7)		4	
•	Total equity				462,575	
	Total liabilities and stockholders' equity	\$		\$	508,844	

AeroVironment, Inc. Consolidated Statements of Cash Flows (In thousands)

Next income \$ 1,709 \$ 2,731-6 Loss from discontinued operations, net of tax 1,889 Loss from discontinued operations of tax income from continuing operations to resonable discontinuing operations of the discontinuing operations		Three Months Ended		Ended	
Poperating activities Sequence Sequenc					
Gain on sale of business, net of tax (as.) from discontinuous operations, net of tax (base) from discontinuous operations, net of tax (base) from discontinuous operations on the more from continuing operations to eash provided by operating activities from continuing operations on the more from continuing operations to eash provided by operating activities from continuing operations on an amortization (base) from equity method investment (base) from equity investment (b	Operating activities				
Loss from discontinued operations, et of tax	Net income	\$	17,099	\$	
1,099	Gain on sale of business, net of tax		_		(8,843)
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Perpensia from any	Net income from continuing operations		17,099		20,323
	Adjustments to reconcile net income from continuing operations to cash provided by operating activities from continuing operations:				
Provision for doubful accounts	Depreciation and amortization		2,079		1,746
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Change in foreign currency translation adjustments \$ 169 \$ (20)	Non-cash activities				
	Unrealized gain on investments, net of deferred tax expense of \$51 for the three months ended July 28, 2018		_		
Acquisitions of property and equipment included in accounts payable \$ 1,253 \$ 595	Change in foreign currency translation adjustments				(20)
	Acquisitions of property and equipment included in accounts payable	\$	1,253	\$	595

AeroVironment, Inc. Reconciliation of non-GAAP Earnings per Diluted Share (Unaudited)

	onths Ended 27, 2019	10nths Ended 28, 2018
Earnings per diluted share from continuing operations	\$ 0.71	\$ 0.85
Acquisition related expenses	0.01	-
Amortization of acquired intangible assets	0.02	-
One-time gain from a litigation settlement	-	(0.26)
Earnings per diluted share from continuing operations as adjusted (Non-GAAP)	\$ 0.74	\$ 0.59

Reconciliation of Forecasted Earnings per Diluted Share (Unaudited)

	scal year ending April 30, 2020
Forecasted earnings per diluted share	\$ 1.35 - 1.55
Acquisition related expenses	0.03
Amortization of acquired intangible assets	0.08 - 0.10
Forecasted earnings per diluted share as adjusted (Non-GAAP)	\$ 1.47 - 1.67

Statement Regarding Non-GAAP Measures

The non-GAAP measure set forth above should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measure, and may not be comparable to similarly titled measures reported by other companies. Management believes that this measure provides useful information to investors by offering additional ways of viewing our results that, when reconciled to the corresponding GAAP measure, help our investors to understand the long-term profitability trends of our business and compare our profitability to prior and future periods and to our peers. In addition, management uses this non-GAAP measure to measure our operating and financial performance.

We exclude the acquisition-related expenses and amortization of acquisition-related intangible assets in fiscal 2020 and the one-time gain from a litigation settlement in fiscal 2019 because we believe this facilitates more consistent comparisons of operating results over time between our newly acquired and existing businesses, and with our peer companies. We believe, however, that it is important for investors to understand that such intangible assets contribute to revenue generation and that intangible asset amortization will recur in future periods until such intangible assets have been fully amortized.

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Contact:

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First Quarter Fiscal Year 2020 **Earnings Release Presentation**

September 4, 2019

September 4, 2019

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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, 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 repor
- 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.sec.gov or on

AL PROCEED

First Quarter Fiscal Year 2020 Key Messages

- Our team delivered outstanding first quarter results
- 2. We are successfully executing our plan and remain on-track to achieve our fiscal year 2020 objectives
- 3. We continue to make great progress on our strategic growth initiatives

On-track to achieve Fiscal Year 2020 objectives & Deliver THIRD CONSECUTIVE YEAR OF PROFITABLE, DOUBLE-DIGIT TOPLINE GROWTH

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Outstanding First Quarter Fiscal Year 2020 Results

Metric	1 st Qtr. Fiscal Year 2020	Year-Over- Year Change	Highlights
Revenue	\$86.9 million	+ 11%	Strong small UAS sales
Gross profit	\$41.3 million	+ 27%	Favorable revenue mix
EPS (diluted)	\$0.71	- \$0.14	Q1 fiscal year 2019 included \$0.26 one-time gain
Non-GAAP EPS* (diluted)	\$0.74	+ \$0.15	25% increase
Funded Backlog	\$165 million	+ 5%	Maintaining historically high level of funded backlog

^{* 1}st qtr. Fiscal Year 2020 excludes \$0.02 in amortization of intangible assets and \$0.01 in acquisition-related expenses; 1st qtr. Fiscal Year 2019 excludes \$0.26 one-time gain from litigation settlement

APPLY PROCEED WITH CERTAINTY



First Quarter Fiscal Year 2020 Business Highlights



Received \$45 million **U.S. Army Contract Award for Raven** systems



Initiated HAPS demonstration/test phase of program; began assembly of second HAWK30 solar **HAPS** system



Acquired VAPOR unmanned helicopter product line

APPLICATION OF THE PROCEED WITH CERTAINTY



Favorable First Quarter Fiscal Year 2020 Revenue Mix and Higher Volume Contributed to \$0.15 Increase in Non-GAAP Diluted EPS*

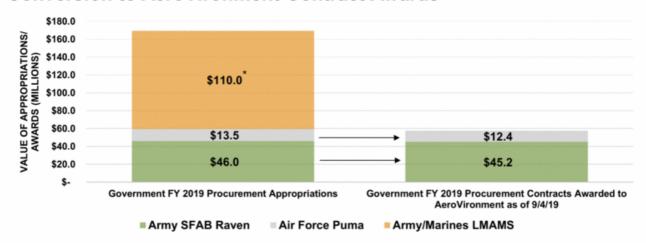




^{*} Excludes Q1 Fiscal Year 2019 one-time gain of \$0.26 from litigation settlement and Q1 Fiscal Year 2020 amortization of intangible assets & acquisition-related expenses of \$0.03

AL PROCEED WITH CERTAINTY

Government Fiscal Year 2019 Procurement Appropriations Conversion to AeroVironment Contract Awards



*Anticipate Switchblade contract award for Army/Marines LMAMS by AeroVironment's fiscal Fourth Qtr.; funds can extend into subsequent fiscal years

AersVironment* PROCEED WITH CERTAINTY

HAPS Builds on Decades of AeroVironment Solar-HAPS Experience -**Program Continues to Advance**

- SoftBank Corp. owns approximately 95% of HAPSMobile Inc. AeroVironmentowns approximately 5%
- Developing solar HAPS unmanned aircraft system (HAWK30) to deliver next generation connectivity (i.e., 5G mobile, IoT)
- Total value of HAPSMobile contracts to AeroVironment of \$134 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





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First Quarter Fiscal Year 2020 Visibility to Midpoint of Revenue **Guidance Range of 75%**



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Fiscal Year 2020 Expectations

	Fiscal Year 2019 Actuals	Current Expectations (9/4/19)
Revenue	\$314 million	\$350 to \$370 million
Earnings Per Share (diluted)	\$1.74	\$1.35 to \$1.55
Non-GAAP Earnings Per Share (diluted)	\$1.48*	\$1.47 to \$1.67
First half revenue as a percentage of full year revenue	48%	~45%
Internal Research & Development	11% of revenue	11% of revenue
Tax Rate	~9%	~11%

^{*} Excludes Q1 Fiscal Year 2019 one-time gain of \$0.26 from litigation settlement

ON-TRACK TO ACHIEVE FISCAL YEAR 2020 OBJECTIVES & DELIVER THIRD CONSECUTIVE YEAR OF PROFITABLE, DOUBLE-DIGIT TOPLINE GROWTH

APPLYFORMER* CERTAINTY





PROCEED WITH **CERTAINTY**

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Appendix – Reconciliation of Non-GAAP Diluted Earnings Per Share (Unaudited)

	Three M	Three Months Ended		Three Months Ended	
	July 27, 2019		July 28, 2018		
Earnings per diluted share from continuing operations (GAAP)	\$	0.71	\$	0.85	
Acquisition related expenses		0.01		-	
Amortization of acquired intangible assets		0.02			
One-time gain from a litigation settlement		-		(0.26)	
Earnings per diluted share from continuing operations as adjusted (Non-GAAP)	\$	0.74	\$	0.59	

Aerol/ronment* CERTAINTY

September 4, 2019

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Appendix – Reconciliation of Fiscal Year 2020 Non-GAAP Diluted Earnings Per Share Expectations (Unaudited)

	Fis	scal year ending
		April 30, 2020
Expected earnings per diluted share (GAAP)	\$	1.35 – 1.55
Acquisition related expenses		0.03
Amortization of acquired intangible assets		0.08 - 0.10
Expected earnings per diluted share as adjusted (Non-GAAP)	\$	1.47 – 1.67

