



DECEMBER 9, 2025

Second Quarter Fiscal Year 2026 Earnings Conference Call

CORRECTED AS OF 12/10/25

Safe Harbor Statement

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 "will," "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; 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 actual or threatened disruptions to our relationships with our distributors, suppliers, customers and employees, including shortages in components for our products, whether due to restrictions and sanctions imposed by foreign governments or otherwise; 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; our ability to win U.S. and international government R&D and procurement programs, including foreign military financing aid; changes in the timing and/or amount of government spending, including due to continuing resolutions and/or changing government priorities; adverse impacts of any U.S. government shutdown; our ability to realize the anticipated benefits of the BlueHalo transaction or other acquisitions; our ability to execute contracts for anticipated sales, perform under such contracts and other existing contracts and obtain new contracts; risks related to our international business, including compliance with export control laws; 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; failure to remain a market innovator, to create new market opportunities or to expand into new markets; our ability to increase production capacity to support anticipated growth; 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, or litigation that may arise from or in conjunction with our recent acquisition of BlueHalo; our ability to respond and adapt to legal, regulatory and government budgetary changes; our ability to comply with the covenants in our loan documents, outstanding convertible notes or merger agreement with BlueHalo; our ability to attract and retain skilled employees, including retention of BlueHalo 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.

Second Quarter Fiscal Year 2026 Key Messages



Record second quarter revenue of nearly **\$473 million** driven by strong sales in the AxS segment



Record second quarter contract awards with a ceiling of **\$3.5 billion**; **bookings of nearly \$1.4 billion**; **funded backlog of \$1.1 billion** and **unfunded backlog of \$3.0 billion**¹



AV launched **several new products** aligned to our customers' highest priorities and continued to **execute on expanding manufacturing capacity**



Raising lower end of FY26 revenue guidance; fiscal year revenue guidance now between **\$1.95 and \$2.0 billion**

¹REFER TO APPENDIX F FOR DEFINITIONS OF AWARDS, BOOKINGS, FUNDED BACKLOG AND UNFUNDED BACKLOG

Second Quarter Fiscal Year 2026 Results

Metric	Q2 FY26	Notes
Revenue	\$472.5 M	
GAAP Gross Margin	\$104.1 M	<ul style="list-style-type: none"> • Strong revenue growth in AxS segment • Increased services mix with BlueHalo acquisition and higher intangible amortization • Adjusted SG&A = 14% of revenue³ • R&D = 8% of revenue
Non-GAAP Adjusted EBITDA ¹	\$45.0 M	
Non-GAAP EPS (diluted) ²	\$0.44	
Funded Backlog	\$1.1 B	
Unfunded Backlog	\$3.0 B	Strong unfunded backlog from both segments

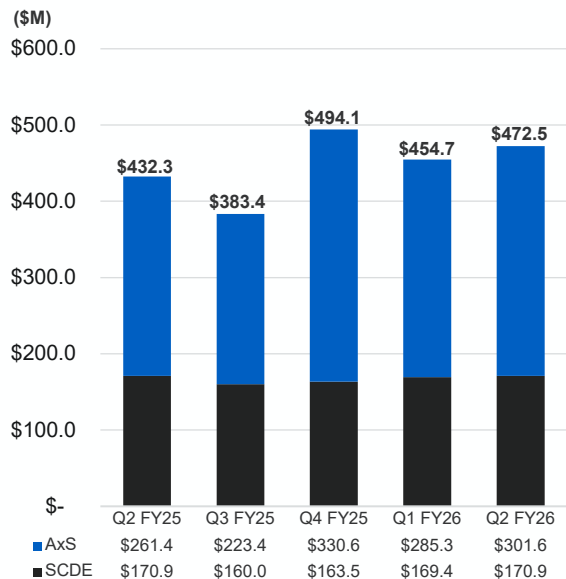
¹ Q2 GAAP NET LOSS WAS (\$17.1M). REFER TO ADJUSTED EBITDA RECONCILIATION ON APPENDIX C.

² Q2 GAAP EPS WAS (\$0.34) PER DILUTED SHARE. REFER TO RECONCILIATION OF NON-GAAP EARNINGS PER DILUTED SHARE ON APPENDIX A.

³ GAAP SG&A WAS 21% OF Q2 REVENUE. REFER TO GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED SG&A ON APPENDIX G.

Revenue Mix, Adjusted Profitability and Non-GAAP EPS

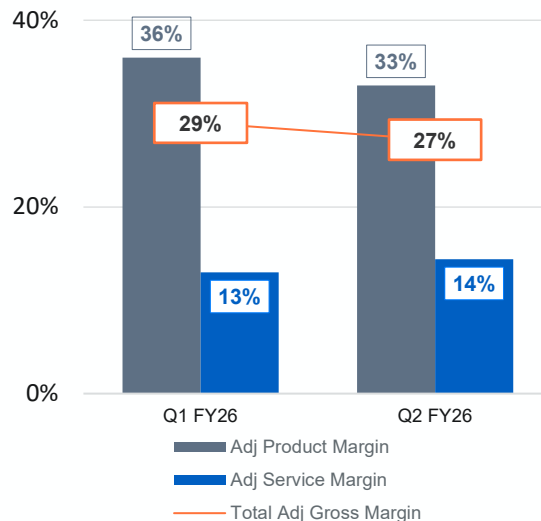
QUARTERLY REVENUE BY SEGMENT¹



Q2 FY26 Revenue: 69% Product | 31% Services

AxS: Autonomous Systems **SCDE:** Space, Cyber and Directed Energy

ADJUSTED GROSS MARGIN²



NON-GAAP DILUTED EPS³



¹ PRO FORMA FY25 QUARTERLY REVENUE (unaudited) INCLUDES BLUEHALO REVENUES FROM BEFORE ACQUISITION.

² Q2 FY26 GAAP PRODUCT MARGIN: 25.7% | SERVICE MARGIN 13.9%. REFER TO GAAP TO NON-GAAP RECONCILIATION OF GROSS MARGIN ON APPENDIX B.

³ REFER TO RECONCILIATION OF NON-GAAP DILUTED EARNINGS PER SHARE ON APPENDIX A.

Year over Year Revenue Comparison by Operating Group

	Pro Forma** Q2 FY25	Actual Q2 FY26	Variance vs. Prior Year (\$)	Variance vs. Prior Year (%)
Uncrewed Aircraft Systems	\$ 77	\$ 83	\$ 6	8.0%
CUAS & Precision Strike	\$ 127	\$ 174	\$ 48	37.8%
Other	\$ 57	\$ 45	\$ (13)	-22.5%
Total Autonomous Systems	\$ 261	\$ 302	\$ 41	15.7%
Space & Directed Energy	\$ 63	\$ 76	\$ 13	20.1%
Cyber & Mission Systems	\$ 108	\$ 95	\$ (13)	-11.7%
Total Space, Cyber & Directed Energy	\$ 171	\$ 171	\$ 0	0.0%
Grand Total	\$ 432	\$ 473	\$ 41	9.5%

** INCLUDES FY25 PRO FORMA REVENUE (unaudited) FOR BLUEHALO

YTD Revenue Comparison by Operating Group

	Pro Forma** 1H FY25	Actual 1H FY26	Variance vs. Prior 1H (\$)	Variance vs. Prior 1H (%)
Uncrewed Aircraft Systems	\$ 189	\$ 153	\$ (36)	-19.0%
CUAS & Precision Strike	\$ 212	\$ 357	\$ 145	67.9%
Other	\$ 94	\$ 77	\$ (17)	-17.9%
Total Autonomous Systems	\$ 495	\$ 587	\$ 92	18.5%
Space & Directed Energy	\$ 109	\$ 147	\$ 38	34.8%
Cyber & Mission Systems	\$ 213	\$ 193	\$ (20)	-9.2%
Total Space, Cyber & Directed Energy	\$ 322	\$ 340	\$ 18	5.7%
Grand Total	\$ 817	\$ 927	\$ 110	13.4%

** INCLUDES FY25 PRO FORMA REVENUE (unaudited) FOR BLUEHALO

Updated Guidance: Fiscal 2026 Outlook

AS OF 12/09/2025	FY26 Q2 RESULTS	FY26 GUIDANCE	NOTES / ASSUMPTIONS
Revenue	\$472.5 million	\$1.95 to \$2.0 billion	Q3 = 45% Q4 = 55%
Adjusted EBITDA 9.5% of Revenue	\$45.0 million ³	\$300 million–\$320 million ² ~15.7% at mid-point ²	<ul style="list-style-type: none"> Adj EBITDA % Trending 8%-10% in Q2 to High Teens % by Q4 IRAD 6% to 8% Adj SG&A 12% to 14% (excludes intangible amortization and deal and integration expenses)⁵ Stock Based Compensation of approx. \$38 Million for FY26 Second half Adj EBITDA forecast 30% in Q3 and 70% in Q4
Non-GAAP Earnings Per Share (diluted)	\$0.44 ⁴	\$3.40 – \$3.55 ¹	
Capital Expenditures	3.7%	6% – 8%	<ul style="list-style-type: none"> Includes Cloud Implementation Capital Expenditures Includes Software Capitalization Includes Integration related Capital Expenditures
Other			<ul style="list-style-type: none"> Deal & Integration Expenses \$37M-\$42M Excluding Capital Expenditures

¹ Q2 GAAP EPS OF \$(0.34). REFER TO FORECASTED EARNINGS PER DILUTED SHARE RECONCILIATION ON APPENDIX D.

² Q2 GAAP NET LOSS OF \$(17.1M). REFER TO FORECASTED NON-GAAP ADJUSTED EBITDA RECONCILIATION ON APPENDIX E.

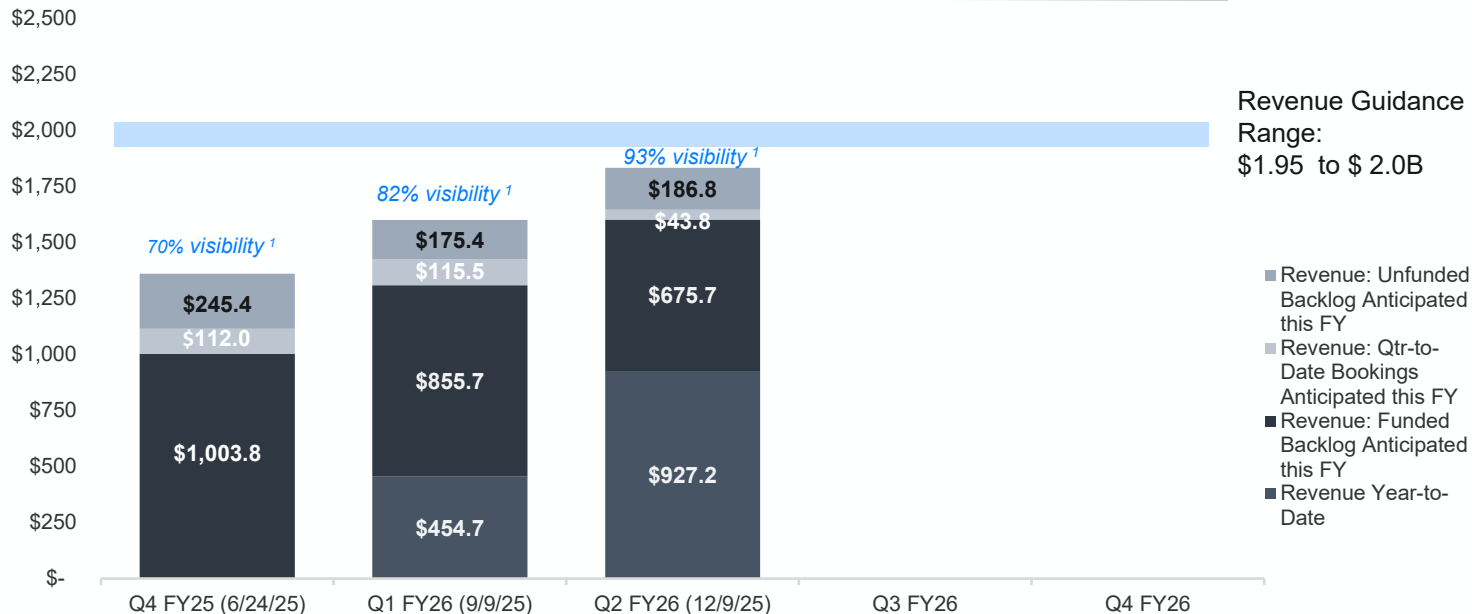
³ REFER TO ADJUSTED EBITDA RECONCILIATION ON APPENDIX C.

⁴ REFER TO RECONCILIATION OF FISCAL YEAR 2026 QUARTER 2 NON-GAAP DILUTED EARNINGS PER SHARE ON APPENDIX A.

⁵ REFER TO GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED SG&A ON APPENDIX G.

Visibility for FY26

Revenue [Millions]



Company visibility supports revenue guidance range

¹ BASED ON MIDPOINT OF GUIDANCE RANGE OF \$1.95 TO \$2.0 BILLION.

Major Second Quarter and Subsequent Awards



SPACE & DIRECTED ENERGY [1]

\$75M

Space Force Award for Two BADGER Systems Strengthens SCAR Production

PROGRAM: SCAR



CUAS & PRECISION STRIKE [2]

\$96M

Contract to Deliver FE-1 for U.S. Army's Long-Range Kinetic Interceptor

PROGRAM: LRKI



CYBER & MISSION SOLUTIONS [3]

\$98M

Generative Environment for the Next Era of Spectral Imaging Simulators

PROGRAM: GENESIS



SPACE & DIRECTED ENERGY [4]

\$385M

Contract Award for Long-haul Laser Communications Terminals

PROGRAM: KAIROS

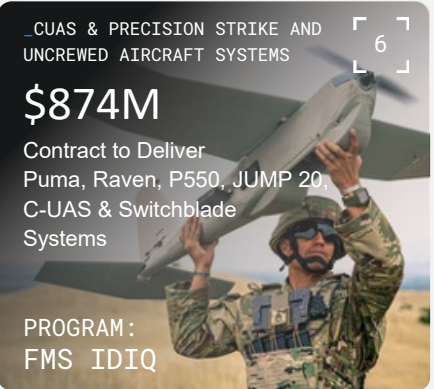


CYBER & MISSION SOLUTIONS [5]

\$500M

Air Force Contract to Advance Electromagnetic Survivable Materials

PROGRAM: HELMSSMAN



CUAS & PRECISION STRIKE AND UNCREWED AIRCRAFT SYSTEMS [6]

\$874M

Contract to Deliver Puma, Raven, P550, JUMP 20, C-UAS & Switchblade Systems

PROGRAM: FMS IDIQ



Financial Tables

Reconciliation of Non-GAAP Earnings per Diluted Share (unaudited)

	<u>Three months ended August 2, 2025</u>	<u>Three months ended November 1, 2025</u>
Loss per diluted share	\$ (1.44)	\$ (0.34)
Acquisition-related expenses	\$ 0.52	\$ 0.13
Amortization of acquired intangible assets and other purchase accounting adjustments	\$ 1.34	\$ 0.77
Equity Method and equity securities investments activity, net	\$ (0.10)	\$ (0.12)
Earnings per diluted share as adjusted (non-GAAP)	\$ 0.32	\$ 0.44

GAAP to NON-GAAP Reconciliation of Adjusted Gross Margin

<i>(in thousands)</i>	1st Quarter FY2026	2nd Quarter FY2026
Products		
Gross Margin	\$ 82,846	\$ 83,640
Intangible Amortization	\$ 31,245	\$ 23,482
Adjusted Gross Margin	\$ 114,901	\$ 107,122
<i>Adj. Prod GM%</i>	36%	33%
Services		
Gross Margin	\$ 12,272	\$ 20,465
Intangible Amortization	\$ 6,134	\$ 764
Adjusted Gross Margin	\$ 18,406	\$ 21,229
<i>Adj. Service GM%</i>	13%	14%

Net Income to EBITDA and non-GAAP Adjusted EBITDA Reconciliation

<i>(in \$ millions)</i>	Fiscal 1st Quarter 2026	Fiscal 2nd Quarter 2026
Net loss from continued operations	(67.4)	(17.1)
Interest Expense, net	17.4	(4.7)
Tax benefit	(15.2)	(2.3)
Depreciation and amortization	90.3	58.1
EBITDA (Non-GAAP)	25.1	34.0
Cloud amortization	0.9	1.4
Stock-based compensation	11.4	8.6
Acquisition-related expenses	23.7	8.3
Equity method and equity security investment activity	(4.5)	(7.3)
Adjusted EBITDA (Non-GAAP)	\$ 56.6	\$ 45.0

GAAP to Non-GAAP Reconciliation of Earnings per Diluted Share (Unaudited)

	Fiscal year ended April 30, 2025	Fiscal year ended April 30, 2026
Earnings (loss) per diluted share	\$1.55	\$(0.76) - (0.61)
Acquisition-related expenses	\$0.54	\$0.74
Amortization of acquired intangible assets and other purchase accounting adjustments	\$0.66	\$3.63
Legal accrual	\$0.06	0
Equity Method and equity securities investments activity, net	\$(0.18)	\$(0.21)
Goodwill impairment	\$0.65	0
Earnings per diluted share as adjusted (non-GAAP)	\$3.28	\$3.40 - 3.55

Reconciliation of 2026 Forecast and Fiscal Year 2025 Non-GAAP adjusted EBITDA (Unaudited)

<i>(in millions)</i>	Fiscal year ended April 30, 2026	Fiscal year ended April 30, 2025
Net (loss) Income from continued operations	\$ (38) – (30)	\$ 44
Interest Expense, net	4 – 8	2
Tax (benefit) / provision	(16) – (9)	1
Depreciation and amortization	279	41
EBITDA (Non-GAAP)	230 – 248	88
Cloud amortization	7	2
Stock-based compensation	38	22
Acquisition-related expenses	37 – 39	19
UGV Goodwill Impairment	0	18
Equity method and equity security investment activity	(12)	(5)
Legal Accrual	0	2
Adjusted EBITDA (Non-GAAP)	\$ 300 – 320	\$ 146

AVAV Contracting Related Definitions

Term	Definition	Q2 FY26 Results
Award	The <i>total potential value</i> of a contract at time of announcement, including all base period value, priced options, expected follow-on periods , and any anticipated modifications if they are contractually priced. Award represents the <i>maximum economic opportunity</i> associated with the contract but does not imply full near-term funding or customer obligation.	\$3.5B
Bookings	The value of new authorized/exercised contract awards and contract modifications received during the reporting period. Bookings typically include the total contract value for new awards and the incremental value of modifications. Bookings include authorized contract values where the customer has provided contractual authority to perform work, even if funding has not yet been obligated, but does not include the unauthorized portion of TCV.	\$1.4B (QTD) \$1.7B (YTD)
Funded Backlog	The portion of backlog for which the customer has provided appropriated, obligated funding that the company is currently authorized to spend. Funded backlog is the most “cash-certain” portion of backlog, representing work the company can execute immediately and bill against. This is often driven by U.S. DoD funding obligations and contract increments.	\$1.1B
Unfunded Backlog	The remaining value of awarded contracts for which the customer has not yet obligated funding . These amounts reflect future expected funding —commonly tied to multi-year programs where annual appropriations, options, or increments are still pending. Unfunded backlog is typical in large defense programs and is converted to funded backlog as appropriations and task orders are executed.	\$3.0B
Book-to-Bill Ratio	The book-to-bill ratio measures the relationship between the value of new orders booked in a given period (Fiscal YTD) and the revenue billed or recognized over that same period. Book-to-bill ratio is calculated by dividing period bookings by period revenues.	1.84 (YTD)

GAAP to non-GAAP Reconciliation of Adjusted SG&A (Unaudited)

<i>(in thousands)</i>	2nd Quarter QTD FY2025		2nd Quarter QTD FY2026		FY2025		FY2026 Full Year Forecast	
SG&A Reconciliation								
Revenue	\$	188,458	\$	472,508	\$	820,627	\$	1,975,000
Total SG&A	\$	37,916	\$	98,336	\$	158,753	\$	411,744
Total SG&A % of Revenue		20%		21%		19%		21%
Acquisition Expense	\$	3,684	\$	8,256	\$	19,291	\$	38,002
Intangible Amortization	\$	1,075	\$	23,952	\$	4,001	\$	120,419
Adjusted SG&A	\$	33,157	\$	66,128	\$	135,461	\$	253,323
Adjusted SG&A % of Revenue		18%		14%		17%		13%

Q2 FY26 Total Unfunded Backlog Roll Forward

Total Unfunded Backlog (\$M)	Total Roll Forward	
Q1'26 Unfunded Backlog as of 8/2/2025	\$	3,092
Change in Unfunded Backlog due to Definition	\$	(937)
Q2'26 Expired Unfunded Backlog	\$	(275)
Q2'26 Orders Reducing Unfunded Backlog	\$	(4)
Q2'26 New Unfunded Bookings	\$	1,158
Total Q2'26 Unfunded Backlog as of 11/1/2025	\$	3,034