

**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): **December 3, 2020**

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 Offices)

93065
(Zip Code)

Registrant's telephone number, including area code: **(805) 520-8350**

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	AVAV	The NASDAQ Stock Market LLC

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.

On December 3, 2020, AeroVironment, Inc. (the “Company”) entered into a Share Purchase Agreement (the “Purchase Agreement”) with Unmanned Systems Investments GmbH, a German limited liability company incorporated under the laws of Germany (the “Seller”), and each of the unit holders of the Seller (collectively, the “Shareholders”), to purchase 100% of the issued and outstanding shares of Seller’s wholly-owned subsidiary, Telerob Gesellschaft für Fernhantierungstechnik mbH, a German company based in Ostfildern (near Stuttgart), Germany (“Telerob”), including Telerob’s wholly owned subsidiary, Telerob USA, Inc. (“Telerob USA,” and collectively with Telerob, the “Telerob Group”). The Telerob Group develops, manufactures, sells, and services remote-controlled ground robots and transport vehicles for civil and defense applications. Upon closing of the transactions contemplated by the Purchase Agreement, Telerob will become a wholly-owned subsidiary of the Company.

Pursuant to the Purchase Agreement, the Company will pay €37,455,398.11 (approximately \$45.4 million) in cash at the closing to the Seller (subject to certain purchase price adjustments as set forth in the Purchase Agreement), less (a) €3,000,000 (approximately \$3.6 million) to be held in escrow for breaches of the Seller’s fundamental warranties or any other of Seller’s warranties to the extent not covered by a representation and warranty insurance policy (the “RWI Policy”) obtained by the Company in support of certain indemnifications provided by the Seller; (b) transaction-related fees and costs incurred by the Seller, including change in control payments triggered by the transaction; (c) 50% of the cost of obtaining the RWI Policy; and (d) the value of certain dividends, payments, discounts and costs for the benefit of a person or entity related to the Seller or the Shareholders or outside the ordinary course of business if made after September 30, 2020. In addition, at closing the Company will pay off approximately €7.8 million (approximately \$9.4 million), of certain indebtedness of the Telerob Group, which amount may be paid in combination to the Seller and the lender if closing occurs before a specified date under an agreement between Telerob and the lender providing for a reduced payoff amount. This indebtedness may be offset by any cash on hand at the Telerob Group at closing. The escrow amount is to be released to the Seller, less any amounts paid or reserved, 30 months following the closing date.

In addition to the consideration paid at closing, the Seller may receive €2,000,000 (approximately \$2.4 million) in additional cash consideration if specific revenue targets for the Telerob Group are achieved during the 12 month period after closing beginning on the first day of the calendar month following the closing (the “First Earnout Year”) and an additional €2,000,000 (approximately \$2.4 million) in cash consideration if specific revenue targets for the Telerob Group are achieved in the 12 month period following the First Earnout Year. The Seller may also receive up to €2,000,000 (approximately \$2.4 million) in additional cash consideration if specific awards and/or orders from the U.S. military are achieved prior to the end of a 36 month post-closing period.

The transactions contemplated by the Purchase Agreement are subject to certain closing conditions, including: (i) clearance by the German government; (ii) the accuracy of each party’s warranties (subject to customary materiality qualifiers); (iii) each party’s compliance with its covenants and agreements contained in the Purchase Agreement (subject to customary materiality qualifiers); and (iv) other customary closing conditions.

The Purchase Agreement contains customary representations, warranties, and covenants made by each of the Company and the Seller, as well as mutual indemnification obligations, subject to certain minimum claims terms and caps on recovery. The Seller and the Shareholders also entered into a Non-Competition agreement in which they agreed not to compete with the present business of the Telerob Group for a three-year period post-closing.

The Purchase Agreement may be terminated under certain circumstances, including: (i) by the Company, if Seller or a Shareholder materially breaches any of the seller warranties or otherwise fails to perform in any material respect its obligations or comply with all applicable covenants in all material respects, subject to a cure period; (ii) by the Seller, if the Company materially breaches any of the Company warranties or otherwise fails to perform in any material respect its obligations or comply with all applicable covenants in all material respects, subject to a cure period; or (iii) by either party, in the event the closing has not occurred on or prior to the date that is six months following signing of the Purchase Agreement.

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 January 30, 2021.

Item 7.01. Regulation FD Disclosure.

On December 8, 2020, the Company issued a press release announcing its entry into the Purchase Agreement. 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.

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.

(d) Exhibits.

Exhibit Number	Description
<u>99.1</u>	<u>Press release issued by AeroVironment, Inc., dated December 8, 2020.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Cautionary Note Regarding Forward-Looking Statements

This Current Report on Form 8-K contains certain forward-looking statements. Forward-looking statements typically are identified by the use of terms such as “may,” “will,” “should,” “might,” “expect,” “anticipate,” “estimate,” “plan,” “intend,” “goal,” “project,” “strategy,” “future,” and similar words, although some forward-looking statements are expressed differently. These matters are subject to risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. These risks and uncertainties include: the ability to successfully consummate the transactions contemplated by the Purchase Agreement on a timely basis, if at all, including the satisfaction of the closing conditions of such transactions; the risk that disruptions will occur from the transactions that will harm the Company’s business; any disruptions or threatened disruptions to the relationships of the Company with its distributors, suppliers, customers and employees; and the ability to timely and sufficiently integrate international operations into our ongoing business and compliance programs. Forward-looking statements are based on management’s expectations as well as estimates and assumptions prepared by management that, although they believe to be reasonable, are inherently uncertain. The Company is subject to additional risks and uncertainties described in the Company’s Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. You are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s analysis and expectations only as of the date of this Current Report on Form 8-K. We undertake no obligation to publicly release the results of any revision or update of the forward-looking statements, except as required by law

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: December 8, 2020

By: /s/ Wahid Nawabi

Wahid Nawabi

President and Chief Executive Officer



PROCEED
WITH
CERTAINTY

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www.avinc.com • NASDAQ: AVAV

PRESS RELEASE

AeroVironment Acquires Telerob, a Leader in Ground Robotic Solutions, to Expand Multi-Domain Unmanned Systems Offering and Global Presence

- Transaction will combine leaders in unmanned aircraft systems (UAS) and unmanned ground vehicles (UGV) for broader, integrated mission solutions in air, near-space, ground and maritime domains
- AeroVironment's strong partnership with the United States Department of Defense and presence in 50 allied nations, combined with Telerob's 45 nation footprint and multi-industry customer base, create significant opportunities for growth and value creation
- AeroVironment and Telerob competing for multi-year United States Air Force Explosive Ordinance Disposal (EOD) robotic system program and pursuing multiple additional opportunities
- Acquisition expected to be accretive within two years to AeroVironment GAAP EPS, and accretive to non-GAAP EPS in fiscal year 2022



AV
AeroVironment™
UNMANNED AIRCRAFT SYSTEMS (UAS)

TELEROB
UNMANNED GROUND VEHICLES (UGV)

SIMI VALLEY, Calif. Dec 8, 2020 – [AeroVironment, Inc.](https://www.avinc.com) (NASDAQ: AVAV), a global leader in unmanned aircraft systems, today announced it has entered into an agreement to acquire Telerob Gesellschaft für Fernhantierungstechnik mbH, a German leader in ground robotic solutions with a global footprint, for approximately \$45.4 million

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(€37.5 million) in cash, and will pay-off approximately \$9.4 million (€7.8 million) in Telerob's debt at closing. Telerob's shareholder has the potential to receive an additional earn-out over three years of up to approximately \$7.3 million (€6 million) based upon achieving specific milestones.

Founded in 1994, Telerob offers one of the industry's most advanced and comprehensive turn-key unmanned ground robotics solutions, including the telemax and tEODor EVO family of UGVs, fully-equipped transport vehicles and training, repair and support services. Telerob's cutting-edge solutions safely and effectively perform a variety of dangerous missions, including explosive ordinance disposal (EOD), hazardous materials handling (HAZMAT) and chemical, biological, radiological and nuclear (CBRN) threat assessment. Telerob's ruggedized UGVs possess all-terrain capabilities and offer some of the most advanced, specialized, precision manipulators, autonomous functionality and intuitive operation to deliver a high degree of mission flexibility. Telerob's customers span 45 countries and numerous applications, including homeland security, emergency response and defense. Telerob is based near Stuttgart, Germany, with its U.S. office in Erie, PA.

"Acquiring Telerob marks a significant step toward achieving AeroVironment's goal of offering an integrated portfolio of intelligent, multi-domain robotic solutions in response to evolving threat environments and customer requirements for more effective, rapid and cost-effective capabilities," said Wahid Nawabi, AeroVironment president and chief executive officer. "Telerob's advanced, proven ground robotic solutions provide a valuable capability to complement our market leading tactical UAS and tactical missile solutions and address a broader set of missions for our customers."

"Telerob's recent track record of strong revenue growth and its culture of innovation and agility align extremely well with AeroVironment. We look forward to welcoming the talented Telerob team to AeroVironment," Nawabi added. "Together, we will focus on delivering continued growth in our existing businesses, addressing significant new

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adjacent market opportunities and developing new technologies and combined solutions to drive shareholder value and help our customers proceed with certainty.”

AeroVironment also announced that it recently submitted a proposal in partnership with Telerob to the United States Air Force for its multi-year, EOD robotic system program. AeroVironment’s strong track record supporting the Department of Defense and its proven delivery and support capabilities, coupled with Telerob’s advanced robotic system offering, represent a compelling solution for the Air Force mission. AeroVironment plans to pursue additional, significant domestic UGV opportunities with the United States Navy, Marine Corps, Air National Guard and numerous police forces. Specific international opportunities include UGVs for security at airports in a Middle Eastern allied nation and multiple UAS programs with the German Federal Ministry of Defense, which Telerob’s local presence supports.

“AeroVironment is a leader in unmanned systems, with a compelling vision for integrated robotic solutions that Telerob can help to achieve,” said Norbert Gebbeken, Telerob managing director. “We are excited to become part of the AeroVironment team and look forward to developing and delivering the advanced, integrated robotic solutions that will expand our reach and help our customers succeed. We are confident that working together, we will accelerate the progress underway and create greater opportunities to expand our geographic and customer footprint.”

AeroVironment expects the acquisition to be accretive to GAAP EPS in two years, and to non-GAAP EPS in fiscal year 2022, excluding intangible amortization and integration costs. Upon closing, Telerob will operate as a wholly-owned subsidiary of AeroVironment, which plans to retain its entire team. The acquisition is expected to close by the Spring of 2021, subject to German government clearance.

BNP Paribas Securities and King & Spalding LLP advised AeroVironment on the transaction.

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About AeroVironment, Inc.

AeroVironment (NASDAQ: AVAV) provides technology solutions at the intersection of robotics, sensors, software analytics and connectivity that deliver more actionable intelligence so you can proceed with certainty. Celebrating 50 years of innovation, 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.

About Telerob

Telerob Gesellschaft für Fernhandlungstechnik mbH is an independent, medium-sized, owner-managed company based in Ostfildern near Stuttgart, Germany, producing defense and homeland security solutions. The product range includes remote-controlled robots for disarming improvised explosive devices and investigating CBRN hazards, fully equipped service vehicles as well as mobile system solutions ensuring the safety and security of critical infrastructure and people. For more information, visit <https://www.telerob.com/en/>.

Safe Harbor Statement

Certain statements in this press release may constitute “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are made on the basis of 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 those expressed or implied. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, our ability to successfully consummate the transactions contemplated by the agreement to purchase Telerob on a timely basis, if at all, including the satisfaction of the closing conditions of such transactions; the risk that disruptions will occur from the transactions that will harm our business; any disruptions or threatened disruptions to our relationships with our distributors, suppliers, customers

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and employees; the ability to timely and sufficiently integrate international operations into our ongoing business and compliance programs; our ability to perform under existing contracts and obtain additional contracts; changes in the regulatory environment; the activities of competitors; failure of the markets in which we operate to grow; failure to expand into new markets; failure to develop new products or integrate new technology with current products; 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.

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For additional media and information, please follow us at:

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

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