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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**FORM 10-Q/A**  
(Amendment No. 1)

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**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the quarterly period ended January 31, 2026

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from            to

Commission File Number: 001-33261

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**AEROVIRONMENT, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation or organization)

**95-2705790**  
(I.R.S. Employer Identification No.)

**241 18<sup>th</sup> Street South, Suite 650**  
**Arlington, Virginia**  
(Address of principal executive offices)

**22202**  
(Zip Code)

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

N/A  
(Former name, former address and former fiscal year, if changed since last report)

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**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, par value \$0.0001 per share	AVAV	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of March 4, 2026, the number of shares outstanding of the registrant's common stock, \$0.0001 par value, was 49,933,993.

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## EXPLANATORY NOTE

This Amendment No. 1 on Form 10-Q/A (“Form 10-Q/A”) amends and restates certain items in AeroVironment, Inc.’s (“the Company”) Quarterly Report on Form 10-Q for the quarterly period ended January 31, 2026, initially filed with the Securities and Exchange Commission (the “SEC”) on March 11, 2026 (the “Original Form 10-Q”). This Form 10-Q/A sets forth the information in the Original Form 10-Q in its entirety, as adjusted for the effects of the restatement described below.

In this Form 10-Q/A, the Company is restating its previously issued unaudited condensed consolidated financial statements for the three and nine months ended January 31, 2026, as further described below. The Company does not intend to amend any other reports previously filed or furnished with the SEC. Accordingly, investors and other readers should rely only on the financial information and related disclosures regarding the period described above (the “Affected Period”) in this Form 10-Q/A and in any other future filings with the SEC (as applicable) and should not rely on any previously issued or filed reports, press releases, earnings releases, investor presentations or similar communications relating to the Affected Period.

### *Items Amended in this Filing*

This Form 10-Q/A amends and restates the following items of the Original Form 10-Q:

Part I - Item 1. Financial Statements

Part I - Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Part I - Item 4. Controls and Procedures

Part II - Item 1A. Risk Factors

Part II - Item 6. Exhibits

In accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the certifications specified in Rule 13a-14 under the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) from our principal executive officer and principal financial officer, each dated as of the date hereof, are being filed or furnished, as applicable, with this Form 10-Q/A as Exhibits 31.1, 31.2 and 32.

This Form 10-Q/A sets forth the information in the Original Form 10-Q in its entirety, as such information is amended and restated where necessary to reflect the restatement and related revisions. Except as provided above, this Form 10-Q/A does not amend, update or change any other items or disclosures. Unless otherwise provided, the disclosures in this Form 10-Q/A are made as of the date of the Original Form 10-Q and do not reflect any events that occurred after the date of the Original Form 10-Q or modify or update any other disclosures in the Original Form 10-Q affected by subsequent events. As such, forward-looking statements included in this Form 10-Q/A may represent management’s views as of the date of the Original Form 10-Q and should not be assumed to be accurate as of any date thereafter. Accordingly, this Form 10-Q/A should be read in conjunction with the Company’s other SEC filings.

### **Restatement Background**

As described in the Company’s Current Report on Form 8-K filed with the SEC on June 22, 2026, during the preparation of the Company’s consolidated financial statements as of and for the year ended April 30, 2026, the Company identified an error in the calculation of the carrying value used in the goodwill impairment analysis for the Space reporting unit. Specifically, the Space reporting unit carrying value utilized in the goodwill impairment analysis did not include an allocation of the goodwill resulting from acquired deferred tax assets and liabilities. This error had no impact on previously reported GAAP financial information of current assets, current liabilities, revenues, or cash used in operating activities.

As a result of this error, in the Original Form 10-Q:

- Loss from operations was understated by \$89,402,000 for the three and nine months ended January 31, 2026
- Net loss was understated by \$87,272,000 for the three and nine months ended January 31, 2026
- Basic and diluted net loss per share was understated by \$1.75 and \$1.79 for the three and nine months ended January 31, 2026, respectively
- Total assets were overstated by \$89,402,000, total liabilities were overstated by \$2,130,000, and total stockholders' equity was overstated by \$87,272,000 as of January 31, 2026.

**Internal Control Considerations**

As a result of the error in the carrying value of the Space reporting unit discussed above, the Company's management re-evaluated the effectiveness of the Company's disclosure controls and procedures as of January 31, 2026. The Company's management determined that the error and the related restatements were the result of a newly identified material weakness in the Company's internal control over financial reporting related to the preparation and review of the goodwill impairment analysis, and concluded that disclosure controls and procedures as of January 31, 2026 were ineffective. Therefore, the Company's previous evaluation of its disclosure controls and procedures as of January 31, 2026 should no longer be relied upon. See Part I - Item 4. Controls and Procedures, in this Form 10-Q/A for additional information related to this material weakness in internal control over financial reporting and the related remedial measures.

**AcroVironment, Inc.**

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**PART I. FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**AeroVironment, Inc.**  
**Condensed Consolidated Balance Sheets**  
(In thousands except share and per share data)

	January 31, 2026 (As Restated)	April 30, 2025
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 289,878	\$ 40,862
Short-term investments	297,259	—
Accounts receivable, net of allowance for credit losses of \$2,213 at January 31, 2026 and \$203 at April 30, 2025	201,046	101,967
Unbilled receivables and retentions	528,557	290,009
Inventories, net	299,277	144,090
Income taxes receivable	43,031	622
Prepaid expenses and other current assets	45,199	28,966
Total current assets	1,704,247	606,516
Long-term investments	61,659	31,627
Property and equipment, net	158,867	50,704
Operating lease right-of-use assets	91,810	31,879
Deferred income taxes	—	61,460
Intangibles, net	925,925	48,711
Goodwill	2,372,312	256,781
Other assets	49,414	32,889
Total assets	<u>\$ 5,364,234</u>	<u>\$ 1,120,567</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 109,633	\$ 72,462
Wages and related accruals	75,765	44,253
Customer advances	67,543	15,952
Current operating lease liabilities	15,569	10,479
Income taxes payable	320	356
Other current liabilities	40,489	28,659
Total current liabilities	309,319	172,161
Long-term debt	727,877	30,000
Non-current operating lease liabilities	82,567	23,812
Other non-current liabilities	1,995	2,026
Liability for uncertain tax positions	6,061	6,061
Deferred income taxes	51,497	—
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.0001 par value:		
Authorized shares—10,000,000; none issued or outstanding at January 31, 2026 and April 30, 2025	—	—
Common stock, \$0.0001 par value:		
Authorized shares—100,000,000		
Issued and outstanding shares—49,934,738 shares at January 31, 2026 and 28,267,517 shares at April 30, 2025	6	4
Additional paid-in capital	4,244,416	618,711
Accumulated other comprehensive loss	(5,514)	(6,514)
Retained (deficit) earnings	(53,990)	274,306
Total stockholders' equity	<u>4,184,918</u>	<u>886,507</u>
Total liabilities and stockholders' equity	<u>\$ 5,364,234</u>	<u>\$ 1,120,567</u>

See accompanying notes to condensed consolidated financial statements (unaudited).

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

	Three Months Ended		Nine Months Ended	
	January 31, 2026 (As Restated)	January 25, 2025	January 31, 2026 (As Restated)	January 25, 2025
<b>Revenue:</b>				
Product sales	\$ 277,814	\$ 139,753	\$ 916,384	\$ 450,488
Contract services	130,231	27,883	418,845	95,089
	<u>408,045</u>	<u>167,636</u>	<u>1,335,229</u>	<u>545,577</u>
<b>Cost of sales:</b>				
Product sales	199,973	81,001	672,057	253,572
Contract services	109,278	23,436	365,155	73,701
	<u>309,251</u>	<u>104,437</u>	<u>1,037,212</u>	<u>327,273</u>
<b>Gross margin:</b>				
Product sales	77,841	58,752	244,327	196,916
Contract services	20,953	4,447	53,690	21,388
	<u>98,794</u>	<u>63,199</u>	<u>298,017</u>	<u>218,304</u>
Selling, general and administrative	99,414	43,788	329,026	115,499
Research and development	27,112	22,498	96,219	75,827
Impairment of goodwill	240,708	—	240,708	—
(Loss) income from operations	<u>(268,440)</u>	<u>(3,087)</u>	<u>(367,936)</u>	<u>26,978</u>
<b>Other income (loss):</b>				
Interest income (expense), net	3,696	(248)	(9,050)	(1,177)
Other (expense) income, net	(400)	976	6,912	758
(Loss) income before income taxes	<u>(265,144)</u>	<u>(2,359)</u>	<u>(370,074)</u>	<u>26,559</u>
(Benefit from) provision for income taxes	(21,616)	(605)	(39,090)	659
Equity method investment (loss) income, net of tax	(295)	—	2,688	1,055
Net (loss) income	<u>\$ (243,823)</u>	<u>\$ (1,754)</u>	<u>\$ (328,296)</u>	<u>\$ 26,955</u>
<b>Net (loss) income per share</b>				
Basic	\$ (4.90)	\$ (0.06)	\$ (6.73)	\$ 0.96
Diluted	\$ (4.90)	\$ (0.06)	\$ (6.73)	\$ 0.96
<b>Weighted-average shares outstanding:</b>				
Basic	49,741,441	28,031,901	48,761,481	28,001,089
Diluted	49,741,441	28,031,901	48,761,481	28,171,089

See accompanying notes to condensed consolidated financial statements (unaudited).

**AeroVironment, Inc.**  
**Condensed Consolidated Statements of Comprehensive (Loss) Income (Unaudited)**  
**(In thousands)**

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>January 31,</u> <u>2026</u> <u>(As Restated)</u>	<u>January 25,</u> <u>2025</u>	<u>January 31,</u> <u>2026</u> <u>(As Restated)</u>	<u>January 25,</u> <u>2025</u>
Net (loss) income	\$ (243,823)	\$ (1,754)	\$ (328,296)	\$ 26,955
Other comprehensive income:				
Unrealized loss on available-for-sale investments, net of deferred tax expense of \$0 for the three and nine months ended January 31, 2026 and January 25, 2025 respectively	169	—	(15)	—
Change in foreign currency translation adjustments	539	(969)	1,015	(605)
Total comprehensive (loss) income	<u>\$ (243,115)</u>	<u>\$ (2,723)</u>	<u>\$ (327,296)</u>	<u>\$ 26,350</u>

See accompanying notes to condensed consolidated financial statements (unaudited).

**AeroVironment, Inc.**  
**Condensed Consolidated Statements of Stockholders' Equity**  
**For the three months ended January 31, 2026 and January 25, 2025 (Unaudited)**  
**(In thousands except share data)**

	Common Stock		Additional Paid-In Capital	Retained Earnings (Deficit)  (As Restated)	Accumulated Other Comprehensive Loss	Total  (As Restated)
	Shares	Amount				
Balance at November 1, 2025	49,927,306	\$ 6	\$ 4,234,464	\$ 189,833	\$ (6,222)	\$ 4,418,081
Net loss	—	—	—	(243,823)	—	(243,823)
Unrealized gain on investments	—	—	—	—	169	169
Foreign currency translation	—	—	—	—	539	539
Employee stock purchase plan contributions	9,182	—	1,888	—	—	1,888
Restricted stock awards	3,079	—	—	—	—	—
Restricted stock awards forfeited	(4,829)	—	—	—	—	—
Issuance of common stock for business acquisition, net of issuance costs	—	—	(6)	—	—	(6)
Stock based compensation	—	—	8,070	—	—	8,070
Balance at January 31, 2026	<u>49,934,738</u>	<u>\$ 6</u>	<u>\$ 4,244,416</u>	<u>\$ (53,990)</u>	<u>\$ (5,514)</u>	<u>\$ 4,184,918</u>

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance at October 26, 2024	28,205,237	\$ 4	\$ 604,225	\$ 259,396	\$ (5,228)	\$ 858,397
Net income	—	—	—	(1,754)	—	(1,754)
Foreign currency translation	—	—	—	—	(969)	(969)
Restricted stock awards	16,804	—	—	—	—	—
Restricted stock awards forfeited	(2,601)	—	—	—	—	—
Stock based compensation	—	—	5,381	—	—	5,381
Balance at January 25, 2025	<u>28,219,440</u>	<u>\$ 4</u>	<u>\$ 609,606</u>	<u>\$ 257,642</u>	<u>\$ (6,197)</u>	<u>\$ 861,055</u>

**AeroVironment, Inc.**  
**Condensed Consolidated Statements of Stockholders' Equity**  
**For the nine months ended January 31, 2026 and January 25, 2025 (Unaudited)**  
**(In thousands except share data)**

	Common Stock		Additional Paid-In Capital	Retained Earnings (Deficit) (As Restated)	Accumulated Other Comprehensive Loss	Total (As Restated)
	Shares	Amount				
Balance at April 30, 2025	28,267,517	\$ 4	\$ 618,711	\$ 274,306	\$ (6,514)	\$ 886,507
Net loss	—	—	—	(328,296)	—	(328,296)
Unrealized loss on investments	—	—	—	—	(15)	(15)
Foreign currency translation	—	—	—	—	1,015	1,015
Employee stock purchase plan contributions	27,737	—	4,355	—	—	4,355
Restricted stock awards	178,561	—	—	—	—	—
Restricted stock awards forfeited	(14,566)	—	—	—	—	—
Tax withholding payment related to net share settlement of equity awards	(7,820)	—	(10,900)	—	—	(10,900)
Issuance of common stock for business acquisition, net of issuance costs	17,425,849	2	2,637,339	—	—	2,637,341
Shares issued, net of issuance costs	4,057,460	—	966,846	—	—	966,846
Stock based compensation	—	—	28,065	—	—	28,065
Balance at January 31, 2026	<u>49,934,738</u>	<u>\$ 6</u>	<u>\$ 4,244,416</u>	<u>\$ (53,990)</u>	<u>\$ (5,514)</u>	<u>\$ 4,184,918</u>

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balance at April 30, 2024	28,134,438	\$ 4	\$ 597,646	\$ 230,687	\$ (5,592)	\$ 822,745
Net income	—	—	—	26,955	—	26,955
Foreign currency translation	—	—	—	—	(605)	(605)
Stock options exercised	16,164	—	506	—	—	506
Restricted stock awards	88,587	—	—	—	—	—
Restricted stock awards forfeited	(7,764)	—	—	—	—	—
Tax withholding payment related to net share settlement of equity awards	(11,985)	—	(4,064)	—	—	(4,064)
Stock based compensation	—	—	15,518	—	—	15,518
Balance at January 25, 2025	<u>28,219,440</u>	<u>\$ 4</u>	<u>\$ 609,606</u>	<u>\$ 257,642</u>	<u>\$ (6,197)</u>	<u>\$ 861,055</u>

**AeroVironment, Inc.**  
**Condensed Consolidated Statements of Cash Flows (Unaudited) (in thousands)**

	<b>Nine Months Ended</b>	
	<b>January 31, 2026 (As Restated)</b>	<b>January 25, 2025</b>
<b>Operating activities</b>		
Net (loss) income	\$ (328,296)	\$ 26,955
Adjustments to reconcile net (loss) income to cash used in operating activities:		
Depreciation and amortization	202,960	27,144
Impairment of goodwill	240,708	—
Gain from equity method investments	(2,688)	(1,055)
Amortization of debt issuance costs	10,273	1,121
Provision for credit losses	1,867	(64)
Reserve for inventory excess and obsolescence	5,125	2,025
Other non-cash expense, net	3,543	1,810
Non-cash lease expense	18,889	7,379
Loss (gain) on foreign currency transactions	264	(22)
Unrealized gain on available-for-sale equity securities, net	(7,446)	(1,187)
Deferred income taxes	(6,464)	—
Stock-based compensation	28,065	15,518
Loss on disposal of property and equipment	1,149	201
Amortization of debt securities	(661)	—
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(19,892)	(11,095)
Unbilled receivables and retentions	(142,088)	(30,172)
Inventories	(92,721)	(1,167)
Income taxes receivable	(38,646)	(14,738)
Prepaid expenses and other assets	(13,287)	(9,314)
Accounts payable	(17,397)	(1,359)
Other liabilities	(17,174)	(13,034)
Net cash used in operating activities	(173,917)	(1,054)
<b>Investing activities</b>		
Acquisition of property and equipment	(46,134)	(14,292)
Contributions in equity method investments	(3,243)	(2,309)
Purchase of available-for-sale investments	(335,183)	—
Redemption of available-for-sale investments	21,500	—
Acquisition of capitalized software to be sold	(17,275)	—
Business acquisitions, net of cash acquired	(844,586)	—
Net cash used in investing activities	(1,224,921)	(16,601)
<b>Financing activities</b>		
Principal payments of term loan	(700,000)	(28,000)
Principal payments of revolver	(265,000)	—
Proceeds from long-term debt	693,202	—
Proceeds from revolver, net of creditor costs	233,939	25,000
Proceeds from shares issued, net of underwriter costs	968,515	—
Proceeds from convertible debt, net of underwriter costs	726,944	—
Payment of debt issuance costs	(2,445)	(1,056)
Payment of equity issuance costs	(1,388)	(365)
Holdback and retention payments for business acquisition	—	(390)
Tax withholding payment related to net settlement of equity awards	(10,900)	(4,064)
Employee stock purchase plan contributions	4,355	—
Exercise of stock options	—	506
Other	(12)	(19)
Net cash provided by (used in) financing activities	1,647,210	(8,388)
Effects of currency translation on cash and cash equivalents	644	(258)
Net increase (decrease) in cash and cash equivalents	249,016	(26,301)
Cash and cash equivalents at beginning of period	40,862	73,301
Cash and cash equivalents at end of period	<u>\$ 289,878</u>	<u>\$ 47,000</u>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid, net during the period for:		
Income taxes	\$ 4,335	\$ 19,342
Interest	\$ 12,535	\$ 1,196
<b>Non-cash activities</b>		
Issuance of common stock for business acquisition	\$ 2,640,365	\$ —
Unrealized loss on available-for-sale investments	\$ (15)	\$ —
Change in foreign currency translation adjustments	\$ 1,015	\$ (605)
Acquisitions of property and equipment included in accounts payable	\$ 4,961	\$ 1,608

See accompanying notes to condensed consolidated financial statements (unaudited).

**AeroVironment, Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**1. Organization and Significant Accounting Policies**

***Restatement of Previously Issued Unaudited Condensed Consolidated Financial Statements***

Subsequent to the issuance of the Company's condensed unaudited consolidated financial statements as of and for the three and nine months ended January 31, 2026 the Company identified an error in the calculation of the carrying value used in the goodwill impairment analysis for the Space reporting unit. Specifically, the Space reporting unit carrying value utilized in the goodwill impairment analysis did not include an allocation of the goodwill resulting from acquired deferred tax assets and liabilities. This restatement corrects an error related to the goodwill impairment recorded during the restated period. This error had no impact on previously reported GAAP financial information of current assets, current liabilities, revenues, or cash used in operating activities.

The effects of the restatement on the unaudited condensed consolidated financial statements as of and for the three and nine months ended January 31, 2026 are summarized in the following tables (in thousands):

**Condensed Consolidated Balance Sheets (Unaudited) (in thousands)**

	<u>January 31, 2026</u>		
	<u>As Previously Reported</u>	<u>Effect of Restatement</u>	<u>As Restated</u>
<b>Assets</b>			
Goodwill	\$ 2,461,714	\$ (89,402)	\$ 2,372,312
Total assets	\$ 5,453,636	\$ (89,402)	\$ 5,364,234
<b>Liabilities and stockholders' equity</b>			
Deferred income taxes	\$ 53,627	\$ (2,130)	\$ 51,497
Retained earnings (deficit)	\$ 33,282	\$ (87,272)	\$ (53,990)
Total stockholders' equity	\$ 4,272,190	\$ (87,272)	\$ 4,184,918
Total liabilities and stockholders' equity	\$ 5,453,636	\$ (89,402)	\$ 5,364,234

**Condensed Consolidated Statements of Operations (Unaudited) (in thousands)**

	<u>Three Months Ended January 31, 2026</u>			<u>Nine Months Ended January 31, 2026</u>		
	<u>As Previously Reported</u>	<u>Effect of Restatement</u>	<u>As Restated</u>	<u>As Previously Reported</u>	<u>Effect of Restatement</u>	<u>As Restated</u>
Impairment of goodwill	\$ 151,306	\$ 89,402	\$ 240,708	\$ 151,306	\$ 89,402	\$ 240,708
Loss from operations	\$ (179,038)	\$ (89,402)	\$ (268,440)	\$ (278,534)	\$ (89,402)	\$ (367,936)
Loss before income taxes	\$ (175,742)	\$ (89,402)	\$ (265,144)	\$ (280,672)	\$ (89,402)	\$ (370,074)
Benefit from income taxes	\$ (19,486)	\$ (2,130)	\$ (21,616)	\$ (36,960)	\$ (2,130)	\$ (39,090)
Net loss	\$ (156,551)	\$ (87,272)	\$ (243,823)	\$ (241,024)	\$ (87,272)	\$ (328,296)
Net loss per share						
Basic	\$ (3.15)	\$ (1.75)	\$ (4.90)	\$ (4.94)	\$ (1.79)	\$ (6.73)
Diluted	\$ (3.15)	\$ (1.75)	\$ (4.90)	\$ (4.94)	\$ (1.79)	\$ (6.73)

**Condensed Consolidated Statements of Comprehensive (Loss) Income (Unaudited) (In thousands)**

	<u>Three Months Ended January 31, 2026</u>			<u>Nine Months Ended January 31, 2026</u>		
	<u>As Previously Reported</u>	<u>Effect of Restatement</u>	<u>As Restated</u>	<u>As Previously Reported</u>	<u>Effect of Restatement</u>	<u>As Restated</u>
Net loss	\$ (156,551)	\$ (87,272)	\$ (243,823)	\$ (241,024)	\$ (87,272)	\$ (328,296)
Total comprehensive loss	\$ (155,843)	\$ (87,272)	\$ (243,115)	\$ (240,024)	\$ (87,272)	\$ (327,296)

**Condensed Consolidated Statements of Stockholders' Equity for the three months ended January 31, 2026  
(Unaudited) (In thousands)**

As Previously      Effect of

	Reported	Restatement	As Restated
Net loss	\$ (156,551)	\$ (87,272)	\$ (243,823)
Retained deficit	\$ 33,282	\$ (87,272)	\$ (53,990)
Total equity balance at January 31, 2026	\$ 4,272,190	\$ (87,272)	\$ 4,184,918

**Condensed Consolidated Statements of Stockholders' Equity for the nine months ended January 31, 2026  
(Unaudited) (In thousands)**

	As Previously Reported	Effect of Restatement	As Restated
Net loss	\$ (241,024)	\$ (87,272)	\$ (328,296)
Retained deficit	\$ 33,282	\$ (87,272)	\$ (53,990)
Total equity balance at January 31, 2026	\$ 4,272,190	\$ (87,272)	\$ 4,184,918

**Condensed Consolidated Statements of Cash Flows (Unaudited) (in thousands)**

	Nine Months Ended January 31, 2026		
	As Previously Reported	Effect of Restatement	As Restated
<b>Operating activities</b>			
Net loss	\$ (241,024)	\$ (87,272)	\$ (328,296)
Adjustments to reconcile net loss to cash used in operating activities:			
Impairment of goodwill	\$ 151,306	\$ 89,402	\$ 240,708
Deferred income taxes	\$ (4,334)	\$ (2,130)	\$ (6,464)
Net cash used in operating activities	\$ (173,917)	\$ —	\$ (173,917)

**Organization**

AeroVironment, Inc. (“AeroVironment”, “AV” or “the Company”), a Delaware corporation, is a defense technology provider delivering integrated capabilities across air, land, sea, space, and cyber. AV develops and deploys autonomous systems, uncrewed aircraft systems (“UAS”), precision strike systems, counter-UAS (“C-UAS”) technologies, space-based platforms, directed energy systems, and cyber and electronic warfare capabilities. AV operates a national manufacturing footprint to deliver proven systems and capabilities whose markets offer the potential for significant long-term growth. In addition, the Company believes that some of the innovative potential products, services and technologies in its research and development (“R&D”) pipeline will emerge as new growth platforms in the future, creating additional market opportunities.

Effective May 1, 2025, the Company reorganized its segments. In connection with the Company’s acquisition of BlueHalo Financing Topco, LLC (“BlueHalo”), the reorganization was implemented to drive additional operational improvements, foster synergies and provide leaders with greater autonomy over their product lines. The Company’s reportable segments are as follows:

*Autonomous Systems (“AxS”)*— The AxS segment focuses on the design, development, production, delivery, and support of intelligent, multi-domain robotic systems, including UAS, uncrewed underwater vehicles and ground robot systems. The segment includes the Company’s former Uncrewed Systems, Loitering Munitions Systems (“LMS”), and MacCready Works segments as well as Radio Frequency and Kinetic C-UAS, Electronic Warfare Systems and Uncrewed Maritime products and services from the BlueHalo acquisition. It primarily serves organizations within or supplying the U.S. Department of Defense (“DoD”), other federal agencies, and international allied governments. This segment encompasses the Company’s core autonomous platforms, such as drones and robotic systems, tailored for mission-critical applications across air, land and sea domains.

*Space, Cyber, and Directed Energy (“SCDE”)*— The SCDE segment focuses on advanced technologies in the space domain providing space-based and ground-based platforms, cyber capabilities, and directed energy systems. This segment positions the Company in high-growth areas of next-generation defense technology, addressing emerging threats and mission requirements in space, cyber warfare, and directed energy applications (e.g., high-energy lasers). It also primarily serves organizations within or supplying the U.S. DoD, other federal agencies, and international allied governments.

### ***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information and with the instructions of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation with respect to the interim financial statements have been included. The results of operations for the three and nine months ended January 31, 2026 are not necessarily indicative of the results for the full year ending April 30, 2026. For further information, refer to the consolidated financial statements and footnotes thereto for the year ended April 30, 2025, included in the Company’s Annual Report on Form 10-K.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions, including estimates of anticipated contract costs and revenue utilized in the revenue recognition process, that affect the reported amounts in the unaudited condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

The Company’s unaudited condensed consolidated financial statements include the assets, liabilities and operating results of wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated.

### ***Recent Acquisition***

On May 1, 2025, the Company closed its acquisition of BlueHalo, a Delaware limited liability company, pursuant to the Agreement and Plan of Merger, dated as of November 18, 2024 (the “Merger Agreement”) by and among AV, Archangel Merger Sub LLC, a Delaware limited liability company (“Merger Sub”), BlueHalo, and BlueHalo Holdings Parent, LLC, a Delaware limited liability company and sole member of BlueHalo (“Seller”). Refer to Note 17—Business Acquisitions for further details.

### ***Recently Adopted Accounting Standards***

The Company did not adopt any accounting standards during the three and nine months ended January 31, 2026.

### ***Reclassifications***

Certain prior year amounts have been reclassified to conform to the current year presentation. Specifically, the Company’s disaggregated revenue disclosure and disclosure of revenue by segment and the segment disclosures for prior periods have been recast to conform to the new segments and new measure of segment profitability.

### ***Revenue Recognition***

The Company’s revenue is generated pursuant to written contractual arrangements to design, develop, manufacture and/or modify complex products and to provide related engineering, technical and other services according to the specifications of its customers. These contracts may be firm fixed price (“FFP”), cost plus fixed fee, cost plus award fee, and cost plus incentive fee (collectively “Cost Plus”), or time and materials (“T&M”). The Company considers all such contracts to be within the scope of ASU 2014-09, *Revenue from Contracts with Customers* (“ASC 606”).

### ***Performance Obligations***

On January 31, 2026, the Company had approximately \$1,120,675,000 of remaining performance obligations under fully funded contracts with its customers, which the Company also refers to as funded backlog. The Company currently expects to recognize approximately 39% of the remaining performance obligations as revenue in fiscal 2026 and the remaining 61% in fiscal 2027 or beyond.

### Revenue by Category

The following tables present the Company's revenue disaggregated by operating group, contract type, customer category and geographic location (in thousands).

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
<b>Revenue by operating group</b>				
Uncrewed Aircraft Systems	\$ 89,842	\$ 59,766	\$ 243,099	\$ 249,041
Precision Strike and Defense Systems	158,165	84,795	515,020	214,483
Other	30,737	23,075	107,523	82,053
Space and Directed Energy	53,198	—	199,872	—
Cyber and Mission Services	76,103	—	269,715	—
Total revenue	<u>\$ 408,045</u>	<u>\$ 167,636</u>	<u>\$ 1,335,229</u>	<u>\$ 545,577</u>

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
<b>Revenue by contract type</b>				
FFP	\$ 280,369	\$ 148,768	\$ 880,854	\$ 489,388
Cost Plus	95,802	17,372	346,080	52,413
T&M	31,874	1,496	108,295	3,776
Total revenue	<u>\$ 408,045</u>	<u>\$ 167,636</u>	<u>\$ 1,335,229</u>	<u>\$ 545,577</u>

Each of these contract types presents advantages and disadvantages. Typically, the Company assumes more risk with FFP contracts. However, these types of contracts generally offer additional profits when the Company completes the work for less than originally estimated. Cost Plus contracts generally subject the Company to lower risk. Accordingly, the associated base fees are usually lower than fees on FFP contracts. Under T&M contracts, the Company's profit may vary if actual labor hour rates vary significantly from the negotiated rates.

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
<b>Revenue by customer category</b>				
U.S. government	\$ 365,816	\$ 129,029	\$ 1,158,722	\$ 418,345
Non-U.S. government	42,229	38,607	176,507	127,232
Total revenue	<u>\$ 408,045</u>	<u>\$ 167,636</u>	<u>\$ 1,335,229</u>	<u>\$ 545,577</u>

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
<b>Revenue by geographic location</b>				
Domestic	\$ 226,110	\$ 104,097	\$ 933,848	\$ 258,053
International	181,935	63,539	401,381	287,524
Total revenue	<u>\$ 408,045</u>	<u>\$ 167,636</u>	<u>\$ 1,335,229</u>	<u>\$ 545,577</u>

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
<b>Revenue percentage by recognition method</b>				
Over time	72%	66%	73%	55%
Point in time	28%	34%	27%	45%
Total revenue	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

### Contract Balances

Changes in the contract asset and liability balances during the three and nine month periods ended January 31, 2026 were not materially impacted by factors other than billings, cash collections, and timing of revenue recognition. For the Company's contracts, there are no significant gaps between the receipt of payment and the transfer of the associated goods and services to the customer for material amounts of consideration.

Revenue recognized for the three and nine month periods ended January 31, 2026 that was included in customer advances balances as of April 30, 2025 was \$335,000 and \$12,112,000, respectively. Revenue recognized for the three and nine month periods ended January 25, 2025 that was included in customer advances balances as of April 30, 2024 was \$1,701,000 and \$9,662,000, respectively.

### ***Investments***

The Company's investments are accounted for as available-for-sale and are reported at fair value. Unrealized gains and losses for debt securities are excluded from earnings and reported as a separate component of stockholders' equity, net of deferred income taxes for available-for-sale investments. Gains and losses realized on the disposition of investment securities are determined on the specific identification basis and credited or charged to income. Investments in equity securities and warrants are measured at fair value with net unrealized gains and losses from changes in the fair value recognized in other income (expense), net. Management determines the appropriate classification of securities at the time of purchase and reevaluates such designation as of each balance sheet date.

### ***Fair Values of Financial Instruments***

Fair values of cash and cash equivalents, accounts receivable, unbilled receivables and retentions, and accounts payable approximate cost due to the short period of time to maturity.

### ***Accounts Receivable***

The Company is party to a receivables sales agreement with Citibank, N.A. with an aggregate capacity of \$100,000,000. The receivables sold under the factoring facilities are without recourse for any customer credit risk and result in a true sale. Receivables are de-recognized in their entirety when sold. As of January 31, 2026, no receivables have been sold, proceeds collected, or purchase discount fees incurred under the agreement.

### ***Government Contracts***

Payments to the Company on government Cost Plus or T&M contracts are based on provisional, or estimated indirect rates, which are subject to an annual audit by the Defense Contract Audit Agency ("DCAA"). The cost audits result in the negotiation and determination of the final indirect cost rates that the Company may use for the period(s) audited. The final rates, if different from the provisional rates, may create an additional receivable or liability for the Company for Cost Plus and T&M contracts.

For example, during the course of its audits, the DCAA may question the Company's incurred costs, and if the DCAA believes the Company has accounted for such costs in a manner inconsistent with the requirements under Federal Acquisition Regulations, the DCAA auditor may recommend to the Company's administrative contracting officer to disallow such costs. Historically, the Company has not experienced material disallowed costs as a result of government audits. However, the Company can provide no assurance that the DCAA or other government audits will not result in material disallowances for incurred costs in the future. The Company's revenue recognition policy calls for revenue recognized on all cost reimbursable government contracts to be recorded at estimated full year rates unless collectability is not reasonably assured. At January 31, 2026 and April 30, 2025, the Company had no reserve for incurred cost claim audits.

### ***(Loss) Earnings Per Share***

Basic (loss) earnings per share is computed using the weighted-average number of common shares outstanding, excluding shares of unvested restricted stock.

The reconciliation of basic to diluted shares is as follows (in thousands except share data):

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
Net (loss) income	\$ (243,823)	\$ (1,754)	\$ (328,296)	\$ 26,955
Denominator for basic (loss) earnings per share:				
Weighted average common shares	49,741,441	28,031,901	48,761,481	28,001,089
Dilutive effect of employee stock options, restricted stock and restricted stock units	—	—	—	170,000
Denominator for diluted (loss) earnings per share	49,741,441	28,031,901	48,761,481	28,171,089

Due to the net loss for the three and nine months ended January 31, 2026, no shares reserved for issuance upon exercise of stock options or shares of unvested restricted stock were included in the computation of diluted loss per share as their inclusion would have been anti-dilutive. Potentially dilutive shares not included in the computation of diluted weighted-average common shares because their effect would have been anti-dilutive were 326,724 and 344,723 for the three and nine months ended January 31, 2026, respectively. Potentially dilutive shares not included in the computation of diluted weighted-average common shares because their effect would have been anti-dilutive were 200,667 and 265 for the three and nine months ended January 25, 2025, respectively.

### **Recently Issued Accounting Standards**

In December 2023, the Financial Accounting Standards Board (“FASB”) issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09”). ASU 2023-09 requires updates to the rate reconciliation, income taxes paid and other disclosures. The new standard is effective for fiscal years beginning after December 15, 2024 and interim periods within fiscal years beginning after December 15, 2025, with early adoption permitted. ASU 2023-09 is adopted retrospectively. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* (“ASU 2024-03”). ASU 2024-03 requires disclosure in the notes to financial statements of specified information about certain costs and expenses included in each expense caption on the face of the income statement at interim and annual reporting periods. The new standard is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, and should be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to any or all prior periods presented in the financial statements. The Company is evaluating the potential impact of this adoption on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, Targeted Improvements to the Accounting for Internal-Use Software (“ASU 2025-06”), which better aligns the accounting guidance to how software is developed by eliminating project stages from capitalization criteria. The new standard is effective for annual reporting periods beginning after December 15, 2027 and interim periods within those annual reporting periods. The standard allows for prospective, modified, or retrospective transition. Early adoption is permitted. We are currently evaluating the impact of adopting this new pronouncement.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (“ASU 2025-11”), which is intended to improve the navigability of required interim disclosures and clarify when that guidance is applicable, and also to provide additional guidance on what disclosures should be provided in interim reporting periods. The new standard is effective for annual reporting periods beginning after December 15, 2027 and interim periods within those annual reporting periods. The standard allows for prospective or retrospective transition. Early adoption is permitted. We are currently evaluating the impact of adopting this new pronouncement.

## 2. Investments

Investments consist of the following (in thousands):

	January 31, 2026	April 30, 2025
<b>Short-term investments:</b>		
Available-for-sale securities:		
U.S. government securities	175,071	—
Corporate securities	112,252	—
Certificates of deposit	9,936	—
Total short-term investments	<u>297,259</u>	<u>—</u>
<b>Long-term investments:</b>		
Available-for-sale securities:		
U.S. government securities	14,086	—
Equity securities and warrants	11,650	1,204
Total long-term available-for-sale securities investments	<u>25,736</u>	<u>1,204</u>
Equity method investments		
Investments in limited partnership funds	35,923	30,423
Total equity method investments	<u>35,923</u>	<u>30,423</u>
Total long-term investments	<u>\$ 61,659</u>	<u>\$ 31,627</u>

### Available-For-Sale Securities

As of January 31, 2026, the balance of available-for-sale securities consisted of U.S. government securities, certificate of deposits and high-grade corporate bonds. Interest earned from these investments is recorded in interest income (expense), net. Realized gains on sales of these investments on the basis of specific identification are recorded in interest income (expense), net. As of April 30, 2025, the company held no available-for-sale securities.

The following table is a summary of the activity related to the available-for-sale investments recorded in short-term and long-term investments as of January 31, 2026 (in thousands):

	January 31, 2026			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Corporate securities	\$ 189,156	\$ 45	\$ (7)	\$ 189,194
U.S. government securities	112,253	25	(37)	112,241
Certificates of deposit	9,936	—	(11)	9,925
Total available-for-sale securities	<u>\$ 311,345</u>	<u>\$ 70</u>	<u>\$ (55)</u>	<u>\$ 311,360</u>

### Equity Securities

Certain equity securities and warrants are measured at fair value with net unrealized gains and losses from changes in the fair value recognized in other income (expense), net. Unrealized gain (loss) recorded (in thousands):

	Three Months Ended January 31, 2026	Three Months Ended January 25, 2025	Nine Months Ended January 31, 2026	Nine Months Ended January 25, 2025
Net gain (loss) recognized during the period on equity securities	\$ (1,405)	\$ 1,454	\$ 7,446	\$ 1,187
Less: Net loss recognized during the period on equity securities sold during the period	—	—	—	—
Unrealized gain (loss) recognized during the period on equity securities still held at the reporting date	\$ (1,405)	\$ 1,454	\$ 7,446	\$ 1,187

### Investments Measured at Cost

On December 22, 2025, the Company invested \$3,000,000 in a privately-held technology company through a Simple Agreement for Future Equity (“SAFE”). The SAFE provides the Company with the right to receive equity in the issuing company upon the occurrence of certain future events, including a qualifying equity financing or a liquidity event. The Company measures the investment at cost, less any impairment and is recorded in long-term investments and included in Equity securities and warrants line in the investments table above.

### 3. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy contains three levels as follows:

- Level 1—Inputs to the valuation based upon quoted prices (unadjusted) for identical assets or liabilities in active markets that are accessible as of the measurement date.
- Level 2—Inputs to the valuation include quoted prices in either markets that are not active, or in active markets for similar assets or liabilities, inputs other than quoted prices that are observable, and inputs that are derived principally from or corroborated by observable market data.
- Level 3—Inputs to the valuation that are unobservable inputs for the asset or liability.

The Company’s financial assets measured at fair value on a recurring basis at January 31, 2026, were as follows (in thousands):

Description	Fair Value Measurement Using			Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Equity securities	\$ 6,220	\$ —	\$ —	\$ 6,220
Warrants	—	2,430	—	2,430
<b>Total</b>	<b>\$ 6,220</b>	<b>\$ 2,430</b>	<b>\$ —</b>	<b>\$ 8,650</b>

The Company had no financial liabilities measured at fair value on a recurring basis at January 31, 2026.

The Company's financial assets measured at fair value on a recurring basis at April 30, 2025, were as follows (in thousands):

Description	Fair Value Measurement Using			Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Equity securities	\$ 1,080	\$ —	\$ —	\$ 1,080
Warrants	—	124	—	124
<b>Total</b>	<b>\$ 1,080</b>	<b>\$ 124</b>	<b>\$ —</b>	<b>\$ 1,204</b>

The Company had no financial liabilities measured at fair value on a recurring basis at April 30, 2025.

On September 12, 2022, the Company invested \$5,000,000 and acquired 500,000 shares of common stock and 500,000 privately placed, redeemable warrants of Amprius Technologies, Inc. The privately placed, redeemable warrants have an exercise price of \$12.50 and redemption price of \$20.00. The Company measures the fair value of the privately placed, redeemable warrants using the quoted market price of the public warrants which have an exercise price of \$11.50 and a redemption price of \$18.00 and classifies the warrants as a level 2 fair value measurement.

#### 4. Inventories, net

Inventories consist of the following (in thousands):

	January 31, 2026	April 30, 2025
Raw materials	\$ 157,015	\$ 52,567
Work in process	80,709	73,434
Finished goods	97,189	46,761
Inventories, gross	334,913	172,762
Reserve for inventory excess and obsolescence	(35,636)	(28,672)
<b>Inventories, net</b>	<b>\$ 299,277</b>	<b>\$ 144,090</b>

#### 5. Equity Method Investments

##### Investments in Limited Partnership Funds

In July 2019, the Company made its initial capital contribution to a limited partnership fund focusing on highly relevant technologies and start-up companies serving defense and industrial markets. Under the terms of the limited partnership agreement, the Company contributed a total of \$10,000,000 during the fiscal years ended April 30, 2021 and 2022, and there were no further contribution commitments to this fund as of April 30, 2022. On December 30, 2025, the Company received an initial distribution from the limited partnership fund of \$528,000.

In March 2022, the Company entered into a limited partnership agreement with a second limited partnership fund also focusing on highly relevant technologies and start-up companies serving defense and industrial markets. Under the terms of the limited partnership agreement, the Company is committed to contributions totaling \$20,000,000 over an expected five year period. During the fiscal years ended April 30, 2025, 2024 and 2023, the Company made total contributions of \$5,674,000, \$3,074,000, and \$5,778,000 respectively. During the nine months ended January 31, 2026, the Company made contributions of \$3,244,000. Under the terms of the limited partnership agreement, the Company has committed to make additional capital contributions of \$2,230,000 to the fund, which are expected to be made over the next two fiscal years.

The Company accounts for investments in limited partnerships as equity method investments as the Company is deemed to have significant influence when it holds more than a minor interest. For the three and nine months ended January 31,

2026, the Company recorded its ownership percentage of the net (loss) gain of equity method investments, of \$(295,000) and \$2,688,000, respectively, in equity method investment income, net of \$0 tax in the unaudited condensed consolidated statements of operations, respectively. For the three and nine months ended January 25, 2025, the Company recorded its ownership percentage of the net gains of the limited partnerships, or \$0 and \$1,066,000 respectively, in equity method investment income (loss), net of \$0 tax in the unaudited condensed consolidated statements of operations, respectively. At January 31, 2026 and April 30, 2025, the carrying value of the equity method investments of \$35,923,000 and \$30,423,000, respectively, was recorded in long-term investments.

## 6. Warranty Reserves

The Company accrues an estimate of its exposure to warranty claims based upon both current and historical product sales data and warranty costs incurred. The warranty reserve is included in other current liabilities on the unaudited condensed consolidated balance sheet. The related expense is included in cost of sales. Warranty reserve activity is summarized as follows for the three and nine months ended January 31, 2026 and January 25, 2025, respectively (in thousands):

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
Beginning balance	\$ 6,610	\$ 3,642	\$ 4,189	\$ 5,538
Balance acquired from acquisition	—	—	2,274	—
Warranty expense	1,961	(230)	3,959	(1,070)
Change in estimate	(1,655)	—	(1,655)	—
Warranty costs settled	(1,439)	(625)	(3,290)	(1,681)
Ending balance	<u>\$ 5,477</u>	<u>\$ 2,787</u>	<u>\$ 5,477</u>	<u>\$ 2,787</u>

## 7. Intangibles, net

The components of intangibles are as follows (in thousands):

	January 31, 2026	April 30, 2025
Technology	\$ 582,260	\$ 101,645
Licenses	1,008	1,008
Customer relationships	577,291	77,588
Backlog	52,961	2,963
In-process research and development	550	550
Non-compete agreements	320	320
Trademarks and tradenames	1,668	1,668
Other	146	146
Intangibles, gross	1,216,204	185,888
Less accumulated amortization	(290,279)	(137,177)
Intangibles, net	<u>\$ 925,925</u>	<u>\$ 48,711</u>

Technology, backlog and customer relationships intangibles were recognized in conjunction with the Company's acquisition of Blue Halo on May 1, 2025. Refer to Note 17—Business Acquisitions for further details.

The Company tests identifiable intangible assets for impairment in the fourth quarter of each fiscal year unless there are interim indicators that suggest that it is more likely than not that either the identifiable intangible assets or goodwill may be impaired. In January 2026, a stop-work order was received on the Company's Other Transaction Agreement for the delivery of BADGER phased array antenna systems to support Space Force's Satellite Communication Augmentation Resource ("SCAR") program. The Company concluded that the stop-work order represented a trigger event that indicated the carrying value of the Space reporting unit exceeded its fair value. Due to the trigger event, the Company performed a recoverability test on the long-lived assets of the Space reporting unit, inclusive of the intangibles, for impairment in accordance with ASC 360. The undiscounted cash flows exceeded the carrying value and no impairment was recorded for long-lived assets.

The weighted average amortization period as of January 31, 2026 and April 30, 2025 was six and three years, respectively. Amortization expense for the three and nine months ended January 31, 2026 was \$49,864,000 and \$152,287,000, respectively. Amortization expense for the three and nine months ended January 25, 2025 was \$4,778,000 and \$14,348,000, respectively.

Estimated remaining amortization expense for the next five years is as follows (in thousands):

	Year ending April 30,
2026	\$ 50,157
2027	164,101
2028	156,636
2029	153,940
2030	130,905
	<u>\$ 655,739</u>

## 8. Goodwill

The following table presents the changes in the Company’s goodwill balance by segment (in thousands):

	AxS	SCDE	Total
Goodwill	\$ 431,157	\$ —	\$ 431,157
Accumulated impairment losses	(174,376)	—	(174,376)
Balance at April 30, 2025	<u>256,781</u>	<u>—</u>	<u>256,781</u>
Additions to goodwill*	911,602	1,444,637	2,356,239
Impairment to goodwill	—	(240,708)	(240,708)
Goodwill	1,342,759	1,444,637	2,787,396
Accumulated impairment losses	(174,376)	(240,708)	(415,084)
Balance at January 31, 2026	<u>\$ 1,168,383</u>	<u>\$ 1,203,929</u>	<u>\$ 2,372,312</u>

\*As part of restatement of the goodwill impairment described in Note 1– Organization and Significant Accounting Policies *Restatement of Previously Issued Unaudited Condensed Consolidated Financial Statements*, we have reallocated \$31,555,000 of goodwill from the AxS segment to the SCDE segment.

In January 2026, a stop-work order was received on the Company’s Other Transaction Agreement for the delivery of BADGER phased array antenna systems to support Space Force’s SCAR program. The Company concluded that the stop-work order represented a trigger event that indicated the carrying value of the Space reporting unit exceeded its fair value. As a result, the Company updated its estimates of the long-term cash flows of the Space reporting unit to reflect the reduced revenue associated with the stop-work order as well as an increase in expected research and development and capital investments to achieve product commercialization, which is expected to result in expanded opportunities and improve long term product margins. The changes in estimates resulted in the recognition of a goodwill impairment charge of approximately \$241,000,000 in the Space reporting unit. As of January 31, 2026, the Company has not identified any events or circumstances, other than those identified for Space, that could trigger an impairment review prior to the Company’s annual impairment test during the fourth quarter of fiscal year 2026, including taking into account the reporting units identified from the BlueHalo acquisition on May 1, 2025.

The AxS segment includes goodwill from the acquisitions of Pulse Aerospace, LLC (“Pulse”), Arcturus UAV, Inc. (“Arcturus”), Telerob Gesellschaft für Fernhantierungstechnik mbH (“Telerob”), Planck Aerosystems, Inc., Tomahawk Robotics, Inc. and certain BlueHalo reporting units and includes goodwill from the purchase of certain assets of Intelligent Systems Group business segment of Progeny Systems Corporation. The SCDE segment includes goodwill from certain BlueHalo reporting units.

## 9. Debt

On October 4, 2024, the Company entered into a Third Amendment to Credit Agreement with the existing lenders, Bank of America, N.A. (“BofA NA”), the administrative agent and the swingline lender, JPMorgan Chase Bank, N.A. (“JPM”), U.S. Bank National Association (“U.S. Bank”), and Citibank, N.A. (“Citibank”) (the “Third Amendment to Credit Agreement”).

The Third Amendment to Credit Agreement provided for an aggregate \$200,000,000 revolving credit facility (the “Revolving Facility”), including a \$25,000,000 sublimit for the issuance of standby and commercial letters of credit, and a \$10,000,000 sublimit for swingline loans, secured by all assets of the Company and the Company’s domestic subsidiaries (the “Guarantors”), and extended the maturity date for obligations pursuant to the Credit Agreement to October 4, 2029. Upon effectiveness of the Third Amendment to Credit Agreement, the Company drew \$15,000,000 from the amended Revolving Facility and repaid in full all outstanding amounts owed pursuant to the prior Term Loan Facility. The unamortized debt issuance costs allocated to the prior Term Loan Facility of \$590,000 were expensed upon repayment of the Term Loan Facility and recorded in interest expense.

On May 1, 2025 (the “Closing Date”), in connection with the consummation of the BlueHalo acquisition, the Company entered into a Fourth Amendment to Credit Agreement with BofA NA, the administrative agent and the swingline lender, JPM, U.S. Bank, Citibank, BMO Bank N.A. (“BMO”), Citizens Banks, N.A. (“Citizens”) and Royal Bank of Canada (“RBC”) (the “Fourth Amendment to Credit Agreement” and the existing Credit Agreement as amended thereby, the “Amended Credit Agreement”). The Amended Credit Agreement now provides for an aggregate \$700,000,000 term loan (the “Term Loan Facility” and, together with the Revolving Facility, the “Credit Facilities”) and an aggregate \$350,000,000 revolving credit facility, including a \$25,000,000 sublimit for the issuance of standby and commercial letters of credit, and a \$10,000,000 sublimit for swingline loans, secured by all assets of the Company and the Guarantors, maintains the maturity date for obligations of October 4, 2029, as extended by the Third Amendment to Credit Agreement.

The Term A Loan drawn under the Term Loan Facility matures two years after the Closing Date and amortizes at a rate of 5.00% per annum, with the remaining outstanding principal amount due and payable on the maturity date. The applicable margin on the Term A Loan is based upon the Company’s Consolidated Leverage Ratio (as defined in the Credit Agreement) and whether the Company elects as its benchmark rate (i) SOFR (in which case, the applicable margin ranges from 1.50 - 2.50% per annum depending on the Company’s Consolidated Leverage Ratio) plus a credit spread adjustment of 0.10% or (ii) Base Rate (in which case, the applicable margin ranges from 0.50 - 1.50% per annum depending on the Company’s Consolidated Leverage Ratio). Upon the occurrence of an event of default, an additional 2.00% per annum default interest rate may apply. Pursuant to the Fourth Amendment to Credit Agreement, the Company is subject to two financial maintenance covenants which require that (i) the Consolidated Senior Secured Leverage Ratio (as defined in the Credit Agreement) not exceed 3.50 to 1.00 as of the end of any fiscal quarter, for the four fiscal quarters following consummation of the BlueHalo acquisition, and thereafter 3.00 to 1.00 as of the end of any fiscal quarter, and (ii) the Consolidated Fixed Charge Coverage Ratio (as defined in the Credit Agreement) not be less than 1.25 to 1.00 as of the end of any fiscal quarter.

Upon effectiveness of the Amended Credit Agreement, the Company drew \$225,000,000 from the amended Revolving Facility and the full \$700,000,000 of the Term Loan Facility. In June 2025, the Company drew an additional \$10,000,000 under the Revolving Facility. In July 2025, the Company used the proceeds from the issuance of common stock and the Company’s 0% Convertible Senior Notes due 2030 (the “Notes”) to fully repay the Term A Loan and outstanding Revolving Facility balance. The unamortized debt issuance costs allocated to the Term Loan Facility of \$6,668,000 were expensed upon repayment of the Term Loan Facility and recorded as interest expense in the consolidated statements of operations. The Revolver Facility remains open and available to the Company. The Company’s ability to borrow under the Revolving Facility is reduced by outstanding letters of credit, which as of January 31, 2026 and April 30, 2025, was \$11,008,000 and \$9,376,000, respectively, and as of January 31, 2026, approximately \$338,992,000 was available under the Revolving Facility. Borrowings under the Revolving Facility may be used for working capital and other general corporate purposes, including acquisitions that meet certain parameters. As of January 31, 2026, the Company was in compliance with all amended covenants. Please refer to Note 10—Convertible Notes and Note 16—Share Issuances for further details.

Long-term debt and the current period interest rates were as follows:

	January 31, 2026	April 30, 2025
	(In thousands)	(In thousands)
Revolving credit facility	\$ —	\$ 30,000
Convertible notes	747,500	—
Total long-term debt	747,500	30,000
Less unamortized debt issuance costs—convertible notes	19,623	—
Total long-term debt, net of unamortized debt issuance costs—convertible notes	\$ 727,877	\$ 30,000
Unamortized debt issuance costs—revolving credit facility	\$ 1,872	\$ 1,281
Current period interest rate	0%	5.9%

Future contractual long-term debt principal payments at January 31, 2026 were as follows:

Fiscal Year	(In thousands)
2026	\$ —
2027	—
2028	—
2029	—
2030	—
2031	747,500
	<u>\$ 747,500</u>

#### 10. Convertible Notes

In July 2025, the Company entered into an underwriting agreement (the “Note Underwriting Agreement”) with certain underwriters (the “Note Underwriters”) agreeing, subject to customary conditions, to issue and sell \$650,000,000 aggregate principal amount of the Notes to the Note Underwriters as well as an option, exercisable within 30 days after entering the Note Underwriting Agreement, to purchase up to an additional \$97,500,000 aggregate principal amount of Notes solely to cover over-allotments. The Note Underwriters exercised such option to purchase an additional \$97,500,000 aggregate principal amount of Notes. The issuance of \$747,500,000 aggregate principal amount of Notes was completed in July 2025.

The Notes are the Company’s senior, unsecured obligations and are (i) equal in right of payment with the Company’s existing and future senior, unsecured indebtedness; (ii) senior in right of payment to the Company’s existing and future indebtedness that is expressly subordinated to the Notes; (iii) effectively subordinated to the Company’s existing and future secured indebtedness, to the extent of the value of the collateral securing that indebtedness, including any borrowings under the Company’s revolving credit facility; and (iv) structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, and (to the extent the Company is not a holder thereof) preferred equity, if any, of the Company’s subsidiaries.

The Notes do not bear regular interest, and the principal amount of the Notes will not accrete. Special interest will accrue on the Notes upon the occurrence of certain events relating to the Company’s failure to file certain SEC reports as provided in the Indenture. The Notes will mature on July 15, 2030, unless earlier repurchased, redeemed or converted. Before April 15, 2030, noteholders have the right to convert their Notes only upon the occurrence of certain events. From and after April 15, 2030, noteholders may convert their Notes at any time at their election until the close of business on the second scheduled trading day immediately before the maturity date. The Company will have the right to elect to settle conversions either entirely in cash or in a combination of cash and shares of its common stock. Upon conversion of any Note, the consideration due upon conversion, which will be determined over an “Observation Period” (as defined in the Indenture) consisting of 60 consecutive trading days, will be paid in cash up to at least the principal amount of the Notes being converted and the Company will pay or deliver, as the case may be, cash, shares of the Company’s common stock or a combination of cash and shares of the Company’s common stock, at the Company’s election, in respect of the remainder, if any, of the Company’s conversion obligation in excess of the principal amount of

the Notes being converted. The initial conversion rate is 3.1017 shares of the Company's common stock per \$1,000 principal amount of Notes, which represents an initial conversion price of approximately \$322.40 per share of the Company's common stock. The conversion rate and conversion price will be subject to customary adjustments upon the occurrence of certain events. In addition, if certain corporate events that constitute a "Make-Whole Fundamental Change" (as defined in the Indenture) occur, then the conversion rate will, in certain circumstances, be increased for a specified period of time.

The Notes will be redeemable, in whole or in part (subject to certain limitations described below), at the Company's option at any time, and from time to time, on or after July 21, 2028 and on or before the 61st scheduled trading day immediately before the maturity date, at a cash redemption price equal to the principal amount of the Notes to be redeemed, plus accrued and unpaid special interest, if any, to, but excluding, the redemption date, but only if the last reported sale price per share of the Company's common stock exceeds 130% of the conversion price on (i) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related redemption notice; and (ii) the trading day immediately before the date the Company sends such notice. However, the Company may not redeem less than all of the outstanding Notes unless at least \$100.0 million aggregate principal amount of Notes are outstanding and not called for redemption as of the time the Company sends the related redemption notice. In addition, calling any Note for redemption will constitute a Make-Whole Fundamental Change with respect to that Note, in which case the conversion rate applicable to the conversion of that Note will be increased in certain circumstances if it is converted after it is called for redemption.

If certain events that constitute a "Fundamental Change" (as defined in the Indenture) occur, then, subject to a limited exception for certain cash mergers as provided in the Indenture, noteholders may require the Company to repurchase their Notes at a cash repurchase price equal to the principal amount of the Notes to be repurchased, plus accrued and unpaid special interest, if any, to, but excluding, the fundamental change repurchase date. The definition in the Indenture of Fundamental Change includes certain business combination transactions involving the Company and certain de-listing events with respect to the Company's common stock.

The Notes have customary provisions relating to the occurrence of "Events of Default" (as defined in the Indenture), which include the following: (i) certain payment defaults on the Notes (which, in the case of a default in the payment of special interest on the Notes, will be subject to a 30-day cure period); (ii) the Company's failure to send certain notices under the Indenture within specified periods of time; (iii) the Company's failure to convert a Note in accordance with the Indenture within a specified period of time; (iv) the Company's failure to comply with certain covenants in the Indenture relating to the Company's ability to consolidate with or merge with or into, or sell, lease or otherwise transfer, in one transaction or a series of transactions, all or substantially all of the assets of the Company and its subsidiaries, taken as a whole, to another person; (v) a default by the Company in its other obligations or agreements under the Indenture or the Notes if such default is not cured or waived within 60 days after notice is given in accordance with the Indenture; (vi) certain defaults by the Company or any of its significant subsidiaries with respect to indebtedness for borrowed money of at least \$55,000,000; and (vii) certain events of bankruptcy, insolvency and reorganization involving the Company or any of its significant subsidiaries.

If an Event of Default involving bankruptcy, insolvency or reorganization events with respect to the Company (and not solely with respect to a significant subsidiary of the Company) occurs, then the principal amount of, and all accrued and unpaid interest, if any, on all of the Notes then outstanding will immediately become due and payable without any further action or notice by any person. If any other Event of Default occurs and is continuing, then, the Trustee, by notice to the Company, or noteholders of at least 25% of the aggregate principal amount of Notes then outstanding, by notice to the Company and the Trustee, may declare the principal amount of, and all accrued and unpaid interest, if any, on, all of the Notes then outstanding to become due and payable immediately. However, notwithstanding the foregoing, the Company may elect, at its option, that the sole remedy for an Event of Default relating to certain failures by the Company to comply with certain reporting covenants in the Indenture consists exclusively of the right of the noteholders to receive special interest on the Notes for up to 365 days, at a rate per annum equal to 0.25% of the principal amount of the Notes for the first 180 days on which special interest accrues and, thereafter, at a rate per annum equal to 0.50% of the principal amount thereof.

## 11. Leases

The components of lease costs recorded in cost of sales and selling, general and administrative (“SG&A”) expense were as follows (in thousands):

	Nine Months Ended January 31, 2026	Nine Months Ended January 25, 2025
Operating lease cost	\$ 18,889	\$ 7,379
Short term lease cost	980	398
Variable lease cost	2,796	1,212
Sublease income	—	—
Total lease costs, net	<u>\$ 22,665</u>	<u>\$ 8,989</u>

Supplemental lease information was as follows:

	Nine Months Ended January 31, 2026 (In thousands)	Nine Months Ended January 25, 2025 (In thousands)
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 16,176	\$ 7,328
Right-of-use assets obtained in exchange for new lease liabilities	\$ 4,297	\$ 7,112
Weighted average remaining lease term	72 months	50 months
Weighted average discount rate	6.9%	5.6%

Maturities of operating lease liabilities as of January 31, 2026 were as follows (in thousands):

Fiscal Year	
2026	\$ 2,590
2027	24,122
2028	22,538
2029	19,402
2030	15,261
Thereafter	40,167
Total lease payments	\$ 124,080
Less: imputed interest	(25,944)
Total present value of operating lease liabilities	<u>\$ 98,136</u>

## 12. Accumulated Other Comprehensive Loss and Reclassifications Adjustments

The components of accumulated other comprehensive loss and adjustments are as follows (in thousands):

	Nine Months Ended January 31, 2026	Nine Months Ended January 25, 2025
Balance as of April 30, 2025 and April 30, 2024, respectively	\$ (6,514)	\$ (5,592)
Change in foreign currency translation adjustments	1,015	(605)
Unrealized available-for-sale security losses	(15)	—
Balance as of January 31, 2026 and January 25, 2025, respectively	<u>\$ (5,514)</u>	<u>\$ (6,197)</u>

## 13. Customer-Funded Research & Development

Customer-funded R&D costs are incurred pursuant to contracts (revenue arrangements) to perform R&D activities according to customer specifications. These costs are direct contract costs and are expensed to cost of sales as costs are incurred. Revenue from customer-funded R&D contracts is recognized in accordance with ASC 606 over time as costs are incurred. Revenue from customer-funded R&D was approximately \$58,520,000 and \$177,671,000 for the three and nine months ended January 31, 2026. Revenue from customer-funded R&D was approximately \$19,730,000 and \$58,569,000 for the three and nine months ended January 25, 2025.

#### 14. Long-Term Incentive Awards

During the three months ended August 2, 2025, the Company granted awards under its 2021 Equity Incentive Plan (the “2021 Plan”) to key employees (“Fiscal 2026 LTIP”). Awards under the Fiscal 2026 LTIP consist of: (i) time-based restricted stock awards and time-based restricted stock units, which vest in equal tranches in July 2026, July 2027 and July 2028, and (ii) performance-based restricted stock units (“PRsUs”), which vest based on the Company’s achievement of revenue and non-GAAP adjusted earnings before interest, taxes, depreciation and amortization (“adjusted EBITDA”) targets for the three-year period ending April 30, 2028. At the award date, target achievement levels for each of the financial performance metrics were established for the PRsUs, at which levels the PRsUs would vest at 100% for each such metric. Threshold achievement levels for which the PRsUs would vest at 50% for each such metric and maximum achievement levels for which such awards would vest at 250% for each such metric were also established. The actual payout for the PRsUs at the end of the performance period will be calculated based upon the Company’s achievement of the established revenue and non-GAAP adjusted EBITDA targets for the performance period. Settlement of the PRsUs will be made in fully-vested shares of the Company’s common stock. For the three and nine months ended January 31, 2026 the Company recorded \$1,202,000 and \$4,216,000 of compensation expense related to the Fiscal 2026 LTIP, respectively. The Company recorded no compensation expense to the Fiscal 2026 LTIP for the three and nine months ended January 25, 2025, respectively. At January 31, 2026, the maximum compensation expense that may be recorded for the performance-based portion of the Fiscal 2026 LTIP is \$31,323,000.

During the three months ended July 27, 2024, the Company granted awards under its 2021 Plan to key employees (“Fiscal 2025 LTIP”). Awards under the Fiscal 2025 LTIP consist of: (i) time-based restricted stock awards and time-based restricted stock units, which vest in equal tranches in July 2025, July 2026 and July 2027, and (ii) PRsUs, which vest based on the Company’s achievement of revenue and non-GAAP adjusted EBITDA targets for the three-year period ending April 30, 2027. At the award date, target achievement levels for each of the financial performance metrics were established for the PRsUs, at which levels the PRsUs would vest at 100% for each such metric. Threshold achievement levels for which the PRsUs would vest at 50% for each such metric and maximum achievement levels for which such awards would vest at 250% for each such metric were also established. The actual payout for the PRsUs at the end of the performance period will be calculated based upon the Company’s achievement of the established revenue and non-GAAP adjusted EBITDA targets for the performance period. Settlement of the PRsUs will be made in fully-vested shares of the Company’s common stock. For the three and nine months ended January 31, 2026, the Company recorded \$1,541,000 and \$6,625,000 of compensation expense related to the Fiscal 2025 LTIP. For the three and nine months ended January 25, 2025, the Company recorded \$918,000 and \$2,192,000 of compensation expense related to the Fiscal 2025 LTIP. At January 31, 2026, the maximum compensation expense that may be recorded for the performance-based portion of the Fiscal 2025 LTIP is \$17,463,000.

During the three months ended July 29, 2023, the Company granted awards under the 2021 Plan to key employees (“Fiscal 2024 LTIP”). Awards under the Fiscal 2024 LTIP consist of: (i) time-based restricted stock awards and time-based restricted stock units, which vest in equal tranches in July 2024, July 2025 and July 2026, and (ii) PRsUs, which vest based on the Company’s achievement of revenue and non-GAAP adjusted EBITDA targets for the three-year period ending April 30, 2026. At the award date, target achievement levels for each of the financial performance metrics were established for the PRsUs, at which levels the PRsUs would vest at 100% for each such metric. Threshold achievement levels for which the PRsUs would vest at 50% for each such metric and maximum achievement levels for which such awards would vest at 250% for each such metric were also established. The actual payout for the PRsUs at the end of the performance period will be calculated based upon the Company’s achievement of the established revenue and non-GAAP adjusted EBITDA targets for the performance period. Settlement of the PRsUs will be made in fully-vested shares of the Company’s common stock. For the three and nine months ended January 31, 2026, the Company recorded \$1,239,000 and \$5,123,000 of compensation expense related to the Fiscal 2024 LTIP. For the three and nine months ended January 25, 2025, the Company recorded \$938,000 and \$3,128,000 of compensation expense related to the Fiscal 2024 LTIP. At January 31, 2026, the maximum compensation expense that may be recorded for the performance-based portion of the Fiscal 2024 LTIP is \$14,454,000.

During the three months ended July 30, 2022, the Company granted awards under the 2021 Plan to key employees (“Fiscal 2023 LTIP”). Awards under the Fiscal 2023 LTIP consist of: (i) time-based restricted stock awards and time-based restricted stock units, which vest in equal tranches in July 2023, July 2024 and July 2025, and (ii) PRsUs, which vest based on the Company’s achievement of revenue and non-GAAP adjusted EBITDA targets for the three-year period ending April 30, 2025. During the three months ended August 2, 2025, the Company issued a total of 61,605 fully-

vested shares of the Company's common stock to settle the PRSUs in the Fiscal 2023 LTIP. For the three and nine months ended January 31, 2026 the Company recorded no compensation expense related to the Fiscal 2023 LTIP. For the three and nine months ended January 25, 2025, the Company recorded \$587,000, and \$2,253,000 of compensation expense related to the Fiscal 2023 LTIP, respectively.

At each reporting period, the Company reassesses the probability of achieving the performance targets for the PRSUs. The estimation of whether the performance targets will be achieved requires judgment, and, to the extent actual results or updated estimates differ from the Company's current estimates, the cumulative effect on current and prior periods of those changes will be recorded in the period estimates are revised. No compensation cost is ultimately recognized for awards for which employees do not render the requisite service and are forfeited.

## **15. Income Taxes**

For the three and nine months ended January 31, 2026, the Company recorded an income tax benefit of \$(21,616,000) and \$(39,090,000) yielding an effective tax rate of (8.2)% and (10.6%), respectively. For the three and nine months ended January 25, 2025, the Company recorded an income tax benefit of \$(605,000) and a provision for income taxes of \$659,000 yielding an effective tax rate of (25.6)% and 2.5%, respectively. The variance from statutory rates for the three and nine months ended January 31, 2026 was primarily due to the non-deductible goodwill impairment, for the three months ended January 31, 2026. The variance from statutory rates for the nine months ended January 25, 2025 was primarily due to the decrease in income before taxes, offset by a decrease in foreign-derived intangible income ("FDII") deductions and federal R&D credits.

On July 4, 2025, the reconciliation bill, commonly known as the One Big Beautiful Bill Act ("OBBBA"), was enacted into law. The OBBBA, among other things, eliminates the requirement to capitalize U.S. R&D expenses, permanently extends certain provisions of the Tax Cuts & Jobs Act of 2017 and modifies certain international tax provisions, as part of a broader set of updates to the U.S. international tax rules. These changes are effective for tax years beginning after December 31, 2025, and include modifying key elements of the TCJA-era regime. These include adjusting the international tax effective rates, renaming and reworking of the current global intangible low-taxed income ("GILTI") regime as "net CFC tested income" and foreign derived intangible income (FDII) deduction as "foreign derived deduction eligible income", eliminates QBAI reduction, and modifies deductions and foreign tax credit rules. As the OBBBA was enacted during the Company's fiscal quarter ended August 2, 2025, the Company reflected the impacts of the OBBBA on the condensed consolidated financial statements. The Company is in the process of evaluating the financial statement impact of these provisions in future periods. Each of these changes may result in accelerated tax deductions during the current and future tax years. Cash tax payments for the fiscal year ending April 30, 2026 are expected to be significantly reduced as a result of the accelerated tax deductions. However, the Company's total income tax expense and effective tax rate are not expected to materially change as a result of the new legislation.

## **16. Share Issuances**

In July 2025, the Company entered into an underwriting agreement (the "Common Stock Underwriting Agreement") with certain underwriters (the "Common Stock Underwriters") agreeing, subject to customary conditions, to issue and sell 3,528,226 shares of the Company's common stock to the Common Stock Underwriters. In addition, pursuant to the Common Stock Underwriting Agreement, the Company granted the Common Stock Underwriters an option, exercisable within 30 days after entering the Common Stock Underwriting Agreement, to purchase up to an additional 529,234 shares of the Company's common stock (the "Over-allotment Option"). The issuance of 3,528,226 shares of common stock was completed in July 2025. Subsequently, the Company closed the issuance and sale of 529,234 shares of its common stock pursuant to the underwriters' full exercise of the Over-allotment Option in July 2025 for a total issuance of 4,057,460 shares, generating gross proceeds to the Company of \$1,006,250,000, proceeds of \$968,515,000, net of underwriting discount and \$966,846,000 net of underwriting discount and other equity issuance costs.

## 17. Business Acquisitions

### BlueHalo Acquisition

On May 1, 2025, the Company closed its acquisition of BlueHalo for merger consideration, net of cash acquired, of \$3,484,945,000. Through the acquisition, BlueHalo is incorporated into the Company's AxS and SCDE segments. The Company believes that the acquisition will help to advance the combined company as a global defense technology leader across air, land, sea, space, and cyber. The Company accounted for the acquisition under the acquisition method of accounting for business combinations.

(in thousands)	Amount
Equity consideration transferred	\$ 2,640,365
Settlement of BlueHalo's transaction expenses	25,214
Settlement of BlueHalo's debt	863,207
Merger consideration	\$ 3,528,786
Less cash acquired	(43,841)
Fair value of consideration transferred	\$ 3,484,945

The fair value of the Company's common stock issued is based on 17,425,849 shares issued as consideration, per the terms of the Merger Agreement, and the closing share price of \$151.52 on April 30, 2025.



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The following table summarizes the preliminary allocation of the fair value of the merger consideration transferred to assets acquired and liabilities assumed as of the acquisition date. The allocation of the purchase price is preliminary and subject to change as the Company continues to evaluate the fair values of certain assets and liabilities acquired. Open items in the purchase price allocation include the valuation of assets acquired and liabilities assumed including, but not limited to technology, backlog and customer relationships intangibles; fair value adjustment to inventory, property, plant and equipment; leases; details surrounding tax matters; and assumptions underlying certain existing or potential reserves, such as those for inventory and legal matters. During the six months ended January 31, 2026, the Company recorded adjustments related to the preliminary allocation of the purchase price including a revision to the fair value of technology, backlog and customer relationships intangibles; fair value adjustment to inventory; and deferred tax liability resulting in a net increase to goodwill of \$73,460,000. These adjustments resulted in a reduction of amortization expense of \$(7,427,000) and an increase of amortization expense of \$10,957,000 related to the three months ended August 2, 2025 and November 1, 2025, respectively, (in thousands):

	<b>May 1, 2025</b>
<b>Fair value of assets acquired:</b>	
Accounts receivable, net of allowance for credit losses of \$420 at May 1, 2025	\$ 80,752
Unbilled receivables and retentions	96,455
Inventories, net	88,167
Income taxes receivable	3,941
Prepaid expenses and other current assets	13,628
Long-term investments	151
Property and equipment	89,327
Operating lease right-of-use assets	70,879
Intangibles	1,029,800
Goodwill	2,356,239
Other assets	1,086
<b>Total identifiable assets</b>	<b>\$ 3,830,425</b>
<b>Fair value of liabilities assumed:</b>	
Accounts payable	56,930
Wages and related accruals	43,031
Customer advances	42,700
Current operating lease liabilities	6,707
Other current liabilities	11,971
Non-current operating lease liabilities	64,720
Deferred income taxes	119,421
<b>Total liabilities assumed</b>	<b>345,480</b>
<b>Total identifiable net assets</b>	<b>\$ 3,484,945</b>

Determining the fair value of the intangible assets acquired requires significant judgment, including the amount and timing of expected future cash flows, long-term growth rates and discount rates. The fair value assigned to intangible assets has been estimated based on third-party preliminary valuation studies utilizing income-based methodologies and corroborated with benchmarks of similar transactions in the industry. Use of different estimates and judgments could yield materially different results. All intangible assets acquired in the BlueHalo acquisition are subject to amortization.

The goodwill is attributable to the differences between the estimated fair value of the consideration transferred and the estimated fair value of the assets acquired, and liabilities assumed. For income tax purposes the goodwill and intangibles are not deductible for tax purposes.

The following table summarizes the valuation of the fair value of intangible assets acquired (in thousands):

	Preliminary Fair Value	Estimated Useful Life Years
Preliminary fair value of intangible assets acquired:		
Backlog	\$ 49,900	1-2
Customer relationships	499,500	4-9
Developed technology	480,400	4-10
<b>Intangible assets acquired</b>	<b>\$ 1,029,800</b>	

**BlueHalo Supplemental Pro Forma Information (unaudited)**

BlueHalo revenue and loss from operations for the nine months ended January 31, 2026 since its acquisition on May 1, 2025 was \$656,854,000 and \$(334,922,000), inclusive of \$161,153,000 of intangible amortization and \$240,708,000 of goodwill impairment, respectively. The following unaudited pro forma summary presents condensed consolidated information of the Company as if the business acquisition had occurred on May 1, 2024, the first day of the Company's fiscal year 2025. The pro forma amounts include the historical operating results of the Company and BlueHalo prior to the acquisition. The pro forma results are not necessarily indicative of the Company's results of operations that would have been obtained had the acquisition of BlueHalo been completed for the period presented, or which may be realized in the future (in thousands):

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
Revenue	\$ 408,045	\$ 395,623	\$ 1,335,229	\$ 1,178,098
Net loss attributable to AeroVironment, Inc.	\$ (236,653)	\$ (27,535)	\$ (265,293)	\$ (138,675)

The Company recognized a nonrecurring pro forma adjustment to pro forma earnings to amortize an increase in the fair value of inventory acquired during the three and nine months ended January 31, 2026. In addition, for the three and nine months ended January 31, 2026, the amortization expense associated with the Company's one-year intangible backlog has been eliminated within the pro forma adjustments.

These pro forma amounts have been calculated by applying the Company's accounting policies, assuming transaction costs had been incurred during the three months ended July 27, 2024, reflecting the additional amortization and depreciation that would have been charged, incremental interest expense associated with the initial financing for the acquisition under the term loan and revolver, and including the results of BlueHalo prior to acquisition.

The Company incurred approximately \$58,166,000 of BlueHalo acquisition-related expenses including integration costs. The Company recognized a nonrecurring pro forma adjustment to the three and nine months ended January 31, 2026 to remove the impact of the transaction costs from the historical balance, while recognizing the \$58,166,000 of transaction expenses within the nine months ended January 25, 2025 to reflect the costs as if the acquisition was completed during the nine months ended January 25, 2025.

The unaudited pro forma combined financial information presented above does not give effect to the July 2025 common stock issuance and Notes issuance, as such proceeds were not used to fund the BlueHalo acquisition. As the Company's repayment of indebtedness using the proceeds of the common stock issuance and Notes issuance was not directly attributable to the acquisition, the related reduction in interest expense is not reflected in this unaudited pro forma combined financial information.

**18. Pension**

As part of the Telerob acquisition, the Company acquired a small foreign-based defined benefit pension plan. The Rheinmetall-Zusatzversorgung service plan covers three former employees based on individual contracts issued to the employees. No other employees are eligible to participate. The Company has reinsurance policies that were taken out for participating former employees, which were pledged to the employees. The measurement date for the Company's pension plan was April 30, 2025.

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The table below includes the projected benefit obligation and fair value of plan assets as of April 30, 2025. The net fair value of plan assets (in thousands) is recorded in other assets on the unaudited condensed consolidated balance sheet.

	April 30, 2025
	(In thousands)
Projected benefit obligation	\$ (3,335)
Fair value of plan assets	3,817
Funded status of the plan	<u>\$ 482</u>

The projected benefit obligation includes assumptions of a discount rate of 3.6% and pension increase for in-payment benefits of 2.5% for both January 31, 2026 and April 30, 2025. The accumulated benefit obligation is approximately equal to the Company's projected benefit obligation. The plan assets consist of reinsurance policies for each of the three pension commitments. The reinsurance policies are fixed-income investments considered a level 2 fair value hierarchy based on observable inputs of the policy. The Company does not expect to make any contributions to the plan in the fiscal year ending April 30, 2026. The Company assumed expected return on plan assets of 2.9% for January 31, 2026 and April 30, 2025, respectively.

Expected benefit payments as of April 30, 2025 (in thousands):

2026	\$ 200
2027	208
2028	211
2029	213
2030	215
2031-2035	1,087
Total expected benefit payments	<u>\$ 2,134</u>

Net periodic benefit cost (in thousands) is recorded in interest expense, net.

	Three Months Ended		Nine Months Ended	
	January 31, 2026	January 25, 2025	January 31, 2026	January 25, 2025
	Expected return on plan assets	\$ —	\$ —	\$ —
Interest cost	31	28	93	85
Actuarial gain	—	—	—	—
Net periodic benefit cost	<u>\$ 31</u>	<u>\$ 28</u>	<u>\$ 93</u>	<u>\$ 85</u>

## 19. Segments

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources and in assessing performance. The Company's CODM, who is the Chief Executive Officer, makes operating decisions, assesses performance and makes resource allocation decisions, including the focus of R&D and other significant expenses, leading to decisions related to resource allocations in relation to profit and loss. Accordingly, the Company identifies two reportable segments.

Effective May 1, 2025, the Company reorganized its segments. In connection with the Company's acquisition of BlueHalo, the reorganization was implemented to drive additional operational improvements, foster synergies and provide leaders with greater autonomy over their business units. The Company's reportable segments are Autonomous Systems and Space, Cyber and Directed Energy.

The accounting policies of the segments are the same as those described in Note 1, "Organization and Significant Accounting Policies." The operating segments sales to each other are eliminated. Effective May 1, 2025, segment adjusted EBITDA is the measure of profitability used by the CODM for purposes of making decisions about allocating resources to the segments and assessing performance. Segment adjusted EBITDA is defined as segment (loss) income from operations before depreciation and amortization, adjusted for the impact of certain other non-cash items, including

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amortization of implementation of cloud computing arrangements, stock-based compensation, acquisition related expenses, and goodwill impairment. Prior period segment information has been revised to align with the new segment measure of profitability.

	Three Months Ended January 31, 2026		
	AxS	SCDE	Total
<b>Revenue:</b>			
Product sales	\$ 222,724	\$ 55,090	\$ 277,814
Contract services	56,020	74,211	130,231
	<u>278,744</u>	<u>129,301</u>	<u>408,045</u>
<b>Less:</b>			
Cost of sales less intangible amortization and other purchase accounting adjustments	182,935	113,633	296,568
Intangible amortization included in cost of sales	7,104	5,579	12,683
SG&A less intangible amortization	44,336	23,898	68,234
Intangible amortization included in SG&A	10,035	21,145	31,180
Research and development	24,142	2,970	27,112
Impairment of goodwill	—	240,708	240,708
<b>Add:</b>			
Depreciation	7,069	3,701	10,770
Amortization	17,139	26,724	43,863
Impairment of goodwill	—	240,708	240,708
Acquisition-related expenses	3,914	2,976	6,890
Amortization of cloud computing arrangement implementation	1,610	—	1,610
Other income (expense)	396	609	1,005
Stock-based compensation	5,847	2,223	8,070
Segment adjusted EBITDA	<u>\$ 46,167</u>	<u>\$ (1,691)</u>	<u>\$ 44,476</u>

	Three Months Ended January 25, 2025		
	AxS	SCDE	Total
<b>Revenue:</b>			
Product sales	\$ 139,753	\$ —	\$ 139,753
Contract services	27,883	—	27,883
	<u>167,636</u>	<u>—</u>	<u>167,636</u>
<b>Less:</b>			
Cost of sales less intangible amortization and other purchase accounting adjustments	100,734	—	100,734
Intangible amortization included in cost of sales	3,703	—	3,703
SG&A less intangible amortization	42,712	—	42,712
Intangible amortization included in SG&A	1,075	—	1,075
Research and development	22,498	—	22,498
<b>Add:</b>			
Depreciation	4,512	—	4,512
Amortization	4,778	—	4,778
Acquisition-related expenses	10,015	—	10,015
Amortization of cloud computing arrangement implementation	644	—	644
Other income (expense)	(478)	—	(478)
Stock-based compensation	5,381	—	5,381
Segment adjusted EBITDA	<u>\$ 21,766</u>	<u>\$ —</u>	<u>\$ 21,766</u>

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	Nine Months Ended January 31, 2026		
	AxS	SCDE	Total
<b>Revenue:</b>			
Product sales	\$ 712,971	\$ 203,413	\$ 916,384
Contract services	152,671	266,174	418,845
	<u>865,642</u>	<u>469,587</u>	<u>1,335,229</u>
<b>Less:</b>			
Cost of sales less intangible amortization and other purchase accounting adjustments	548,629	414,275	962,904
Intangible amortization included in cost of sales	40,139	34,169	74,308
SG&A less intangible amortization	147,584	84,006	231,590
Intangible amortization included in SG&A	30,879	66,557	97,436
Research and development	86,028	10,191	96,219
Impairment of goodwill	—	240,708	240,708
<b>Add:</b>			
Depreciation	21,542	9,674	31,216
Amortization	71,018	100,726	171,744
Impairment of goodwill	—	240,708	240,708
Acquisition-related expenses	22,667	16,209	38,876
Amortization of cloud computing arrangement implementation	3,839	10	3,849
Other income (expense)	(1,731)	1,197	(534)
Stock-based compensation	20,280	7,785	28,065
Segment adjusted EBITDA	<u>\$ 149,998</u>	<u>\$ (4,010)</u>	<u>\$ 145,988</u>

	Nine Months Ended January 25, 2025		
	AxS	SCDE	Total
<b>Revenue:</b>			
Product sales	\$ 450,488	\$ —	\$ 450,488
Contract services	95,089	—	95,089
	<u>545,577</u>	<u>—</u>	<u>545,577</u>
<b>Less:</b>			
Cost of sales less intangible amortization and other purchase accounting adjustments	316,137	—	316,137
Intangible amortization included in cost of sales	11,136	—	11,136
SG&A less intangible amortization	112,287	—	112,287
Intangible amortization included in SG&A	3,211	—	3,211
Research and development	75,827	—	75,827
<b>Add:</b>			
Depreciation	12,797	—	12,797
Amortization	14,347	—	14,347
Acquisition-related expenses	13,699	—	13,699
Amortization of cloud computing arrangement implementation	1,894	—	1,894
Other income (expense)	(428)	—	(428)
Stock-based compensation	15,518	—	15,518
Segment adjusted EBITDA	<u>\$ 84,806</u>	<u>\$ —</u>	<u>\$ 84,806</u>

The following table (in thousands) provides a reconciliation from segment adjusted EBITDA to income before income taxes:

	Three Months Ended		Nine Months Ended	
	January 31,	January 25,	January 31,	January 25,
	2026	2025	2026	2025
Segment adjusted EBITDA	\$ 44,476	\$ 21,766	\$ 145,988	\$ 84,806
Depreciation and amortization	(54,633)	(9,290)	(202,960)	(27,144)
Impairment of goodwill	(240,708)	—	(240,708)	—
Acquisition-related expenses	(6,890)	(10,015)	(38,876)	(13,699)
Amortization of cloud computing arrangement implementation	(1,610)	(644)	(3,849)	(1,894)
Stock-based compensation	(8,070)	(5,381)	(28,065)	(15,518)
Equity securities investments activity, net	(1,405)	1,453	7,446	1,185
Interest expense	3,696	(248)	(9,050)	(1,177)
(Loss) income before income taxes	\$ (265,144)	\$ (2,359)	\$ (370,074)	\$ 26,559

Identifiable segment assets are summarized in the table below. Corporate assets primarily consist of cash and cash equivalents, prepaid expenses and other current assets, long-term investments, property and equipment, net, operating lease right-of-use assets, deferred income taxes and other assets managed centrally on behalf of the business segments.

	AxS	SCDE	Corporate	Total
As of January 31, 2026	\$ 2,299,387	\$ 2,043,438	\$ 1,021,409	\$ 5,364,234
As of April 30, 2025	\$ 872,530	\$ —	\$ 248,037	\$ 1,120,567

Capital expenditures are summarized in the table below (in thousands):

	AxS	SCDE	Corporate	Total
Nine Months Ended January 31, 2026	\$ 33,750	\$ 21,976	\$ 7,683	\$ 63,409
Nine Months Ended January 25, 2025	\$ 12,527	\$ —	\$ 1,765	\$ 14,292

## 20. Subsequent Events

On March 10, 2026, during the course of negotiations between the Company and the U.S. Government regarding the Company's Other Transaction Agreement (the "Agreement") for the delivery of BADGER phased array antenna systems to support the SCAR program, the U.S. Government informed the Company that it now intends to proceed with a termination for convenience of the Agreement, while providing the Company with the opportunity to compete for work under the SCAR program in the future. The Company intends to continue to invest in the BADGER product line by developing a commercial product to address the phased array antennae market.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis has been revised for the effects of the restatement as discussed in Note 1, Organization and Significant Accounting Policies, to the financial statements included elsewhere in this Quarterly Report on Form 10-Q/A.

The following is a discussion and analysis of our financial condition and the results of operations as of and for the periods presented below. The following discussion and analysis should be read in conjunction with the "Condensed Consolidated Financial Statements" and notes thereto included elsewhere in this Quarterly Report on Form 10-Q/A. This section and other parts of this Quarterly Report on Form 10-Q/A contain forward-looking statements that involve risks and uncertainties. In some cases, forward-looking statements can be identified by words such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would" or similar expressions. Such forward-looking statements are based on current expectations, estimates and projections about our industry, our management's beliefs and assumptions made by our management. Forward-

looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended April 30, 2025, as updated by our subsequent filings under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”).

Unless required by law, we expressly disclaim any obligation to update publicly any forward-looking statements, whether as result of new information, future events or otherwise.

### Critical Accounting Estimates

The following should be read in conjunction with the critical accounting estimates presented in our Annual Report on Form 10-K for the fiscal year ended April 30, 2025.

Management’s Discussion and Analysis of Financial Condition and Results of Operations discusses our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. When we prepare these condensed consolidated financial statements, we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Some of our accounting policies require that we make subjective judgments, including estimates that involve matters that are inherently uncertain. Our most critical estimates include those related to revenue recognition, inventory reserves for excess and obsolescence, intangible assets acquired in a business combination, goodwill, and income taxes. We base our estimates and judgments on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for our judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

#### Revenue Recognition

Adjustments to original estimates for a contract’s revenue, estimated costs at completion and estimated profit or loss are often required as work progresses under a contract, as experience is gained and as more information is obtained, even though the scope of work required under the contract may not change, or if contract modifications, including the finalization of undefinitized contract actions, occur. The impact of revisions in estimate of completion and variable consideration for all types of contracts are recognized on a cumulative catch-up basis in the period in which the revisions are made. Changes in variable consideration associated with the finalization of undefinitized contract actions could result in cumulative catch up adjustments to revenue that could be material. During the three and nine months ended January 31, 2026 and January 25, 2025, changes in accounting estimates on contracts recognized using the over time method are presented below. Amounts representing contract change orders or claims are included in revenue if the order or claim meets the criteria of a contract or contract modification in accordance with ASU 2014-09, Revenue from Contracts with Customers (“ASC 606”).

For the three months ended January 31, 2026 and January 25, 2025, favorable and unfavorable cumulative catch-up adjustments included in revenue were as follows (in thousands):

	<b>Three Months Ended</b>	
	<b>January 31, 2026</b>	<b>January 25, 2025</b>
Gross favorable adjustments	\$ 12,453	\$ 10,304
Gross unfavorable adjustments	(7,994)	(1,154)
Net (unfavorable) favorable adjustments	\$ 4,459	\$ 9,150

For the three months ended January 31, 2026, favorable cumulative catch-up adjustments of \$12.5 million were primarily due to cost adjustments on 30 contracts. During the three months ended January 31, 2026, we revised our estimates of the total expected costs to complete an LMS contract and a Small UAS (“SUAS”) contract. The aggregate impact of these adjustments in contract estimates on revenue related to performance obligations satisfied or partially satisfied in previous periods was an increase to revenue of approximately \$3.2 million. For the same period, unfavorable

cumulative catch-up adjustments of \$8.0 million were primarily related to higher than expected costs on 24 contracts, which individually were not material.

For the three months ended January 25, 2025, favorable cumulative catch-up adjustments of \$10.3 million were primarily due to cost adjustments on three contracts. During the three months ended January 25, 2025, the Company revised its estimates of the total expected costs to complete three LMS contracts. The aggregate impact of these adjustments in contract estimates on revenue related to performance obligations satisfied or partially satisfied in previous periods was an increase to revenue of approximately \$9.6 million. For the same period, unfavorable cumulative catch-up adjustments of \$1.2 million were primarily related to higher than expected costs on 23 contracts, which individually were not material.

For the nine months ended January 31, 2026 and January 25, 2025, favorable and unfavorable cumulative catch-up adjustments included in revenue were as follows (in thousands):

	<u>Nine Months Ended</u>	
	<u>January 31,</u> <u>2026</u>	<u>January 25,</u> <u>2025</u>
Gross favorable adjustments	\$ 3,294	\$ 11,600
Gross unfavorable adjustments	(12,799)	(2,085)
Net favorable (unfavorable) adjustments	<u>\$ (9,505)</u>	<u>\$ 9,515</u>

For the nine months ended January 31, 2026, favorable cumulative catch-up adjustments of \$3.3 million were primarily due to cost adjustments on 13 contracts, which individually were not material. For the same period, unfavorable cumulative catch-up adjustments of \$12.8 million were primarily related to higher than expected costs on 31 contracts. During the nine months ended January 31, 2026, we revised our estimates of the total expected costs to complete an LMS contract. The impact of these adjustments in contract estimates on revenue related to performance obligations satisfied or partially satisfied in previous periods was a decrease to revenue of approximately \$1.9 million. The remaining adjustments individually were not material.

For the nine months ended January 25, 2025, favorable cumulative catch-up adjustments of \$11.6 million were primarily due to cost adjustments on four contracts. During the nine months ended January 25, 2025, we definitized certain LMS undefinitized contract actions. The aggregate impact of these cumulative catch-up revenue adjustments for the contract definitization was an increase to revenue of approximately \$9.9 million. The remaining adjustments individually were not material. For the same period, unfavorable cumulative catch-up adjustments of \$2.1 million were primarily related to higher than expected costs on 30 contracts, which individually were not material.

### Goodwill

Goodwill represents the excess of the cost of an acquired entity over the fair value of the acquired net assets. We test goodwill for impairment annually during the fourth quarter of our fiscal year or when events or circumstances change in a manner that indicates goodwill might be impaired. Events or circumstances that could trigger an impairment review include, but are not limited to, a significant adverse change in legal factors or in the business or political climate, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, significant changes in the manner of our use of the acquired assets or the strategy for our overall business, significant negative industry or economic trends or significant underperformance relative to projected future results of operations.

Our evaluation of goodwill for impairment involves the comparison of the fair value of each reporting unit to its carrying value. For the impairment test, we first assess qualitative factors, macroeconomic conditions, industry and market considerations, triggering events, cost factors, and overall financial performance, to determine whether it is necessary to perform a quantitative goodwill impairment test. Alternatively, we may bypass the qualitative assessment for some or all of our reporting units and apply the quantitative impairment test. If determined to be necessary, the quantitative impairment test shall be used to identify goodwill impairment and measure the amount of a goodwill impairment loss to be recognized (if any). For the quantitative impairment test, we estimate the fair value by weighting the results from the income approach and the market approach. These valuation approaches consider a number of factors that include, but are not limited to, prospective financial information, growth rates, terminal value, discount rates, and comparable multiples

from publicly traded companies in our industry and require us to make certain assumptions and estimates regarding industry economic factors and future profitability of our business.

In January 2026, a stop-work order was received on the Company's Other Transaction Agreement for the delivery of BADGER phased array antenna systems to support Space Force's SCAR program. We concluded that the stop-work order represented a trigger event that indicated the carrying value of the Space reporting unit exceeded its fair value. As a result, we updated our estimates of the long-term cash flows of the Space reporting unit to reflect the reduced revenue associated with the stop-work order as well as an increase in expected research and development and capital investments to achieve product commercialization, which is expected to result in expanded opportunities and improve long term product margins. The changes in estimates resulted in the recognition of a goodwill impairment charge of approximately \$241 million in the Space reporting unit. As of January 31, 2026, we have not identified any events or circumstances, other than those identified for the Space reporting unit, that could trigger an impairment review prior to our annual impairment test during the fourth quarter of fiscal year 2026, including taking into account the reporting units identified from the BlueHalo acquisition on May 1, 2025. Due to the trigger event, we also performed a recoverability test on the long-lived assets, inclusive of the intangibles, of the Space reporting unit for impairment in accordance with ASC 360. The undiscounted cash flows exceeded the carrying value and no impairment was recorded.

As part of our annual goodwill impairment and identifiable asset test during the fiscal quarter ended April 30, 2025, we determined the carrying value of the Uncrewed Ground Vehicles ("UGV") reporting unit exceeded its fair value due to a decrease in forecasted results of the UGV reporting unit resulting from reduced probability and delays of obtaining certain opportunities as well as an increase in forecast expenditures to support operational decisions identified during the fiscal quarter ended April 30, 2025. These changes in estimates resulted in the recognition of a goodwill impairment charge of \$18.4 million during the three months ended April 30, 2025 in the UGV reporting unit. We determined that it was more likely than not that the fair values of our other reporting units were more than their carrying values as of the annual goodwill impairment test date. As such, during the most recent annual impairment test during the fourth quarter of fiscal year 2025, the estimated fair value of all reporting units, other than UGV, substantially exceeded their carrying value.

The estimates and assumptions used to determine the fair value of our reporting units are highly subjective in nature. Actual results can be materially different from the estimates and assumptions. If actual market conditions are less favorable than those projected by the industry or by us, or if events occur or circumstances change that would reduce the estimated fair value of our indefinite-lived intangible assets below the carrying amounts, we could recognize future impairment charges, the amount of which could be material.

#### **Fiscal Periods**

Due to our fixed year end date of April 30, our first and fourth quarters each consist of approximately 13 weeks. The second and third quarters each consist of exactly 13 weeks. Our first three quarters end on a Saturday. Our 2026 fiscal year ends on April 30, 2026 and our fiscal quarters end on August 2, 2025, November 1, 2025 and January 31, 2026, respectively.

## Results of Operations

The following tables set forth our results of operations for the periods indicated (in thousands):

### Three Months Ended January 31, 2026 Compared to Three Months Ended January 25, 2025

	Three Months Ended	
	January 31, 2026 (As Restated)	January 25, 2025
Revenue	\$ 408,045	\$ 167,636
Cost of sales	309,251	104,437
Gross margin	98,794	63,199
Selling, general and administrative	99,414	43,788
Research and development	27,112	22,498
Impairment of goodwill	240,708	—
Loss from operations	(268,440)	(3,087)
Other income (loss):		
Interest income (expense), net	3,696	(248)
Other (expense) income, net	(400)	976
Loss before income taxes	(265,144)	(2,359)
Benefit from income taxes	(21,616)	(605)
Equity method investment loss, net of tax	(295)	—
Net loss	<u>\$ (243,823)</u>	<u>\$ (1,754)</u>

	Three Months Ended January 31, 2026		
	AxS	SCDE	Total
Revenue	\$ 278,744	\$ 129,301	\$ 408,045
Segment adjusted EBITDA	\$ 46,167	\$ (1,691)	\$ 44,476

	Three Months Ended January 25, 2025		
	AxS	SCDE	Total
Revenue	\$ 167,636	\$ —	\$ 167,636
Segment adjusted EBITDA	\$ 21,766	\$ —	\$ 21,766

**Revenue.** Revenue for the three months ended January 31, 2026 was \$408.0 million, as compared to \$167.6 million for the three months ended January 25, 2025, representing an increase of \$240.4 million, or 143%. The increase in revenue was due to an increase in product revenue of \$138.1 million and an increase in service revenue of \$102.3 million. The increase in product revenue was primarily due to the \$85.1 million of product revenue resulting from our acquisition of BlueHalo in May 2025. Legacy AV product revenue included in the AxS segment increased by \$53.0 million driven by an increase in LMS, MacCready Works, SUAS, medium uncrewed aircraft systems (“MUAS”) and uncrewed ground vehicles (“UGV”) products due to increase in domestic and international demand. The increase in service revenue was primarily due to the \$91.4 million service revenue resulting from our acquisition of BlueHalo. Legacy AV service revenue increased by \$10.9 million driven by customer funded R&D and engineering services increase of \$10.2 million driven by an increase in SUAS customer funded R&D awards. Proportion of service revenue to product revenue is expected to remain higher following the acquisition of BlueHalo.

**Cost of Sales.** Cost of sales for the three months ended January 31, 2026 was \$309.3 million, as compared to \$104.4 million for the three months ended January 25, 2025, representing an increase of \$204.9 million, or 196%. The increase in cost of sales was a result of an increase in product cost of sales of \$119.0 million and an increase in service costs of sales of \$85.9 million. The increase in product costs of sales was primarily due to an increase of approximately \$63.1 million associated with the recently acquired BlueHalo product lines and an increase of approximately \$9.4 million in intangible amortization primarily related to the BlueHalo acquisition. For legacy AV business, product cost of sales increased \$46.5 million. The increase in legacy product costs of sales was primarily due to an increase of approximately

\$30 million due to the increase in sales volume and approximately \$17 million due to mix shift to a higher proportion of lower margin products driven by the increase in Switchblade production. The increase in service cost of sales was primarily due to an increase of approximately \$87.2 million associated with the BlueHalo acquisition, partially offset by a decrease in legacy AV service cost of sales of \$1.9 million primarily due to a mix shift of approximately \$11 million due to a higher proportion of higher margin services driven by an increase in customer funded R&D, partially offset by an increase of approximately \$9 million due to the increase in service revenue. Cost of sales for the three months ended January 31, 2026 included \$12.7 million of intangible amortization and other related non-cash purchase accounting expenses as compared to \$3.7 million for the three months ended January 25, 2025. As a percentage of revenue, cost of sales increased from 62% to 76% primarily due to increased amortization and other non-cash purchase accounting expenses and an increase in the proportion of service revenue resulting from the effect of the BlueHalo acquisition, resulting in gross margin decreasing from 38% to 24%.

**Gross Margin.** Gross margin is equal to revenue minus cost of sales.

**Selling, General and Administrative.** SG&A expense for the three months ended January 31, 2026 was \$99.4 million, or 24% of revenue, as compared to SG&A expense of \$43.8 million, or 26% of revenue, for the three months ended January 25, 2025. The increase in SG&A expense was primarily due to an increase of \$30.1 million of intangible amortization expense related to the BlueHalo acquisition and an increase of approximately \$7 million of employee related expenses related to the increase in headcount.

**Research and Development.** R&D expense for the three months ended January 31, 2026 was \$27.1 million, or 7% of revenue, as compared to R&D expense of \$22.5 million, or 13% of revenue, for the three months ended January 25, 2025. The increase was primarily related to the BlueHalo acquisition. R&D expense is expected to continue to be 7% to 8% of revenue.

**Impairment of Goodwill.** Impairment of goodwill for the three months ended January 31, 2026 was \$240.7 million. In January 2026, a stop-work order was received on the Company's Other Transaction Agreement for the delivery of BADGER phased array antenna systems to support Space Force's SCAR program. The Company concluded that the stop-work order represented a trigger event that indicated the carrying value of the Space reporting unit exceeded its fair value. As a result, we updated our estimates of the long-term cash flows of the Space reporting unit to reflect the reduced revenue associated with the stop-work order as well as an increase in expected research and development and capital investments to achieve product commercialization, which is expected to result in expanded opportunities and improve long term product margins. The changes in estimates resulted in the recognition of a goodwill impairment charge of approximately \$241 million in the Space reporting unit.

**Interest Income (Expense), net.** Interest income, net for the three months ended January 31, 2026 was \$3.7 million compared to interest expense, net of \$0.2 million for the three months ended January 25, 2025 due to a combination of higher cash and investment balances and lower interest bearing debt balances.

**Other (Expense) Income, net.** Other expense, net, for the three months ended January 31, 2026 was \$0.4 million as compared to other income, net of \$1.0 million for the three months ended January 25, 2025. The increase in other expense, net was driven by unrealized losses in equity security investments.

**Benefit from Income Taxes.** Our effective income tax rate was (8.2)% for the three months ended January 31, 2026, as compared to (25.6)% for the three months ended January 25, 2025. The change in our effective income tax rate was primarily attributable to FDII, federal R&D credits and non-deductible goodwill impairment loss for the quarter. The effective income tax rate for the three months ended January 31, 2026, was primarily attributable to non-deductible goodwill impairment loss

**Equity Method Investment Loss, net of Tax.** Equity method investment loss, net of tax for the three months ended January 31, 2026 was \$0.3 million as compared \$0 for the three months ended January 25, 2025.

**Autonomous Systems**

	Three Months Ended	
	January 31, 2026	January 25, 2025
Revenue	\$ 278,744	\$ 167,636
Segment adjusted EBITDA	\$ 46,167	\$ 21,766

**Revenue.** Revenue for the three months ended January 31, 2026 was \$278.7 million, as compared to \$167.6 million for the three months ended January 25, 2025, representing an increase of \$111.1 million, or 66%. The increase in revenue was due to an increase in product revenue of \$83.0 million and an increase in service revenue of \$28.1 million. The increase in product revenue was primarily due to the \$30.0 million of product revenue resulting from our acquisition of BlueHalo in May 2025. Legacy AV product revenue included in the AxS segment increased by \$53.0 million driven by an increase in LMS, MacCready Works, SUAS, MUAS and UGV products due to increase in domestic and international demand. The increase in service revenue was primarily due to the \$17.2 million service revenue resulting from our acquisition of BlueHalo. Legacy AV service revenue increased by \$11.0 million driven by customer funded R&D and engineering services increase of \$10.2 million driven by an increase in SUAS customer funded R&D awards. Proportion of service revenue to product revenue is expected to remain higher following the acquisition of BlueHalo.

**AxS Segment Adjusted EBITDA.** AxS segment adjusted EBITDA for the three months January 31, 2026 was \$46.2 million, as compared to \$21.8 million for the three months ended January 25, 2025, representing an increase of \$24.4 million, or 112%. The increase in AxS segment adjusted EBITDA was primarily due to an increase in revenue of \$111.1 million. The increase in revenue was partially offset by an increase in adjusted cost of sales of \$79.8 million, adjusted SG&A of \$6.2 million and R&D of \$1.6 million. The increase in adjusted cost of sales was primarily due to an increase of approximately \$37 million associated with the recently acquired BlueHalo product lines, an increase of approximately \$38 million due to the increase in sales volume and approximately \$7 million due to mix shift to a higher proportion of lower margin products driven by the increase in Switchblade production.

**Space, Cyber and Directed Energy**

	Three Months Ended	
	January 31, 2026	January 25, 2025
Revenue	\$ 129,301	\$ —
Segment adjusted EBITDA	\$ (1,691)	\$ —

**Revenue.** SCDE revenue for the three months ended January 31, 2026 was \$129.3 million, as compared to \$0 for the three months ended January 25, 2025. The SCDE segment consists of business units obtained in the BlueHalo acquisition on May 1, 2025, and the increase in revenue is a result of the acquisition.

**SCDE Segment Adjusted EBITDA.** SCDE segment adjusted EBITDA for the three months January 31, 2026 was \$(1.7) million, as compared to \$0 for the three months ended January 25, 2025. The SCDE segment consists of business units obtained in the BlueHalo acquisition on May 1, 2025, and the increase in segment adjusted EBITDA is a result of the acquisition.

*Nine Months Ended January 31, 2026 Compared to nine Months Ended January 25, 2025*

	Nine Months Ended	
	January 31, 2026	January 25, 2025
	(As Restated)	
Revenue	\$ 1,335,229	\$ 545,577
Cost of sales	1,037,212	327,273
Gross margin	298,017	218,304
Selling, general and administrative	329,026	115,499
Research and development	96,219	75,827
Impairment of goodwill	240,708	—
(Loss) income from operations	(367,936)	26,978
Other loss:		
Interest expense, net	(9,050)	(1,177)
Other income, net	6,912	758
(Loss) income before income taxes	(370,074)	26,559
(Benefit from) provision for income taxes	(39,090)	659
Equity method investment income, net of tax	2,688	1,055
Net (loss) income	\$ (328,296)	\$ 26,955

	Nine Months Ended January 31, 2026		
	AxS	SCDE	Total
Revenue	\$ 865,642	\$ 469,587	\$ 1,335,229
Segment adjusted EBITDA	\$ 149,998	\$ (4,010)	\$ 145,988

	Nine Months Ended January 25, 2025		
	AxS	SCDE	Total
Revenue	\$ 545,577	\$ —	\$ 545,577
Segment adjusted EBITDA	\$ 84,806	\$ —	\$ 84,806

**Revenue.** Revenue for the nine months ended January 31, 2026 was \$1,335.2 million, as compared to \$545.6 million for the nine months ended January 25, 2025, representing an increase of \$789.6 million, or 145%. The increase in revenue was due to an increase in product revenue of \$465.9 million and an increase in service revenue of \$323.7 million. The increase in product revenue was primarily due to the \$343.3 million of product revenue resulting from our acquisition of BlueHalo in May 2025. Legacy AV product revenue included in the AxS segment increased by \$122.6 million driven by an increase in LMS, MUAS, MacCready Works, and UGV products due to increase in domestic and international demand, partially offset by a decrease in SUAS due to a decrease in international sales. The increase in service revenue was primarily due to the \$313.6 million service revenue resulting from our acquisition of BlueHalo. Legacy AV service revenue, included in the AxS segment, increased by \$10.1 million driven by an increase in customer funded R&D and engineering services of \$11.7 million. Proportion of service revenue to product revenue is expected to remain higher following the acquisition of BlueHalo.

**Cost of Sales.** Cost of sales for the nine months ended January 31, 2026 was \$1,037.2 million, as compared to \$327.3 million for the nine months ended January 25, 2025, representing an increase of \$709.9 million, or 217%. The increase in cost of sales was a result of an increase in product cost of sales of \$418.5 million and an increase in service costs of sales of \$291.4 million. The increase in product costs of sales was primarily due to an increase of approximately \$242.1 million associated with the recently acquired BlueHalo product lines and an increase of \$60.7 million intangible amortization related to the BlueHalo acquisition. For legacy AV business, product cost of sales increased \$115.7 million. The increase in legacy product costs of sales was primarily due to an increase of approximately \$67 million due to the increase in sales volume and approximately \$52 million due to mix shift to a higher proportion of lower margin products driven by the increase in Switchblade production. The increase in service cost of sales was primarily due to an increase of \$290.1 million associated with the BlueHalo acquisition and an increase of \$5.3 million intangible amortization related to the BlueHalo acquisition, partially offset by a decrease in legacy AV service cost of sales of \$4.0 million primarily due to a mix shift of approximately \$11 million due to a higher proportion of higher margin services driven by

customer funded R&D, partially offset by an increase of approximately \$7 million due to an increase in service volume. Cost of sales for the nine months ended January 31, 2026 included \$74.3 million of intangible amortization and other related non-cash purchase accounting expenses as compared to \$11.1 million for the nine months ended January 25, 2025. As a percentage of revenue, cost of sales increased from 60% to 78% primarily due to increased amortization and other non-cash purchase accounting expenses and an increase in the proportion of service revenue resulting from the effect of the BlueHalo acquisition, resulting in gross margin decreasing from 40% to 22%.

**Gross Margin.** Gross margin is equal to revenue minus cost of sales.

**Selling, General and Administrative.** SG&A expense for the nine months ended January 31, 2026 was \$329.0 million, or 25% of revenue, as compared to SG&A expense of \$115.5 million, or 21% of revenue, for the nine months ended January 25, 2025. The increase in SG&A expense was primarily due to an increase of \$94.2 million of intangible amortization expense primarily related to the BlueHalo acquisition, an increase of approximately \$34 million of employee related expenses related to the increase in headcount, and an increase of \$32.5 million of acquisition related expenses related to the BlueHalo acquisition.

**Research and Development.** R&D expense for the nine months ended January 31, 2026 was \$96.2 million, or 7% of revenue, as compared to R&D expense of \$75.8 million, or 14% of revenue, for the nine months ended January 25, 2025. The increase was primarily related to the BlueHalo acquisition. R&D expense is expected to continue to be 7% to 8% of revenue.

**Impairment of Goodwill.** Impairment of goodwill for the nine months ended January 31, 2026 was \$240.7 million. In January 2026, a stop-work order was received on the Company's Other Transaction Agreement for the delivery of BADGER phased array antenna systems to support Space Force's SCAR program. The Company concluded that the stop-work order represented a trigger event that indicated the carrying value of the Space reporting unit exceeded its fair value. As a result, we updated our estimates of the long-term cash flows of the Space reporting unit to reflect the reduced revenue associated with the stop-work order as well as an increase in expected research and development and capital investments to achieve product commercialization, which is expected to result in expanded opportunities and improve long term product margins. The changes in estimates resulted in the recognition of a goodwill impairment charge of approximately \$241 million in the Space reporting unit.

**Interest Expense, net.** Interest expense, net for the nine months ended January 31, 2026 was \$9.1 million compared to \$1.2 million for the nine months ended January 25, 2025. The increase was driven by the interest expense related to the Term Loan and Revolver Facility obtained on May 1, 2025 in conjunction with the BlueHalo acquisition and the unamortized debt issuance costs allocated to the Term Loan Facility of \$6.7 million, which were expensed upon repayment of the Term Loan Facility in July 2025 using the proceeds from the Notes and common stock issuances in July 2025.

**Other Income, net.** Other income, net, for the nine months ended January 31, 2026 was \$6.9 million compared to other income, net of \$0.8 million for the nine months ended January 25, 2025. The increase was primarily due to unrealized gains associated with the fair market value of our equity security investments.

**(Benefit from) Provision for Income Taxes.** Our effective income tax rate was (10.6)% for the nine months ended January 31, 2026, as compared to 2.5% for the nine months ended January 25, 2025. The change in our effective income tax rate was primarily attributable to FDII, federal R&D credits and non-deductible goodwill impairment loss. The effective income tax rate for the nine months ended January 31, 2026, was primarily attributable to non-deductible goodwill impairment loss.

**Equity Method Investment Income, net of Tax.** Equity method investment income, net of tax for the nine months ended January 31, 2026 was \$2.7 million as compared \$1.1 million for the nine months ended January 25, 2025.

**Autonomous Systems**

	Nine Months Ended	
	January 31, 2026	January 25, 2025
Revenue:	865,642	545,577
Segment adjusted EBITDA	\$ 149,998	\$ 84,806

**Revenue.** AxS revenue for the nine months ended January 31, 2026 was \$865.6 million, as compared to \$545.6 million for the nine months ended January 25, 2025, representing an increase of \$320.0 million, or 59%. The increase in revenue was due to an increase in product and service revenues of \$262.5 million and \$57.5 million, respectively. The increase in product revenue was primarily due to the \$139.8 million of product revenue resulting from our acquisition of BlueHalo. Legacy AV product revenue included in the AxS segment increased by \$122.6 million driven by an increase in LMS, MUAS, MacCready Works, and UGV products due to increase in domestic and international demand, partially offset by a decrease in SUAS due to a decrease in international sales. The increase in service revenue was primarily due to the \$47.4 million of service revenue resulting from our acquisition of BlueHalo. Legacy AV service revenue, included in the AxS segment, increased by \$10.1 million driven by an increase in customer funded R&D and engineering services of \$11.7 million. Proportion of service revenue to product revenue is expected to remain higher following the acquisition of BlueHalo.

**AxS Segment Adjusted EBITDA.** AxS segment adjusted EBITDA for the nine months January 31, 2026 was \$150.0 million, as compared to \$84.8 million for the nine months ended January 25, 2025, representing an increase of \$65.2 million, or 77%. The increase in AxS segment adjusted EBITDA was primarily due to an increase in revenue of \$320.0 million. The increase in revenue was partially offset by an increase in adjusted cost of sales of \$223.1 million, adjusted SG&A of \$20.2 million primarily due employee related costs driven by the increased headcount, and R&D of \$10.2 million. The increase in adjusted cost of sales was primarily due to an increase of approximately \$117.9 million associated with the recently acquired BlueHalo product lines, an increase of approximately \$77 million due to the increase in sales volume and approximately \$38 million due to mix shift to a higher proportion of lower margin products driven by the increase in Switchblade production.

**Space, Cyber and Directed Energy**

	Nine Months Ended	
	January 31, 2026	January 25, 2025
Revenue:	469,587	—
Segment adjusted EBITDA	\$ (4,010)	\$ —

**Revenue.** SCDE revenue for the nine months ended January 31, 2026 was \$469.6 million, as compared to \$0 for the nine months ended January 25, 2025. The SCDE segment consists of business units obtained in the BlueHalo acquisition on May 1, 2025, and the increase in revenue is a result of the acquisition.

**SCDE Segment Adjusted EBITDA.** SCDE segment adjusted EBITDA for the nine months January 31, 2026 was \$(4.0) million, as compared to \$0 for the nine months ended January 25, 2025. The SCDE segment consists of business units obtained in the BlueHalo acquisition on May 1, 2025, and the increase in segment adjusted EBITDA is a result of the acquisition.

**Backlog**

Consistent with ASC 606, we define funded backlog as remaining performance obligations under firm orders for which funding is currently appropriated to us under a customer contract. As of January 31, 2026, our funded backlog was approximately \$1,120.7 million, as compared to \$726.6 million as of April 30, 2025.

In addition to our funded backlog, we also had unfunded backlog of \$2,968.8 million as of January 31, 2026. Unfunded backlog does not meet the definition of a performance obligation under ASC 606. We define unfunded backlog as the

total remaining value of awarded Cost Plus and FFP contracts with incremental funding. Unfunded backlog does not obligate the customer to purchase goods or services. There can be no assurance that unfunded backlog will result in any orders in any particular period, or at all. Unfunded backlog includes a \$1,493.2 million of unexercised options related to the SCAR program which are no longer expected to be awarded.

Because of possible future changes in delivery schedules and/or cancellations of orders, backlog at any particular date is not necessarily representative of actual sales to be expected for any succeeding period, and actual sales for the year may not meet or exceed the backlog represented. Our backlog is typically subject to large variations from quarter to quarter as existing contracts expire or are renewed or new contracts are awarded. Additionally, all U.S. government contracts included in backlog, whether or not they are funded, may be terminated at the convenience of the U.S. government.

### **Liquidity and Capital Resources**

On October 4, 2024, we amended the Credit Agreement to increase the Revolving Facility to \$200 million, and the Term Loan Facility was repaid in full and removed from the Credit Agreement. Borrowings under the Amended Credit Agreement may be used for working capital and other general corporate purposes, including acquisitions that meet certain parameters. In February 2025, we borrowed \$15.0 million under the Revolving Facility. In May 2025, in connection with the consummation of the BlueHalo Acquisition, the Company entered into a Fourth Amendment to Credit Agreement with BofA NA, the administrative agent and the swingline lender, JPM, U.S. Bank, Citibank, BMO, Citizens and RBC. The Amended Credit Agreement provides for an aggregate \$700.0 million term loan and an aggregate \$350.0 million revolving credit facility. Upon effectiveness of the Amended Credit Agreement, we drew \$225.0 million from the amended Revolving Facility and the full \$700.0 million of the Term Loan Facility. The proceeds from the Term Loan Facility and the Revolving Facility were used to repay certain outstanding indebtedness of BlueHalo and to pay for certain related transaction costs. In June 2025, we drew an additional \$10.0 million under the Revolving Facility.

In July 2025, we issued 4,057,460 shares of common stock at a public offering price of \$248.00 per share (the “Common Stock Offering”) and issued \$747,500,000 aggregate principal amount of 0% convertible senior notes due 2030 (the “Notes Offering”). The aggregate net proceeds from the Common Stock Offering and the Notes Offering, after deducting underwriting discounts and debt and equity issuance costs, was approximately \$1.70 billion. The Company used approximately \$965.3 million of the net proceeds from the Common Stock Offering and the Notes Offering to repay indebtedness under the Term Loan Facility and outstanding borrowings under the Revolving Credit Facility, and the remainder is expected to be used for general corporate purposes, including to increase manufacturing capacity.

Our ability to borrow under the Revolving Facility is reduced by outstanding letters of credit of \$11.0 million as of January 31, 2026. As of January 31, 2026, approximately \$339.0 million was available under the Revolving Facility. Refer to Note 9—Debt to our unaudited condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q/A for further details. In addition, Telerob has a line of credit of €7.0 million (\$8.2 million) available for issuing letters of credit of which €2.2 million (\$2.6 million) was outstanding as of January 31, 2026.

We anticipate funding our normal recurring trade payables, accrued expenses, ongoing R&D costs and obligations under the Credit Facilities through our existing working capital and funds provided by operating activities including those provided by our acquisition. The majority of our purchase obligations are pursuant to funded contractual arrangements with our customers. We believe that our existing cash, cash equivalents, cash provided by operating activities and other financing sources will be sufficient to meet our anticipated working capital, capital expenditure requirements, and future obligations related to the acquisition during the next twelve months. There can be no assurance, however, that our business will continue to generate cash flow at current levels. If we are unable to generate sufficient cash flow from operations, then we may be required to sell assets, reduce capital expenditures or draw on our Credit Facilities. We anticipate that existing sources of liquidity, Credit Facilities, and cash flows from operations will be sufficient to satisfy our cash needs for the foreseeable future.

The Company is party to receivables purchase agreement with Citibank, N.A., with an aggregate capacity of \$100 million. As of January 31, 2026, no receivables have been sold, proceeds collected, or purchase discount fees incurred.

Our primary recurring liquidity needs are for financing working capital, investing in capital expenditures, supporting product development efforts, introducing new products and enhancing existing products, marketing acceptance and adoption of our products and services, and possible acquisitions of entities or strategic assets. Our future capital requirements, to a certain extent, are also subject to general conditions in or affecting the defense industry and are

subject to general economic, political, financial, competitive, legislative and regulatory factors that are beyond our control. Moreover, to the extent that existing cash, cash equivalents, cash from operations, and cash from our Credit Facilities are insufficient to fund our future activities, we may need to raise additional funds through public or private equity or debt financing, subject to the limitations specified in the Amended Credit Agreement. In addition, we may also need to seek additional equity funding or debt financing if we become a party to any agreement or letter of intent for potential investments in, or acquisitions of, businesses, services or technologies.

Our working capital requirements vary by contract type. On Cost Plus and T&M contracts, we typically bill our incurred costs and fees monthly as work progresses, and therefore working capital investment is minimal. On FFP contracts, we typically are paid as we deliver products, and working capital is needed to fund labor and expenses incurred during the lead time from contract award until contract deliveries begin. Certain contracts have negotiated progress payments, which facilitates billing and collection as work is completed.

Due to the July 2025 reconciliation bill, commonly known as the One Big Beautiful Bill Act, which allows R&D expenditures to be deducted, we expect our cash taxes paid for U.S. federal income taxes to be significantly reduced for the fiscal year ending April 30, 2026.

### Cash Flows

The following table provides our cash flow data for the nine months ended January 31, 2026 and January 25, 2025 (in thousands):

	Nine Months Ended	
	January 31, 2026	January 25, 2025
	(Unaudited)	
Net cash used in operating activities	\$ (173,917)	\$ (1,054)
Net cash used in investing activities	\$ (1,224,921)	\$ (16,601)
Net cash provided by (used in) financing activities	\$ 1,647,210	\$ (8,388)

**Cash Used in Operating Activities.** Net cash used in operating activities for the nine months ended January 31, 2026 increased by \$172.9 million to \$(173.9) million, as compared to \$(1.1) million for the nine months ended January 25, 2025. The increase in net cash used in operating activities was primarily due to a decrease in cash as a result of changes in operating assets and liabilities of \$260.3 million, largely related to increases in unbilled receivables and retentions due to year over year timing differences as well as increases in inventory to meet demand. The increase in cash used in operating activities was also driven by a decrease in net income of \$355.3 million, partially offset by an increase in depreciation and amortization of \$175.8 million, largely due to the intangibles and acquired property and equipment from the BlueHalo acquisition, and goodwill impairment of the Space reporting unit of \$240.7 million.

**Cash Used in Investing Activities.** Net cash used in investing activities increased by \$1,208.3 million to \$(1,224.9) million for the nine months ended January 31, 2026, as compared to \$16.6 million for the nine months ended January 25, 2025. The increase in net cash used in investing activities was primarily due to the cash consideration for the acquisition of BlueHalo, net of cash acquired of \$844.6 million and the net purchase of available-for-sale securities of \$313.7 million.

**Cash Provided by (Used in) Financing Activities.** Net cash provided by financing activities increased by \$1,655.6 million to \$1,647.2 million for the nine months ended January 31, 2026, as compared to net cash used in financing activities of \$8.4 million for the nine months ended January 25, 2025. The increase in net cash provided by financing activities was primarily due to proceeds from issuance of common shares of \$968.5 million, net of underwriter costs and proceeds from the issuance of Notes of \$726.9 million, net of underwriter costs. Part of the proceeds were used to repay the outstanding balances of the Term Loan Facility and Revolving Facility drawn in conjunction with the acquisition of BlueHalo.

### Recent Developments

Since the acquisition of BlueHalo, we have been working to integrate the computer systems of Legacy BlueHalo and Legacy AV, and we expect to have an integrated system that complies with the Department of Defense's CMMC

cybersecurity requirements by summer 2026. During the course of this integration effort, we became aware of potential issues concerning Legacy AV's compliance with certain cybersecurity requirements. Accordingly, in February 2026, we initiated an internal investigation, led by external counsel, regarding Legacy AV's compliance with cybersecurity requirements in certain Department of Defense contracts and subcontracts, to include an evaluation of the accuracy of Legacy AV's cybersecurity information in the Supplier Performance Risk System (SPRS). We are committed to complying with all applicable cybersecurity requirements, and depending on the outcome of the evaluation, we will update SPRS as needed.

Our investigation is ongoing, and we cannot predict whether it will lead to any adverse impact, nor can we predict the timing, outcome, or nature of any possible impact. It is possible that, for a period of time, Legacy AV's ability to receive certain new Department of Defense contracts, subcontracts, or follow-on work could be affected. Additionally, the U.S. Government or other customers could terminate Legacy AV's existing contracts, cease doing business with Legacy AV, or impose additional requirements. We also could be subject to significant penalties, damages, criminal fines, and suspension or debarment from U.S. Government contracting. Any of these potential consequences could materially and adversely affect our business, prospects, financial condition, and results of operations.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

In the ordinary course of business, we are exposed to various market risk factors, including fluctuations in interest rates, changes in general economic conditions, domestic and foreign competition, and foreign currency exchange rates. For a discussion of market risks at April 30, 2025, refer to Item 7A in our 2025 annual report on Form 10-K. During the nine months ended January 26, 2026, there were no material changes or developments that would materially alter the market risk assessment performed as of April 30, 2025, except as discussed below.

#### ***Interest Rate Risk***

In July 2025, we issued \$747.5 million of Notes. The Notes have a zero percent coupon rate. We used the proceeds from the Notes Offering as well as the Common Stock Offering to repay indebtedness under our Term Loan Facility and outstanding borrowings under the Revolving Facility. The Revolving Facility has no current outstanding balance.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### ***Evaluation of Disclosure Controls and Procedures***

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as of January 31, 2026, the end of the period covered by this Quarterly Report on Form 10-Q/A.

In connection with the restatement of our unaudited condensed consolidated financial statements for the period ended January 31, 2026, our principal executive officer and principal financial officer have re-assessed their conclusion on disclosure controls and procedures, concluding that, due to the material weakness in our internal control over financial reporting as described below, our disclosure controls and procedures were not effective as of January 31, 2026.

Notwithstanding the material weaknesses described below in Material Weakness in Connection with the Restatement and Acquisition of BlueHalo, management has concluded that the financial statements included in this Quarterly Report

present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with U.S. GAAP.

***Material Weakness in Connection with the Restatement***

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We determined that the error resulting in the restatement of our unaudited condensed consolidated financial statements for the quarter ended January 31, 2026 in this Form 10-Q/A originated from a newly identified material weakness. The material weakness relates to the design of controls over the preparation and review of our goodwill impairment analysis. Specifically, we did not have a properly designed control requiring preparation and review of a reconciliation of goodwill by reporting unit.

***Remediation Plan in Connection with the Restatement***

We are in the process of, and continue to focus on, designing and implementing effective measures to strengthen our internal control over the reconciliation of goodwill by reporting unit and remediate the material weakness. Our planned remediation is to implement a control over the preparation and review of a quarterly reconciliation of goodwill by reporting unit.

We believe the measure described above will remediate the material weakness identified and strengthen our internal control over financial reporting. However, remedial controls must operate for a sufficient period of time and management must determine, through testing, that the deficiencies have been remediated. Management can give no assurance that the planned measure will remediate the identified material weakness or that additional material weaknesses will not arise in the future. Management will continue to monitor the effectiveness of this and other processes, procedures, and controls and will make any further changes that management determines to be appropriate.

***Acquisition of BlueHalo***

On May 1, 2025, we completed the acquisition of BlueHalo, a U.S. non-public reporting company. Prior to the acquisition, in connection with the preparation of its audited consolidated financial statements for the year ended December 31, 2024, BlueHalo identified three material weaknesses in its internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. First, BlueHalo did not design and maintain effective information technology ("IT") general controls for information systems that are relevant to the preparation of its financial statements. Specifically, BlueHalo did not design and maintain: (i) program change management controls to ensure that program and data changes are identified, tested, authorized, and implemented appropriately; and (ii) user access controls to ensure appropriate segregation of duties and to adequately restrict user and privileged access to appropriate personnel. Second, BlueHalo did not design and maintain an effective control environment commensurate with our financial reporting requirements. Specifically, it did not maintain a sufficient complement of personnel with an appropriate degree of internal controls and accounting knowledge, experience, and training commensurate with its accounting and financial reporting requirements. The limited personnel resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of financial reporting objectives, as demonstrated by, among other things, insufficient segregation of duties in the finance and accounting functions. Third, BlueHalo did not design and maintain effective monitoring activities of the design and operation of controls on a timely basis, or take necessary corrective action to ensure that controls continue to operate effectively and are modified for changes in conditions as appropriate.

Management's remediation efforts are ongoing, and management has committed to a remediation plan to address the deficiencies and enhance the internal control environment. The remediation plan includes, but is not limited to the following activities which have been performed or are in process:

- Reviewed and restricted administrator-level access to financial systems, ensuring that elevated privileges are granted only to authorized personnel with a documented business need;

- Implemented periodic user access reviews to verify appropriateness of access rights and to promptly remove access for terminated or transferred employees;
- Implementing management review of audit logs relating to critical data and processes, such as vendor master file changes, user role modifications, and rate changes;
- Enhanced authentication controls by utilizing Okta and Single Sign-On (SSO) to centralize authentication, strengthen password and multi-factor authentication controls, and improve monitoring of user activity;
- Established processes utilizing the ticketing system to document, approve, and track system changes, configuration updates, and data modifications;
- Evaluated systems for integration with enterprise-wide monitoring tools, enabling real-time alerts for unauthorized access or unusual activity;
- Strengthened segregation of duties reviews within key business cycles to ensure that no single individual has control over all aspects of a financial transaction;
- Provided targeted training to personnel on internal control requirements, documentation standards, and change management protocols;
- Evaluated internal skill sets and are actively recruiting experienced personnel with expertise in internal controls and accounting;

However, remedial controls must operate for a sufficient period of time and management must determine, through testing, that the deficiencies have been remediated. Management can give no assurance that the measures it has undertaken have remediated the material weaknesses that it has identified or that additional material weaknesses will not arise in the future. Management will continue to monitor the effectiveness of these and other processes, procedures, and controls and will make any further changes that management determines to be appropriate.

***Changes in Internal Control over Financial Reporting***

Other than the identification of the material weakness described above, there were no changes in our internal control over financial reporting or in other factors identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 or 15d-15 under the Exchange Act that occurred during the quarter ended January 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act).

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

On August 9, 2021, a former employee filed a class action complaint against AeroVironment in California Superior Court in Los Angeles, California alleging various claims pursuant to the California Labor Code related to wages, meal breaks, overtime, unreimbursed business expenses and other recordkeeping matters. The complaint seeks a jury trial and payment of various alleged unpaid wages, penalties, interest and attorneys' fees in unspecified amounts. We filed our answer on December 16, 2021.

On March 29, 2024, a former employee filed a complaint against AeroVironment in the Ventura County Superior Court in California, alleging violations of the California Labor Code related to wages, meal breaks, overtime, unreimbursed business expenses and other recordkeeping matters and seeking penalties recoverable under California Labor Code section 2698, et. seq., Private Attorney General Act of 2004 ("PAGA") and all other remedies available under PAGA. The complaint seeks civil penalties on behalf of the plaintiff and similarly situated persons pursuant to PAGA. We filed our answer on June 20, 2024.

On June 11, 2025, the parties reached an agreement in principle to settle all claims in the class action complaint and PAGA complaint pursuant to a mediator's proposal made on such a date by the mediator from a May 8, 2025 mediation session held for the class action litigation. A court must approve the terms of the settlement before we will pay any amounts pursuant to the settlement. The parties executed a non-binding memorandum of understanding outlining the material terms of a proposed settlement agreement and are working on a written settlement agreement consistent with the memorandum of understanding to present to the court for approval. The estimated settlement was accrued in our consolidated statements of income(loss) for the year ended April 30, 2025.

We are subject to lawsuits, government investigations, audits and other legal proceedings from time to time in the ordinary course of our business. It is not possible to predict the outcome of any legal proceeding with any certainty. The outcome or costs we incur in connection with a legal proceeding could adversely impact our operating results and financial position.

### ITEM 1A. RISK FACTORS

Except as set forth below, there have been no material changes to the risk factors disclosed under Part I, Item 1A, "Risk Factors," of our Annual Report on Form 10-K for the fiscal year ended April 30, 2025. Please refer to that section for disclosures regarding the risks and uncertainties related to our business.

***We identified a material weakness in our internal control over financial reporting, and if we are unable to remediate this material weakness, or if we experience additional material weaknesses or other deficiencies in the future or otherwise fail to maintain an effective system of internal control, we may not be able to accurately and timely report our financial results.***

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements may not be prevented or detected on a timely basis. In connection with the preparation of the Company's consolidated financial statements as of and for the year ended April 30, 2026, the Company identified an error in the calculation of the carrying value used in the goodwill impairment analysis for the Space reporting unit. The Company determined that this error originated from a newly identified material weakness related to the preparation and review of the goodwill impairment analysis.

Remediation efforts place a significant burden on management and add increased pressure to our financial resources and processes. As a result, we may not be successful in making the improvements necessary to remediate the material weakness identified by management, be able to do so in a timely manner, or be able to identify and remediate additional control deficiencies, including material weaknesses, in the future. Additionally, completion of remediation does not provide assurance that our remediation or other controls will continue to operate properly or remain adequate and we cannot assure you that we will not identify additional material weaknesses in our internal control over financial reporting in the future. If we are unable to successfully remediate our existing material weakness or any future material weaknesses or other deficiencies in our internal control over financial reporting or disclosure controls and procedures, our ability to record,

process and report financial information accurately, and to prepare financial statements within the time periods specified by the rules and forms of the SEC, could be adversely affected. This failure could negatively affect the market price and trading liquidity of our common stock, cause investors to lose confidence in our reported financial information, subject us to civil and criminal investigations and penalties and generally materially and adversely impact our business and financial condition.

***Our business is subject to federal, state and international laws and regulations regarding data protection, privacy, and information security, as well as confidentiality obligations under various agreements, and our actual or perceived failure to comply with such obligations could damage our reputation, expose us to litigation risk and adversely affect our business and operating results.***

In connection with our business, we receive, collect, process and retain certain sensitive and confidential customer information. As a result, we are subject to increasingly rigorous federal, state and international laws regarding privacy and data protection. Personal privacy, data protection and information security are significant issues in the United States and the other jurisdictions where we offer our products and services. The regulatory framework for privacy and security issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Our handling of data is subject to a variety of laws and regulations, including regulation by various government agencies, including the United States Federal Trade Commission (“FTC”) and various state, local and foreign bodies and agencies. We also execute confidentiality agreements with various parties under which we are required to protect their confidential information.

The United States federal and various state and foreign governments have adopted or proposed limitations on the collection, distribution, use and storage of personal information of individuals, including end-customers and employees. In the United States, the FTC and many state attorneys general are applying federal and state consumer protection laws to the online collection, use and dissemination of data. Additionally, many foreign countries and governmental bodies, and other jurisdictions in which we operate or conduct our business, have laws and regulations concerning the collection and use of personal information obtained from their residents or by businesses operating within their jurisdiction. These laws and regulations often are more restrictive than those in the United States. Such laws and regulations may require companies to implement new privacy and security policies, permit individuals to access, correct and delete personal information stored or maintained by such companies, inform individuals of security breaches that affect their personal information, and, in some cases, obtain individuals’ consent to use personal information for certain purposes.

We also expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection and information security in the United States, the European Union and other jurisdictions, and we cannot yet determine the impact of such future laws, regulations and standards may have on our business. For example, the California Consumer Privacy Act, which became effective in 2020, provides certain data privacy rights for consumers and employees and new operational requirements for companies. Additionally, we expect that existing laws, regulations and standards may be interpreted differently in the future. There remains significant uncertainty surrounding the regulatory framework for the future of personal data transfers from the European Union to the United States with regulations such as the General Data Protection Regulation (“GDPR”), which imposes stringent E.U. data protection requirements, provides an enforcement authority, and imposes large penalties for noncompliance, including for the transfer of personal data between the company and our German subsidiary, Telerob. Future laws, regulations, standards and other obligations, including the adoption of the GDPR, as well as changes in the interpretation of existing laws, regulations, standards and other obligations could impair our ability to collect, use or disclose information relating to individuals, which could decrease demand for our products, require us to restrict our business operations, increase our costs and impair our ability to maintain and grow our customer base and increase our revenue.

Our business operations are subject to the evolving requirements of the U.S. DoD Cybersecurity Maturity Model Certification (“CMMC”) program. Our ongoing compliance with the CMMC framework is critical, and the associated costs of CMMC compliance are significant and may increase in the future, potentially affecting our operating results.

If we are unable to comply with the CMMC requirements, our ability to receive certain new Department of Defense contracts, subcontracts, or follow-on work could be affected. Additionally, non-compliance with requirements imposed on government contractors may result in the US Government or other customers terminating our existing contracts, ceasing to do business with us, or imposing additional requirements. We also could be subject to significant penalties, damages, criminal fines, and suspension or debarment from U.S. Government contracting. Any of these potential consequences could materially and adversely affect our business, prospects, financial condition, and results of

operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Recent Developments.”

Although we endeavor to comply with those federal, state and foreign laws and regulations, industry standards, contractual obligations and other legal obligations that apply to us, such laws, regulations, standards and obligations are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another, other requirements or legal obligations, our practices or the features of our products. As such, we cannot ensure ongoing compliance with all such laws or regulations, industry standards, contractual obligations and other legal obligations, and our efforts to do so may cause us to incur significant costs or require changes to our business practices, which could adversely affect our business and operating results. Any failure or perceived failure by us to comply with federal, state or foreign laws or regulations, industry standards, contractual obligations or other legal obligations, or any actual or suspected security incident, whether or not resulting in unauthorized access to, or acquisition, release or transfer of personal information or other data, may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity and could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business. Any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable laws, regulations, policies, industry standards, contractual obligations or other legal obligations could result in additional cost and liability to us, damage our reputation, inhibit sales, and adversely affect our business and operating results.

***The indebtedness represented by our Notes could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our obligations under the Notes.***

As of January 31, 2026, we had total indebtedness of approximately \$727 million consisting of aggregate principal of our Notes. We may incur additional indebtedness to meet future financing needs. The indebtedness represented by our Notes and obligations under the Indenture pursuant to which the Notes were issued could have significant negative consequences for our security holders and our business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our business;
- diluting the interests of our existing stockholders as a result of issuing shares of our common stock upon conversion of the Notes; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the Notes, and our cash needs may increase in the future. In addition, the Indenture contains, and any future indebtedness that we may incur may contain, financial and other restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full.

***The issuance or sale of shares of our common stock, or rights to acquire shares of our common stock, could depress the trading price of our common stock and the Notes.***

We may conduct future offerings of common stock, preferred stock or other securities that are convertible into, or exercisable or exchangeable for, our common stock to finance our operations or fund acquisitions, or for other purposes. In addition, we have shares reserved and available for issuance pursuant to our 2023 Employee Stock Purchase Plan and our Amended and Restated 2021 Equity Incentive Plan and issued 17,425,849 shares of common stock as consideration for the BlueHalo acquisition, substantially all of which are subject to a lock-up, or earlier if approved by us, but will be eligible for resale upon expiration of the applicable lock-up period.

The Indenture for the Notes does not restrict our ability to issue additional equity securities in the future. If we issue additional shares of our common stock or rights to acquire shares of our common stock, if any of our existing stockholders sell a substantial amount of our common stock, or if the market perceives that such issuances or sales may occur, then the trading price of our common stock and, accordingly, the Notes may significantly decline. In addition, any issuance of additional shares of common stock will dilute the ownership interests of our existing common stockholders, including Noteholders who have received shares of our common stock upon conversion of their Notes.

***The conversion of Notes could impair our financial position and liquidity.***

Because we must settle at least a portion of our conversion obligation in cash, the conversion of Notes could materially and adversely affect our financial position and liquidity. Before April 15, 2030, Noteholders will have the right to convert their Notes only upon the occurrence of certain events. From and after April 15, 2030, Noteholders may convert their Notes at any time at their election until the close of business on the second scheduled trading day immediately before the maturity date. However, many of the conditions that permit the conversion of Notes before April 15, 2030 are beyond our control. We could be required to expend a significant amount of cash to settle conversions, which could significantly harm our financial position and liquidity.

***A decline in the U.S. and other government budgets, changes in spending or budgetary priorities, delays in contract awards or in the release of approved funds may significantly and adversely affect our future revenue.***

Because we generate a significant portion of our total sales from the U.S. government and its agencies and from foreign governments, our results of operations could be adversely affected by government spending caps, delays in the government budget process, program starts, the award of contracts or orders under existing contracts, or in the release of funds by the federal government. Delays in the definitization of a contract could result in delayed funding, billing and payment. Our business may be adversely impacted by shifts in the political environment and resulting changes in government and agency leadership positions and priorities for funding. We cannot assure you that current levels of congressional funding for our products and services will continue and that our business will not decline, or that such funding will be accessible consistent with previously realized timelines due to federal budgetary review activities and potential freezes on or cancellation of various governmental programs from time to time. If annual budget appropriations or continuing resolutions are not enacted timely, we could face U.S. government shutdowns, which could adversely impact our programs and contracts with the U.S. government, our ability to receive timely payment from U.S. government entities, our ability to provide services to the U.S. government resulting in lost or delayed revenue under our services contracts (the volume of which materially increased with our BlueHalo acquisition), and our ability to timely obtain export licenses for our products and services to fulfill contracts with our international customers.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

**Trading Plan**

None of our directors or officers informed us of the adoption or termination of a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Regulation S-K, Item 408 during the three-month period ended January 31, 2026.

## ITEM 6. EXHIBITS

<b>Exhibit Number</b>	<b>Description</b>
3.1	<a href="#">Amended and Restated Certificate of Incorporation of AeroVironment, Inc. (incorporated by reference herein to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on October 3, 2024)</a>
3.2	<a href="#">Sixth Amended and Restated Bylaws of AeroVironment, Inc., amended as of November 20, 2025. (incorporated by reference herein to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on November 25, 2025)</a>
4.1	<a href="#">Indenture, dated as of July 3, 2025, between AeroVironment, Inc. and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the SEC on July 3, 2025)</a>
4.2	<a href="#">First Supplemental Indenture, dated as of July 3, 2025, between AeroVironment, Inc. and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the SEC on July 3, 2025)</a>
10.1†	<a href="#">Lease, dated December 18, 2025, between AeroVironment, Inc. and QOZ 201CC TWO, LLC, for the property located at 4387 West 2100 South, West Valley City, Utah 84120</a>
31.1*	<a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.</a>
31.2*	<a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.</a>
32#**	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	XBRL Instance Document – The instance document does not appear in the Interactive Data Files because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File formatted as Inline XBRL and contained in Exhibit 101

\* Filed herewith.

\*\* Furnished herewith.

† Previously filed with the Original Form 10-Q.

# The information in Exhibit 32 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act (including this report), unless the Company specifically incorporates the foregoing information into those documents by reference.

**SIGNATURES**

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, thereunto duly authorized.

Date: June 22, 2026

AEROVIRONMENT, INC.

By: /s/ Wahid Nawabi

Wahid Nawabi  
Chairman, President and Chief Executive Officer  
(Principal Executive Officer)

/s/ Sean T. Woodward

Sean T. Woodward  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

/s/ Brian C. Shackley

Brian C. Shackley  
Vice President and Chief Accounting Officer  
(Principal Accounting Officer)

**Certification of Principal Executive Officer  
Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934**

I, Wahid Nawabi, certify that:

1. I have reviewed this Amendment No. 1 to the Quarterly Report on Form 10-Q of AeroVironment, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 22, 2026

/s/ Wahid Nawabi

Wahid Nawabi

Chairman, President and Chief Executive Officer

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**Certification of Principal Financial Officer  
Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934**

I, Sean T. Woodward, certify that:

1. I have reviewed this Amendment No. 1 to the Quarterly Report on Form 10-Q of AeroVironment, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 22, 2026

/s/ Sean T. Woodward

Sean T. Woodward

Executive Vice President and Chief Financial Officer

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**Certification**  
**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**  
**(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) (the "Act"), each of the undersigned officers of AeroVironment, Inc., a Delaware corporation (the "Company"), does hereby certify, to each such officer's knowledge, that:

This Amendment No. 1 on Form 10-Q/A ("Form 10-Q/A") for the quarter ended January 31, 2026 (the "Periodic Report") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Wahid Nawabi

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Wahid Nawabi

Chairman, President and Chief Executive Officer

/s/ Sean T. Woodward

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Sean T. Woodward

Executive Vice President and Chief Financial Officer

Dated: June 22, 2026

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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