

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 27, 2018**

AEROVIRONMENT, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

001-33261

(Commission File Number)

95-2705790

(I.R.S. Employer Identification No.)

800 Royal Oaks Drive, Suite 210

Monrovia, CA

(Address of Principal Executive Offices)

91016

(Zip Code)

Registrant's telephone number, including area code: **(626) 357-9983**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure

On June 27, 2018, AeroVironment, Inc. (the "Company") will host an investor and analyst event in New York City beginning at 8:30 am Eastern Time, which will include presentations from the Company's President and Chief Executive Officer, Wahid Nawabi, and the Company's Senior Vice President and Chief Financial Officer, Teresa Covington, and other members of the Company's executive management team. The Company is furnishing as Exhibit 99.1 to this Current Report on Form 8-K the presentation materials to be provided to and discussed with attendees at the investor and analyst event. The Company will also be hosting a live audio webcast of the investor and analyst event and the presentation to be discussed by the Company's executive management team at <http://investor.avinc.com/events-and-presentations>. A replay of the webcast will also be available at <http://investor.avinc.com/events-and-presentations> following the completion of the presentation.

The information in this Current Report on Form 8-K (including the presentation materials attached as Exhibit 99.1 hereto and the webcast) is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filings. This current report on Form 8-K will not be deemed an admission as to the materiality of any information contained herein (including the presentation materials attached as Exhibit 99.1 hereto and the webcast).

Safe Harbor Statement

Certain statements in this Current Report on Form 8-K (including the presentation materials attached as Exhibit 99.1 hereto and the webcast) may constitute "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are made on the basis of current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, strategy or actual results to differ materially from those expressed or implied. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, reliance on sales to the U.S.

government; availability of U.S. government funding for defense procurement and R&D programs; changes in the timing and/or amount of government spending; our ability to perform under existing contracts, including the asset purchase agreement for the proposed sale of our EES business, and obtain new contracts; risks related to our international business, including compliance with export control laws; potential need for changes in our long-term strategy in response to future developments; the extensive regulatory requirements governing our contracts with the U.S. Government and international customers; the consequences to our financial position, business and reputation that could result from failing to comply with such regulatory requirements; unexpected technical and marketing difficulties inherent in major research and product development efforts; the impact of potential security and cyber threats; changes in the supply and/or demand and/or prices for our products and services; the activities of competitors and increased competition; failure of the markets in which we operate to grow; uncertainty in the customer adoption rate of commercial unmanned aircraft systems; failure to remain a market innovator and create new market opportunities; changes in significant operating expenses, including components and raw materials; failure to develop new products; product liability, infringement and other claims; changes in the regulatory environment; and general economic and business conditions in the United States and elsewhere in the world. For a further list and description of such risks and uncertainties, see the reports we file with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. We do not intend, and undertake no obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Description
99.1	Informational slides provided by AeroVironment, Inc., dated June 27, 2018, relating to investor and analyst event

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AEROVIRONMENT, INC.

Date: June 27, 2018

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



PROCEED
WITH
CERTAINTY

Investor and Analyst Event

Nasdaq MarketSite, New York City
June 27, 2018

June 27, 2018

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PROCEED
WITH
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Welcome

Steve Gitlin, VP Corporate Strategy
and Investor Relations

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June 27, 2018

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Safe Harbor Statement

- Certain statements in this presentation may constitute "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as "believe," "anticipate," "expect," "estimate," "intend," "project," "plan," or words or phrases with similar meaning. Forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, strategy or actual results to differ materially from the forward-looking statements.
- Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, reliance on sales to the U.S. government; availability of U.S. government funding for defense procurement and R&D programs; changes in the timing and/or amount of government spending; our ability to perform under existing contracts, including the asset purchase agreement for the proposed sale of our EES business, and obtain new contracts; risks related to our international business, including compliance with export control laws; potential need for changes in our long-term strategy in response to future developments; unexpected technical and marketing difficulties inherent in major research and product development efforts; the impact of potential security and cyber threats; changes in the supply and/or demand and/or prices for our products and services; the activities of competitors and increased competition; failure of the markets in which we operate to grow; uncertainty in the customer adoption rate of commercial use unmanned aircraft systems; failure to remain a market innovator and create new market opportunities; changes in significant operating expenses, including components and raw materials; failure to develop new products; the extensive regulatory requirements governing our contracts with the U.S. government; product liability, infringement and other claims; changes in the regulatory environment; and general economic and business conditions in the United States and elsewhere in the world.
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Interpretive Notes to the Financial Presentation

- Unless otherwise noted, the amounts presented in this presentation reflect the results from continuing operations.
- Efficient Energy Systems ("EES") business is reclassified to discontinued operations for all periods presented, unless otherwise noted.
- As the FY18 Revenue and EPS Guidance were based on the consolidated performance of the UAS business segment (continuing operations) and EES business (in FY18, reclassified to discontinued operations), this presentation contains, where noted, results consolidating continuing and discontinuing operations results for comparison purposes to FY18 Guidance.

Agenda

Topic	Time	Presenter
Welcome	8:30 - 8:40	Steve Gitlin
<i>Tomorrow, Together</i>	8:40 - 9:10	Wahid Nawabi
UAS Overview	9:10 - 9:40	Kirk Flittie
Break	9:40 - 9:55	
Financials	9:55 - 10:30	Teresa Covington
Customer Panel	10:30 - 11:00	Steve Gitlin Flemming Olstroem, Major, Danish Army Ulf Bogdawa, CEO SkyDrones, SA
Q&A, Closing	11:00 - 11:30	Wahid Nawabi, Teresa Covington

Tomorrow, Together

Wahid Nawabi, President and Chief Executive Officer

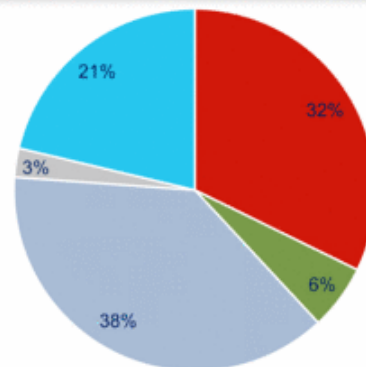
AeroVironment is a Technology Solutions Provider at the Intersection of Future-Defining Capabilities



Growing Patent Portfolio Protects our Unique IP

- 155 U.S. patents issued
- Additional 67 applications pending
- Does not include trade secrets
- Dedicated internal and external IP counsel

Percentage of U.S. Patents Issued to AeroVironment by Business



- Small UAS
- Tactical Missile Systems
- HAPS
- Commercial Information Solutions
- Other

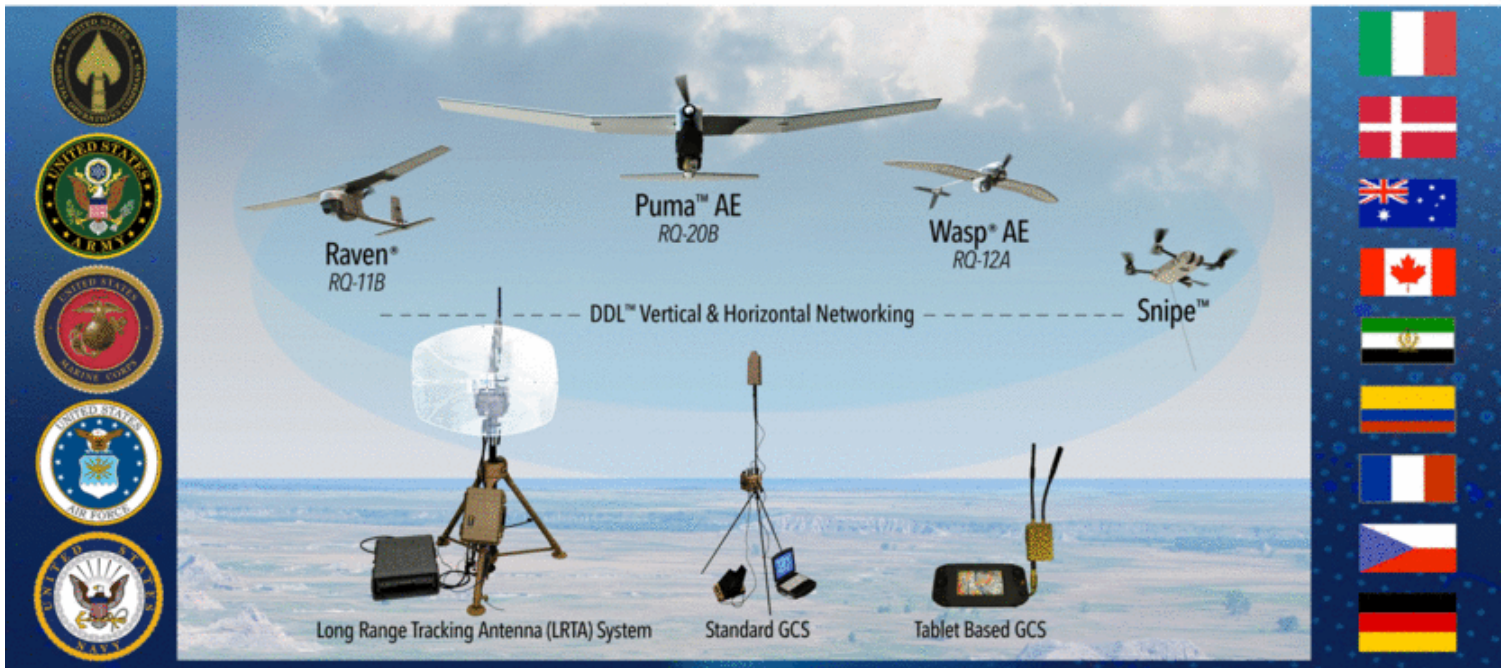
Strong Fiscal 2018 Performance

- \$271 million revenue from continuing operations (\$309 with discontinued operations)
- Exceeded revenue, earnings per share guidance
- Record fourth quarter-ending funded backlog of \$174 million
- Strong international demand – 40% of company revenue
- Strong DoD funding evident in government fiscal year 2019 (GFY19) budget request

Strategic Actions Taken

- ✓ Focus on UAS and TMS - EES divestiture
- ✓ Equity investment in HAPSMobile, Inc. – likely to require significantly higher investments in future
- ✓ Partnering with others to pursue our business objectives
- ✓ Continuously evaluating deploying our balance sheet for strategic investments

The Pioneer and Leader in Small UAS



Small UAS Market Potential

Potential small unmanned aircraft fleet size – U.S.:

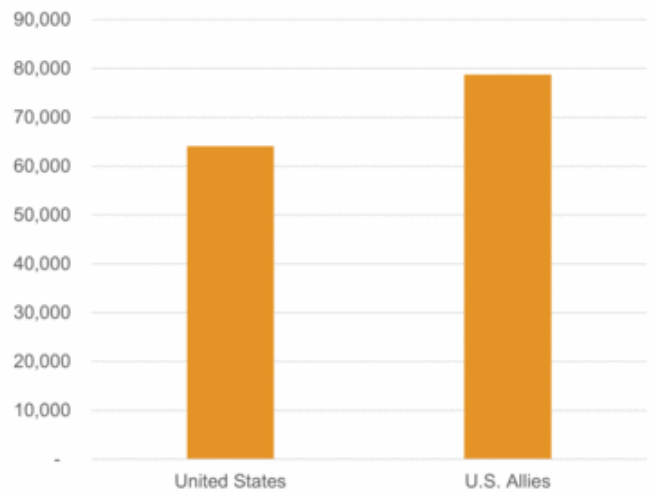
- Approximately 1,281,900 active duty troops¹
- Approximately 9,500 Raven B Puma AE and Wasp small unmanned aircraft in DoD as of 2013²
- Calculated ratio of 135 troops per AeroVironment small unmanned aircraft
- Potential fleet size at 20:1 ratio = 64,125

Potential small unmanned aircraft fleet size U.S. allies:

- Approximately 3,150,000 active duty troops in allied military forces
- Potential fleet size at 40:1 ratio = 78,750

Total potential small unmanned aircraft market potential: 142,875

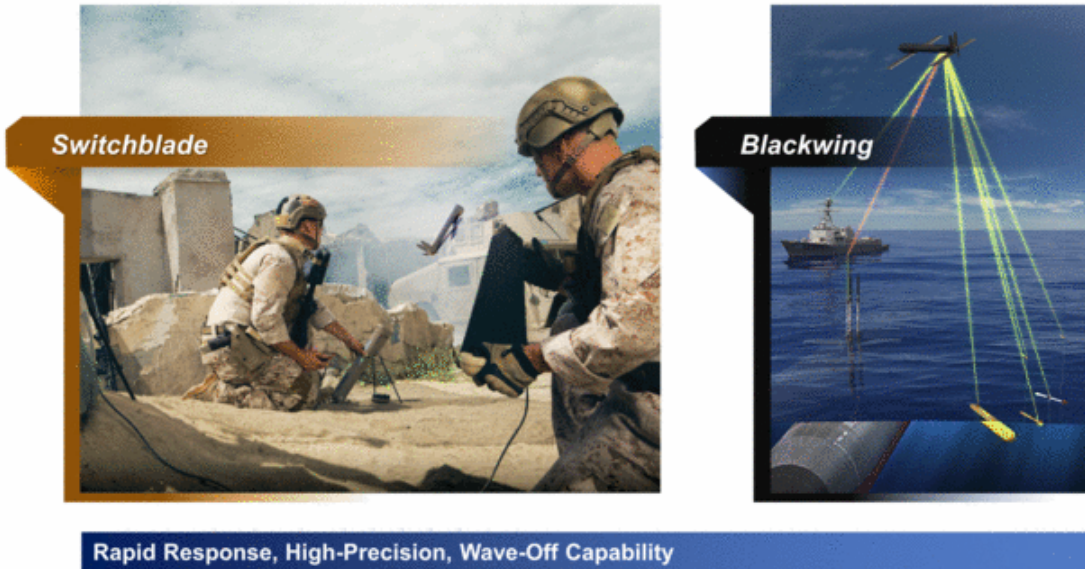
Potential Small Unmanned Aircraft Fleet Size



¹ globalfirepower.com (allies included in estimate: South Korea, Egypt, Turkey, Italy, Japan, Saudi Arabia, France, U.K., Germany, Greece, Spain, Canada, Australia, Belgium)

² U.S. Department of Defense Unmanned Systems Integrated Roadmap FY2013-2038

The Pioneer and Leader in Loitering Munitions (TMS)



TMS Market Potential

- Based on current Switchblade adoption:
 - Approximately 450,000 active duty U.S. Army soldiers ¹
 - 1,318 LMAMS rounds budgeted for fiscal 2019 procurement ²
 - Calculated ratio of 341 soldiers per LMAMS round
- Potential procurement opportunity at ratio of 100 soldiers to LMAMS round = 4,500



- Based on Legacy Weapon Systems Procurement
 - U.S. Department of Defense budgeted **\$2.5 billion** in fiscal 2018 for:
 - Tactical Missiles
 - Anti-Tank/Assault Missiles
 - Mortar Ammunition
 - Rockets
 - Grenades
 - Artillery Ammunition
 - Sonobuoys
- AeroVironment TMS could address a portion of these applications

¹ Heritage.org 2017 Index of Military Strength

² Department of the Army FY 2019 President's Budget Exhibit P-1 FY 2019 President's Budget Total Obligational Authority Feb 2018

The Pioneer and Leader in HAPS

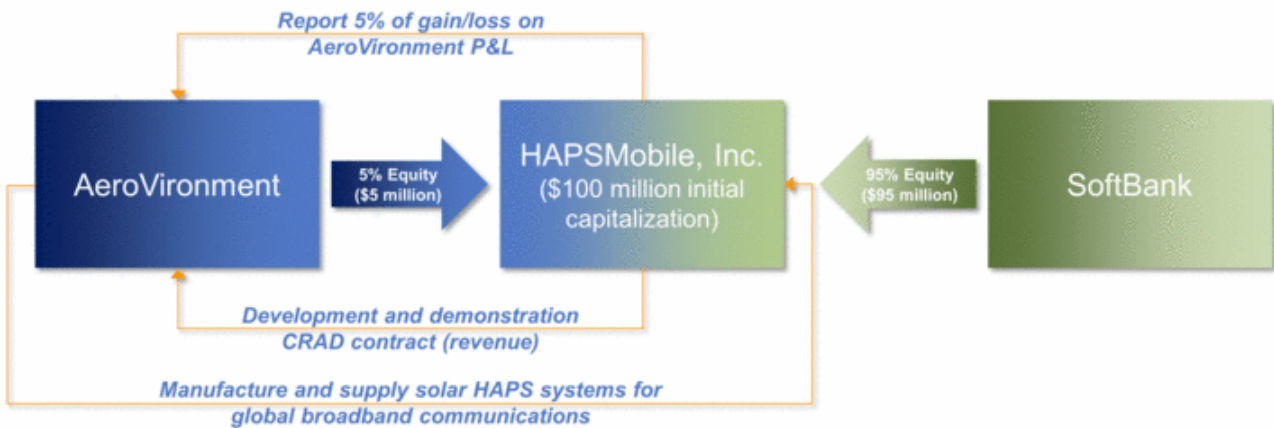
U.S. mobile operators will spend \$100B on 5G by 2020, study says.
- GSMA, March 2018

5G set to massively boost IT infrastructure spending of \$326B by 2025.
- Forbes, February 2018

Dish Could Spend Up to \$1B on NB-IoT Network, \$10B on Nationwide 5G.
- Wirelessweek, May 2018

Upgrade to 5G costs \$200 Billion a year...
- Bloomberg, December 2017

HAPSMobile Joint Venture Business Relationship



The First “Drone as an App” Integrated Commercial Information Solution



Strategic Takeaways

1. AeroVironment is a pure-play solutions company focused on robotics, sensors, analytics and connectivity technologies
2. Excellent fiscal 2018 results
3. We are at the forefront of multiple large, promising global value creation opportunities
4. Strong financial position that enables our growth strategy
5. Demonstrated track record of capitalizing on growth opportunities

Unmanned Aircraft Systems

Kirk Flittie, VP and General Manager

**AEROVIRONMENT
CAPABILITY ROADMAP**
June 2018

DEFENSE	<p>SUAS Family-of-Systems (Raven®, Wasp®, Puma™)</p>	<p>Shrike 2 Hybrid & VTOL</p>	<p>Next Gen GCS</p>	<p>Puma LE</p>	<ul style="list-style-type: none"> • Ground Robot-Aircraft • Manned-Unmanned Teaming 	
	<p>Switchblade™ Loitering Munition</p>	<p>Sensor to Shooter System</p>	<p>Switchblade</p> <p>Swarming Switchblade from Multiple-Pack-Launcher</p>	<p>Integrated on Submarines, Ships, Helos and Aircraft</p>		
COMMERCIAL	<p>Helios Solar-Powered, World Record Holder</p>	<p>Hawk 30 Telecom Platform</p>	<p>HAPS 5G + IoT Network</p>	<p>Shrike VTOL™</p>	<p>Quantix™ / DSS Ecosystem</p>	<p>ACIS-600 for VTOL</p>
	FIRST GENERATION UAV PLATFORMS YESTERDAY	NEXT GEN ADVANCED UAS FAMILY-OF-SYSTEMS TODAY		MULTI-DOMAIN, DISTRIBUTED, NETWORKED, AND INTEGRATED SYSTEMS TOMORROW		

AEROVIRONMENT STRATEGIC ROADMAP

June 2018

AEROVIRONMENT GROWTH

AEROVIRONMENT PURPOSE

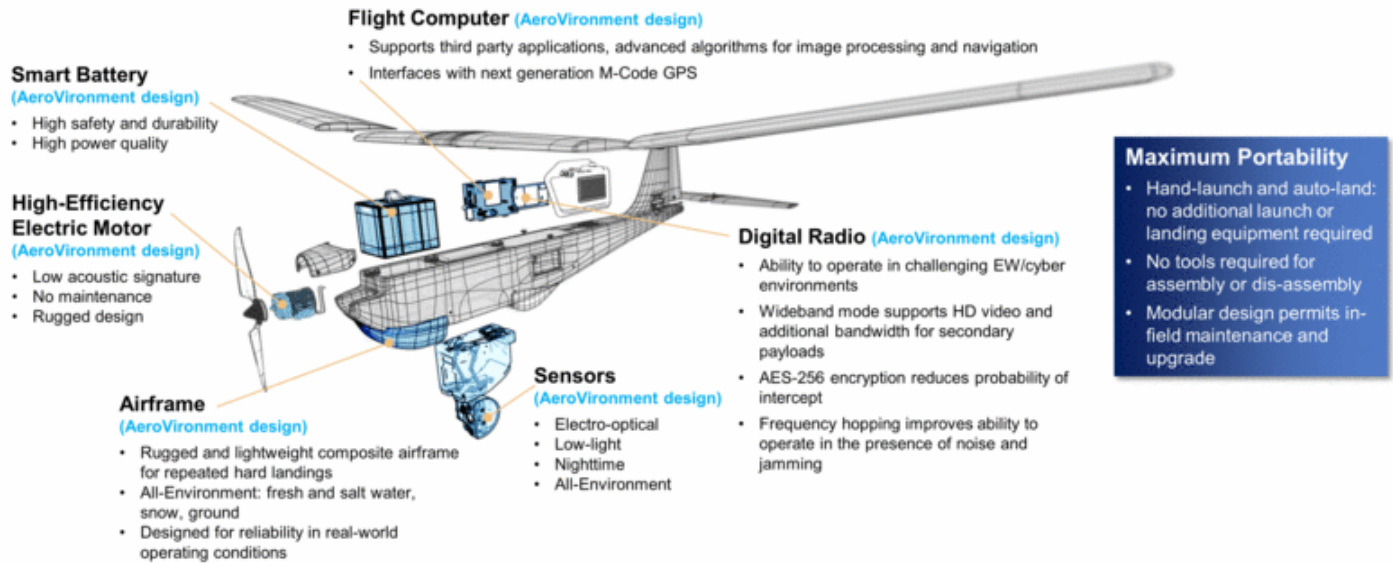
To secure lives and advance sustainability through transformative innovation



AeroVironment is a Technology Solutions Provider at the Intersection of Future-Defining Capabilities



Integrated, Highly Engineered System Designed for Real-World Military Operations



AeroVironment is the Leading Supplier of UAS to the U.S. Department of Defense (DoD)

- Family of rugged, secure, interoperable systems
- More than 85% share of DoD UAS fleet *
- Winner of five DoD small UAS programs of record
- Secured more than 90% of Army ID/IQ task order dollars since December 2012
- New procurement opportunities for Army Soldier Borne Sensor (SBS) and Short Range Reconnaissance (SRR)

* U.S. Department of Defense Unmanned Systems Integrated Roadmap, 2013

Small UAS: Growing International UAS Footprint

45 ALLIED COUNTRIES (AS OF JUNE 2018):

Afghanistan, Australia, Belgium, Bulgaria, Burundi, Canada, Colombia, Czech Republic, Denmark, Egypt, Estonia, Ethiopia, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Jordan, Kenya, Latvia, Lebanon, Lithuania, Luxembourg, Macedonia, Malaysia, Netherlands, Norway, Pakistan, Philippines, Romania, Saudi Arabia, Singapore, Spain, Sweden, Thailand, Tunisia, Turkey, UAE, Uganda, UK, Ukraine, Uzbekistan, Yemen



Small UAS Future: The U.S. Army is Embracing Robotics & Autonomous Systems (RAS)

Objectives:

- Increase situational awareness
- Lighten the Soldiers' physical and cognitive workloads
- Sustain the force with increased distribution, throughput, and efficiency
- Facilitate movement and maneuver
- Protect the force



Source: U.S. Army Robotics and Autonomous Systems Strategy, March 2017

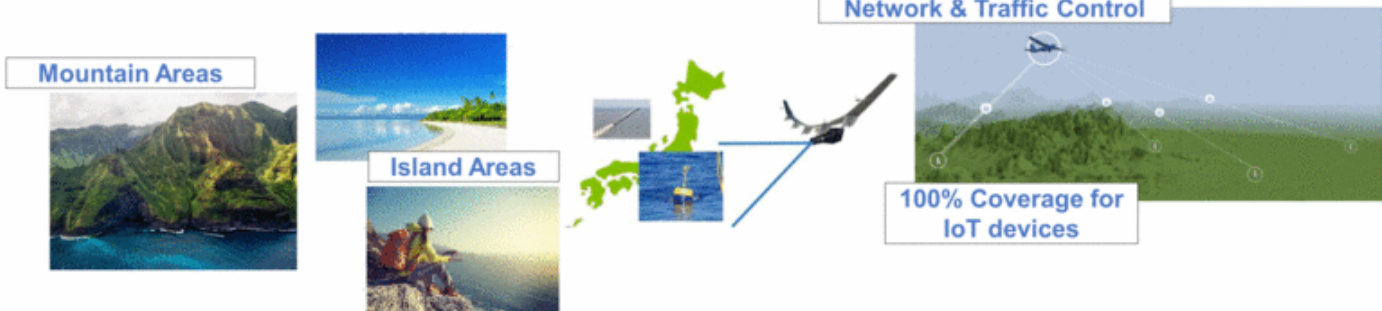
Tactical Missile Systems: Smarter Missile Technology

- \$111 million in orders from August 2017 through May 2018 from U.S. Army and Marine Corps
- \$113 million in proposed procurement funding for Switchblade in GFY19 DoD budget request
- Variants include Blackwing™ submarine-launched reconnaissance and connectivity solution
- Networked solution with AeroVironment and other systems

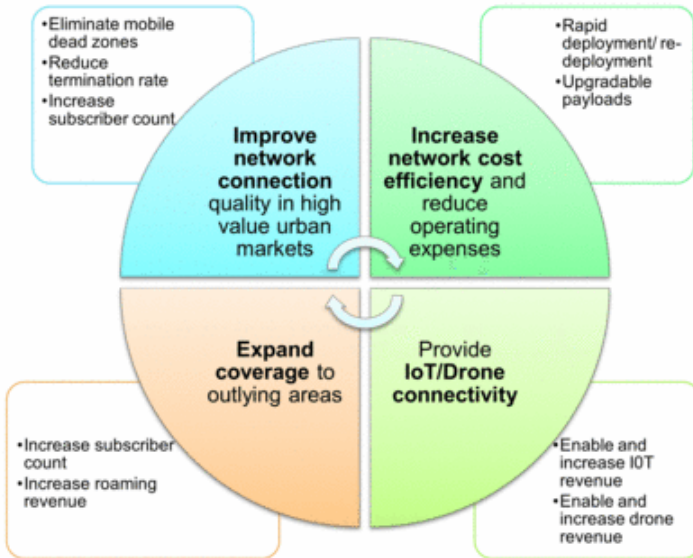


HAPS Opportunity

- Mobile connection, anytime, anywhere
- IoT and drones – ubiquitous link
- Safety and security – disaster areas
- Defense and monitoring – complements satellite coverage

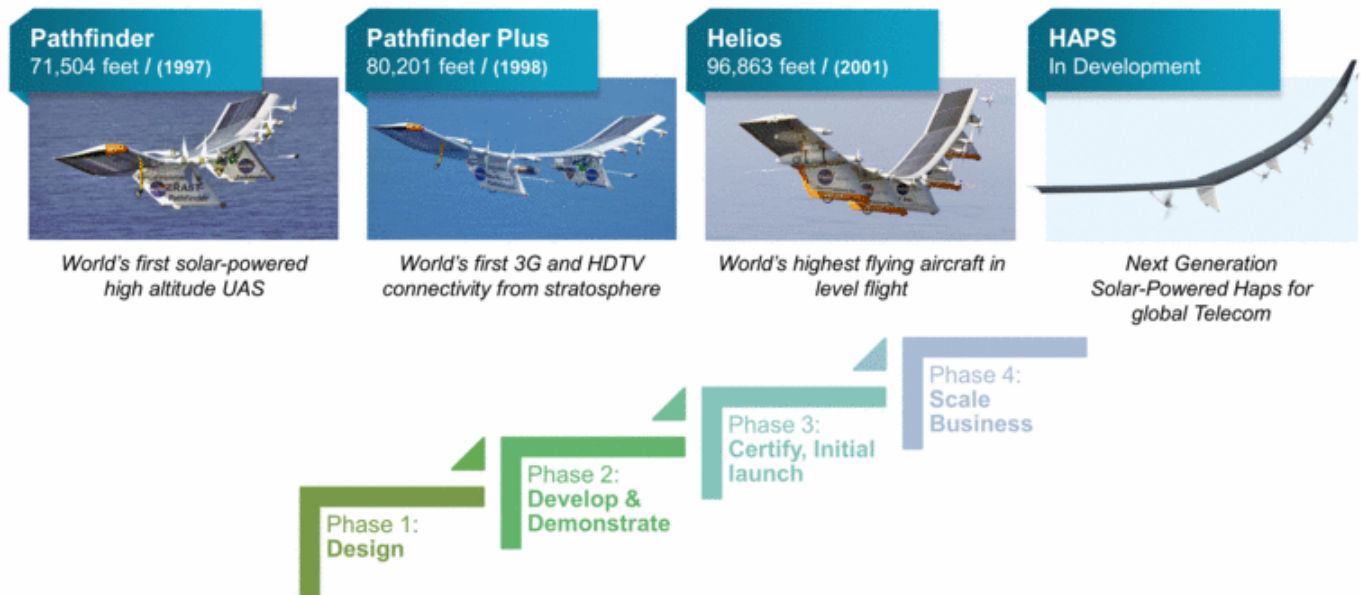


HAPS Telecommunications Benefits



- Deployable with existing handset technology
- Broader coverage (one aircraft = 1,800 towers)
- Flexible deployment (wherever, whenever)

Our HAPS Business Builds on AeroVironment's Unique Experience with Solar-Powered High-Altitude UAS



Commercial Information Solutions

- Entered market with disruptive solution
- Building channel through agriculture dealers
- Gaining experience
- Opportunities for strategic partnerships to accelerate education and awareness
- Integrated ecosystem of hardware, sensors, software and connectivity



Strong Visibility for AeroVironment Solutions in Government Fiscal 2019 Budget Request



Break

Financial Overview

Teresa Covington, Senior VP and
Chief Financial Officer

AeroVironment Strong Financial Position

- Strong, profitable core business across a diverse global customer base
- Attractive growth portfolio opportunities
- Balance sheet provides flexibility to act decisively to support adoption of AeroVironment solutions

Key Fiscal 2019 Expectations:

- Continued strength in Small UAS and Tactical Missile Systems businesses
- Continue to execute on new growth opportunities: HAPS and Commercial Information Solutions
- Complete divestiture of EES business segment *
- Identify strategic inorganic growth opportunities

* Efficient Energy Systems business segment is reclassified to discontinued operations for all periods presented, unless otherwise noted.

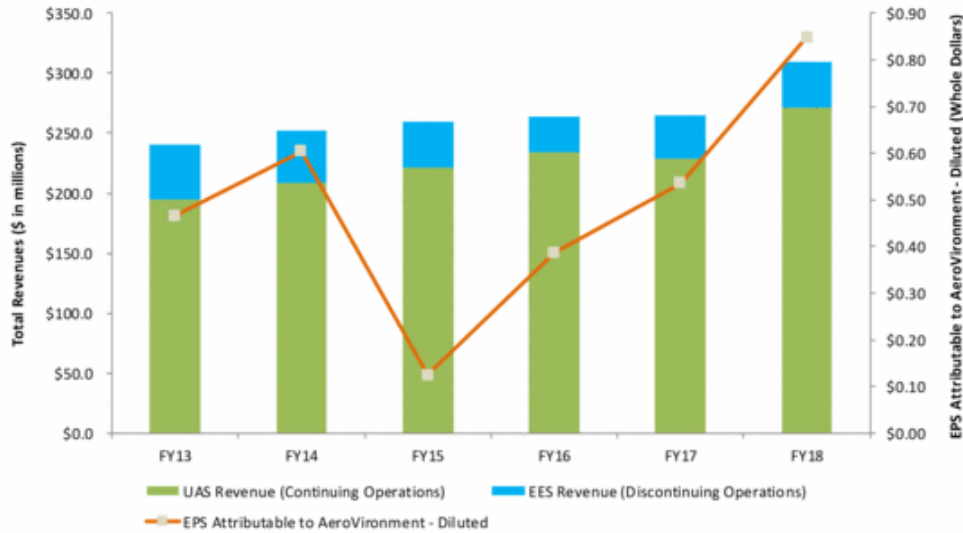
Delivered Strong Financial Performance in Fiscal 2018

\$M, excluding EP	FY17	FY18 *	Variance	Fiscal 2018 Guidance
Revenue:				
Continuing Operations	\$228.9	\$271.1	\$42.2	
Discontinued Operations	\$35.9	\$37.9	\$2	
Total Revenue *	\$264.9	\$309	\$44.2	\$280 - \$300 - Exceeded
<i>Total Revenue Growth %</i>	<i>NQ</i>	16.6%		
R&D Expense	\$28.5	\$26.4	\$(2.1)	
<i>R&D % of Continuing Operations Revenue</i>	12.4%	9.8%		9%-10% of Revenue R&D range Inline with Expectations
EPS Attributable to AeroVironment – Diluted *	\$0.54	\$0.84	\$0.30	\$0.45 - \$0.65 - Exceeded
Year-End Funded Backlog	\$70.9	\$174.3	\$103.4	Record year-ending backlog

* Notes: Unless otherwise noted, the amounts presented in the table above reflect the results from continuing operations. As the FY18 Revenue and EPS Guidance were based on the consolidated performance of the UAS business segment (continuing operations) and EES business (in FY18, reclassified to discontinued operations), we presented Total Revenues (revenue from continuing and discontinued operations) and EPS Attributable to AeroVironment – Diluted in the table above, for comparison purposes to FY18 Guidance.

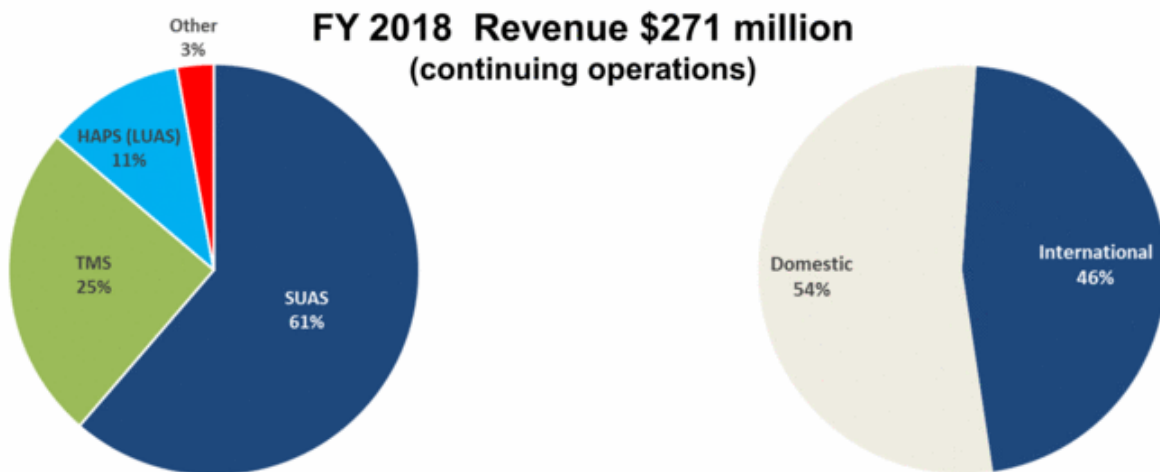
Revenue and EPS Growth After Sequestration

FY15 – FY17 Investments driving profits and revenue growth



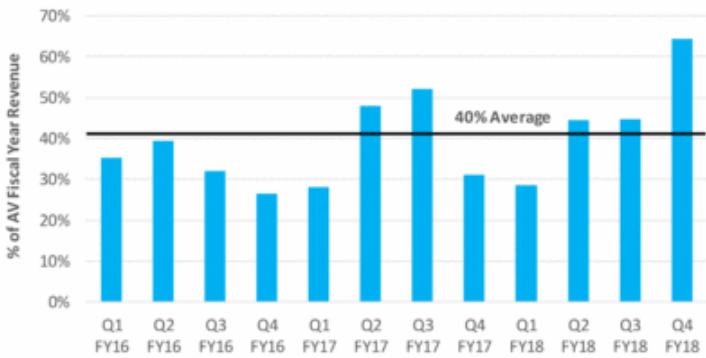
Notes: Revenue presented includes revenue from both UAS Business Segment (continuing operations) and the EES Business (in FY18, reclassified to discontinued operations). Diluted EPS is the fully diluted net income per share attributable to AeroVironment.

FY18 Revenue Profile – TMS & International Becoming Cornerstones of Business; HAPS Growing

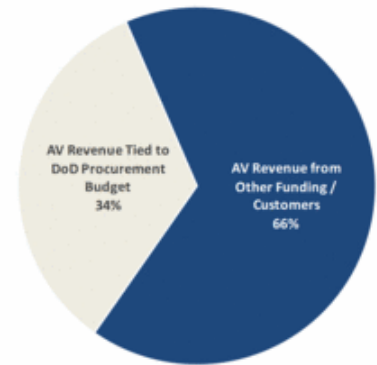


Majority of AeroVironment Revenue Not Historically Tied to DoD Procurement Budget Line Items

End of Qtr. Funded Backlog vs. AeroVironment Annual Revenue

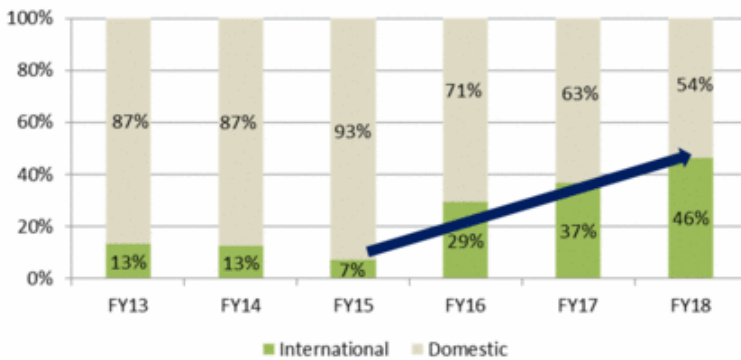


AV Revenue vs. GFY16-17 DoD Procurement Budgets

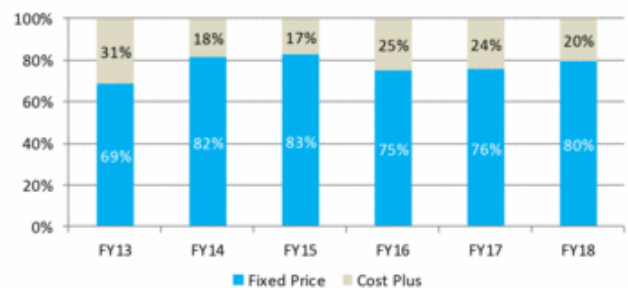


A Growing International Business, and Mix Dominated by Fixed Price and Product Sales

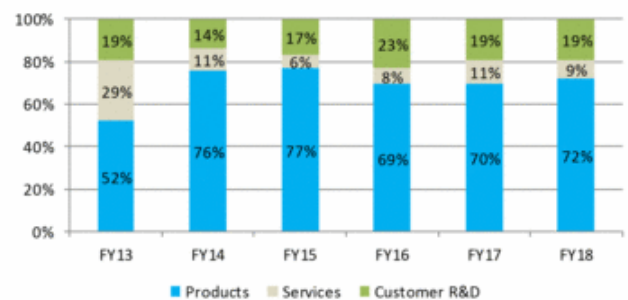
Revenue Mix by Geography



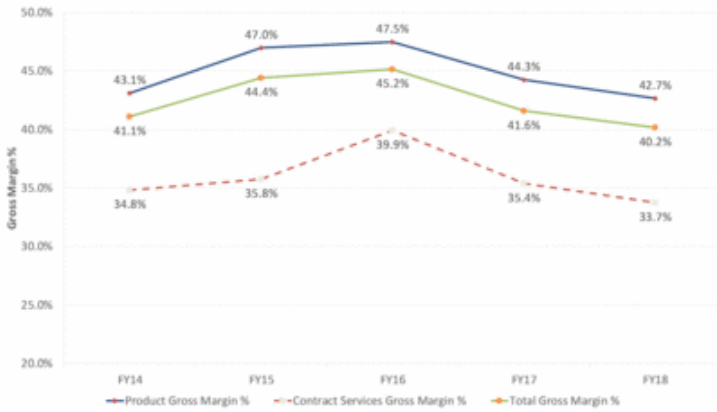
Revenue Mix by Contract Type



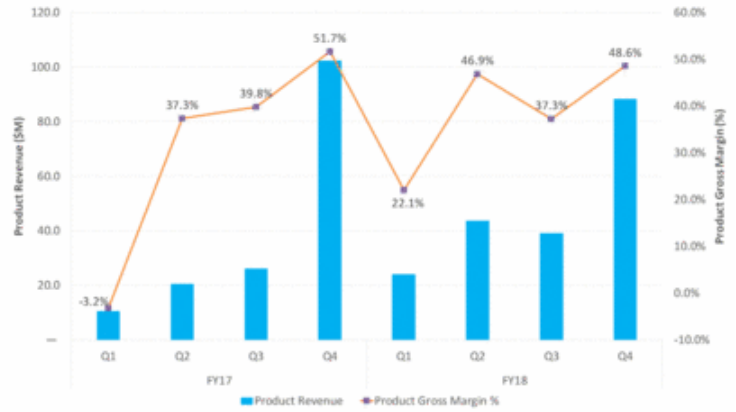
Revenue Mix by Function



Gross Margin Trends – Sensitive to Mix and Volume

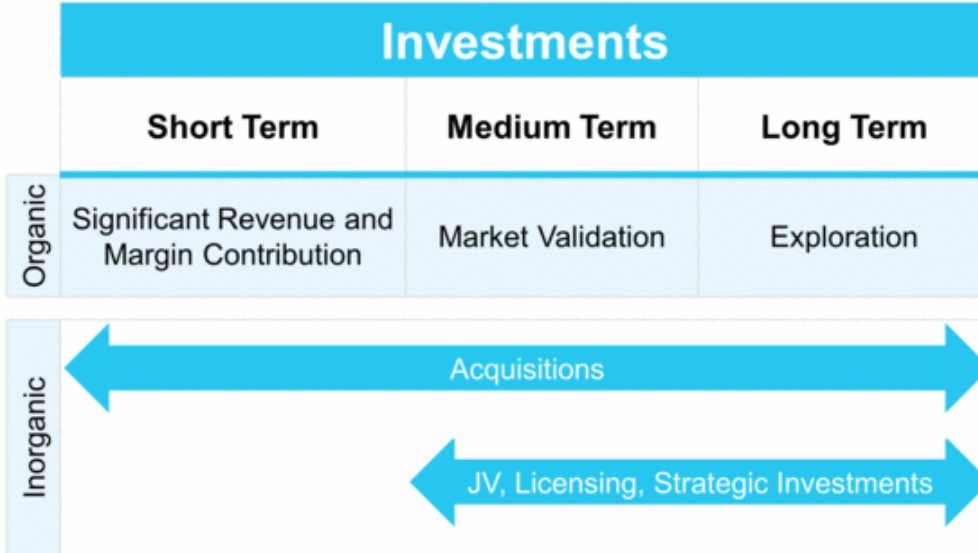


Gross margin impacted by the mix between products and services...



...and quarterly sales volume

Multi-Faceted Investment Strategy Levers P&L and Balance Sheet

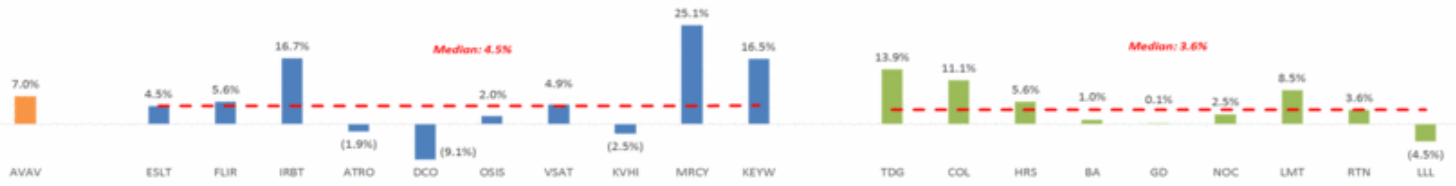


Uses of Capital:

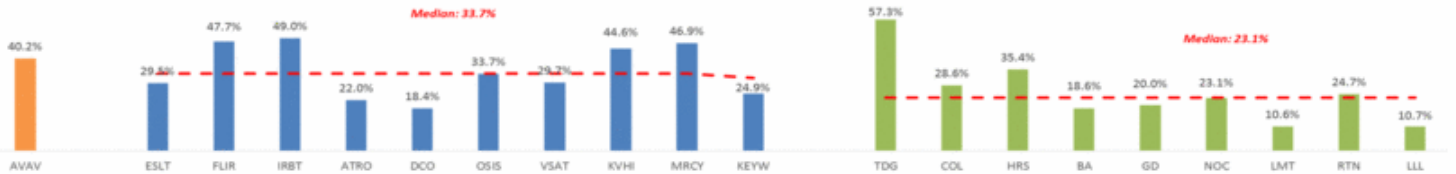
- Internally Funded R&D
- Growth Working Capital
- Growth Capital Expenditures
- Inorganic Investments
- Return of value to stockholders

AeroVironment Compares Favorably to Small Cap Defense/Defense Tech Peers

Most Recent Fiscal 3-Year Revenue CAGR



Most Recent Fiscal Year Gross Margin %



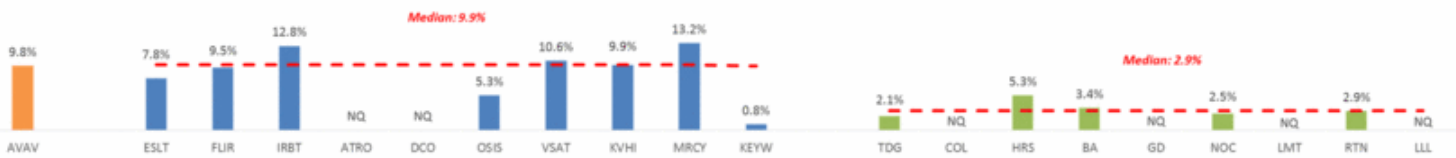
Source: NASDAQ IR Insight, Company Filings

■ = Small Defense / Defense Tech Peers

■ = Big A&D Peers (> \$10B Market Cap.)

AeroVironment Compares Favorably to Small Cap Defense/Defense Tech Peers

Most Recent Fiscal Year R&D Expense as a % of Revenue



Most Recent Fiscal Year SG&A Expense as a % of Revenue



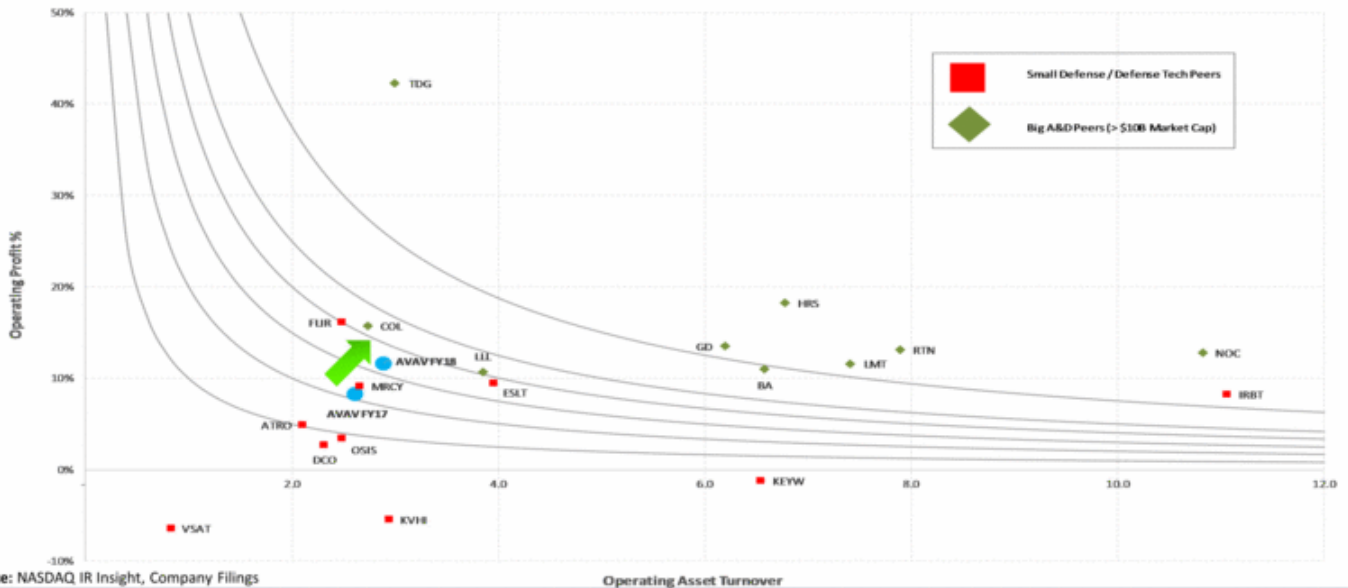
Source: NASDAQ IR Insight, Company Filings

■ = Small Defense / Defense Tech Peers

■ = Big A&D Peers (> \$10B Market Cap.)

Return on Net Operating Assets (RNOA) - Improving Asset Utilization Aligned with Defense Technology Peers

AV Comparable Company RNOA



Source: NASDAQ IR Insight, Company Filings

Operating Asset Turnover

HAPS Financial Reporting

Accounting for HAPS Mobile, JV

- Joint Venture
 - 5% ownership stake
 - Equity method of accounting
 - 5% of the JV gain/(loss) recorded as Equity method of, net of tax (no tax benefit)
- Design Development Agreement/ Other Revenue
 - Not to exceed \$75.8 million cost-plus fixed-fee contract
 - \$7.5M fixed price contract

Financial Reporting

- Joint Venture *

	FY18	Total
Cash (\$M)	(\$3.3)	(\$5.2)
Other assets long-term (\$M)	\$2.0	\$5.2
Equity method (loss), net of tax (\$M)	(\$1.3)	(\$5.2)

- Design Development Agreement

	FY18	Total
Revenue (\$M)	\$22.1	\$75.8
Other Revenue (\$M)	\$7.5	\$7.5
Unbilled receivables and retentions (\$M)	\$3.1	

* Notes: Excludes exchange loss on conversion to Japanese Yen

FY19 – Financial Guidance Continuing Operations

\$Millions, excluding EP	FY17*	FY18	FY19 Guidance
Revenue	\$228.9	\$271.1	\$290 - \$310
<i>Growth</i>	<i>(2)%</i>	<i>18%</i>	<i>7% - 14% Growth</i>
Gross Profit	\$95.2	\$108.9	
<i>Gross Margin</i>	<i>42%</i>	<i>40%</i>	
R&D Expenses	\$28.5	\$26.4	
<i>R&D</i>	<i>12%</i>	<i>10%</i>	10% - 11% of Revenue
Diluted EPS from Continuing Operations	\$0.72	\$0.95	\$1.10 - \$1.40 @ 5% ownership of HAPS Mobile JV and inclusive of a one-time gain due to litigation settlement of \$0.25 - \$0.26
Anticipated diluted share count: 24.1 million to 24.3 million Estimated Tax Rate on Continuing Operations: 15% - 18%			

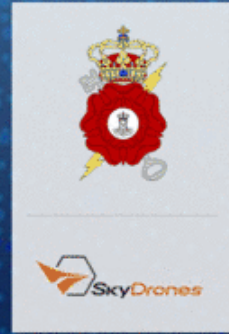
Financial Takeaways

- Strong financial position
- Increasingly diverse revenue streams
- Margin sensitivity to revenue mix and volume
- Increasing focus on strategic investments
- Anticipating continued growth

Tomorrow, Together: Customer Panel

Flemming Olstroem, Major, Branch Head IMINT&UAS
Research and Development Division Danish Army
Intelligence Centre

Ulf Bogdawa, Director/CEO SkyDrones Tecnologia
Aviônica S/A



Danish Army Unmanned Aerial Systems

SUAS Danish Army since 2007



UNCLASSIFIED

MAY 22ND 2018

FROM RAVEN TO PUMA AE

- 2007 - 2013 Raven B (12.000⁽⁺⁾ hrs)
 - DNK SOF procurement
 - DNK Army Troop trial (Afghanistan 2008-2013)
- 2012 - now Puma AE (9.000⁽⁺⁾ hrs)
 - DNK Army and SOCOM
- Organization
 - Four man Section; three Sections/Platoon; two Platoons
 - One Platoon supports one Battalion
 - Intelligence, Surveillance & Reconnaissance (ISR)
 - Actionable Intelligence at Battalion and Company levels



PUMA AE MISSIONS

- RECSYR: Removal of chemical weapons from Syria
- OOS: Operation Ocean Shield (pirate hunting off the Horn of Africa) → SOCOM
- OIR: Operation Inherent Resolve (Iraq) → ARMY
- ISAF: International Security Assistance Force (Afghanistan)







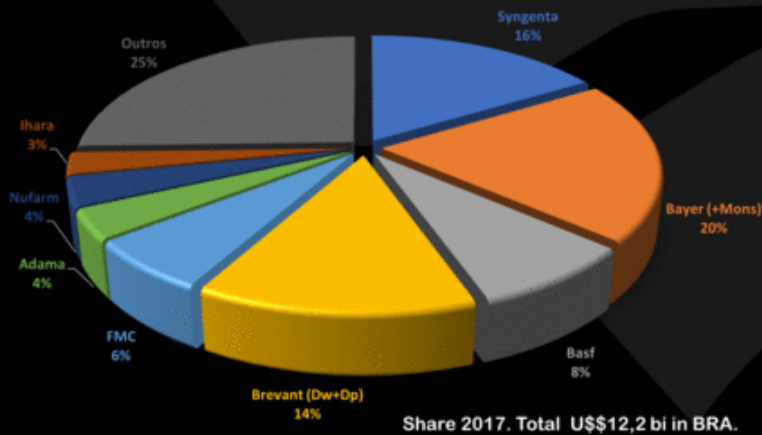
SkyAgri – SkyDrones Farm Services

IT'S ALL ABOUT MARKET SHARE IN A US\$ 12,2 BILLION BUSINESS



Chemical companies understand that to keep the Market Share they need information and they need to deliver more than chemicals

SHARE BY COMPANY



Focus: Provide Farm Services



Farmer Benefits

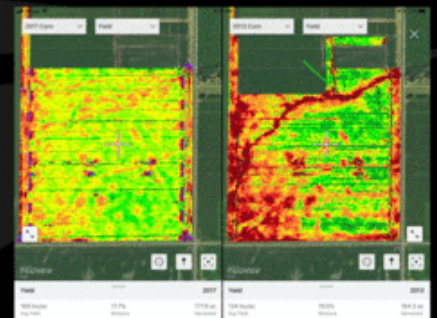
- Will get precise managerial crop information
- Will be able to use spraying drones in unreachable/unsafe areas or stop using manual spraying
- Will have this information integrated with Enterprise Resource Planning Software if needed
- Will have means to reduce costs and boost productivity



**FARMERS DON'T WANT FLYING
CAMERAS, THEY NEED PRECISE
INFORMATION. THEY DON'T WANT
SPRAYING MACHINES, THEY NEED
RESULTS**

(and this is how we are giving it to them)

Climate Field View - Monsanto



PRODUCTIONS BELTS - COMPARATIVE



Belts EUA – Agricultural belts predominantly **monoculture** specialized in production

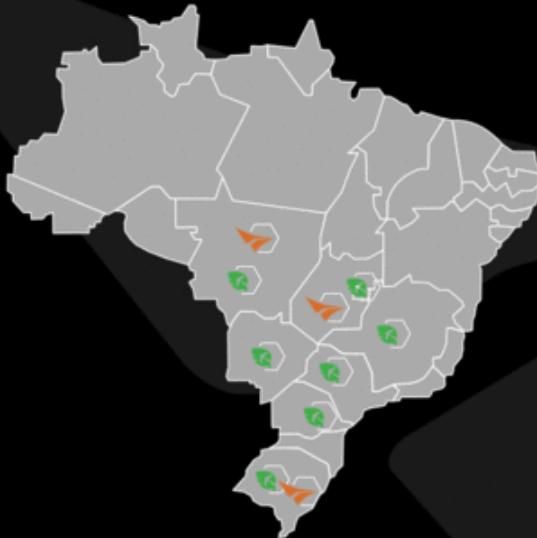
Main Crops 2017
 Corn – 33,34 hectares -> 357,26 mmt
 Soy – 35,85 hectares -> 115,80 mmt



Belts BRA – Agricultural belts in **polyculture** favored by climate

Main Crops 2017
 Corn – 17,70 hectares -> 95,00 mmt
 Soy – 34,70 hectares -> 107,00 mmt

IT'S ALL ABOUT FRANCHISES



To be cost-effective you need to be closest to the costumers as possible



SKYDRONES Maintenance Center

Flight Training School



SKYAGRI
 Aerial Mapping
 Aerial Spraying
 Agro Consulting

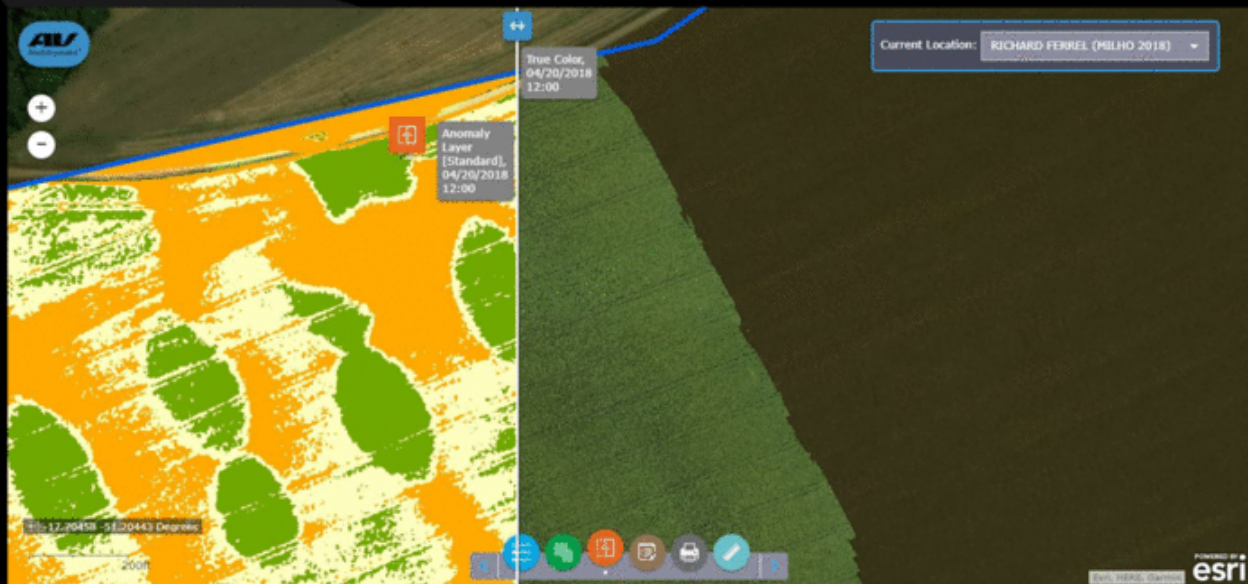
AeroVironment QUANTIX



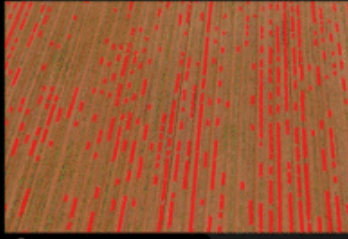
Benefits

- Ease of use
- Tested in the harsh conditions of Goias
- Unlimited supply (faster manufacturing)
- Cloud processing support SkyDrones Algorithms
- Can be customized to project standards

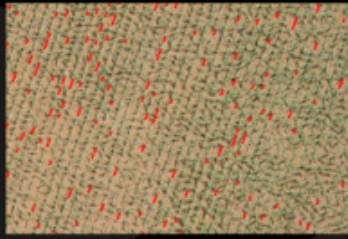
AeroVironment Decision Support System



PLANT LINES AND FAULTS

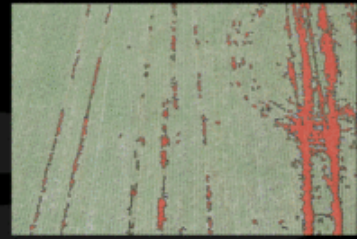


Sugar cane



corn

PLANT FAILURE AREAS



soy

PLANT COUNTING



coffee



citrus

WEED



Sugar cane

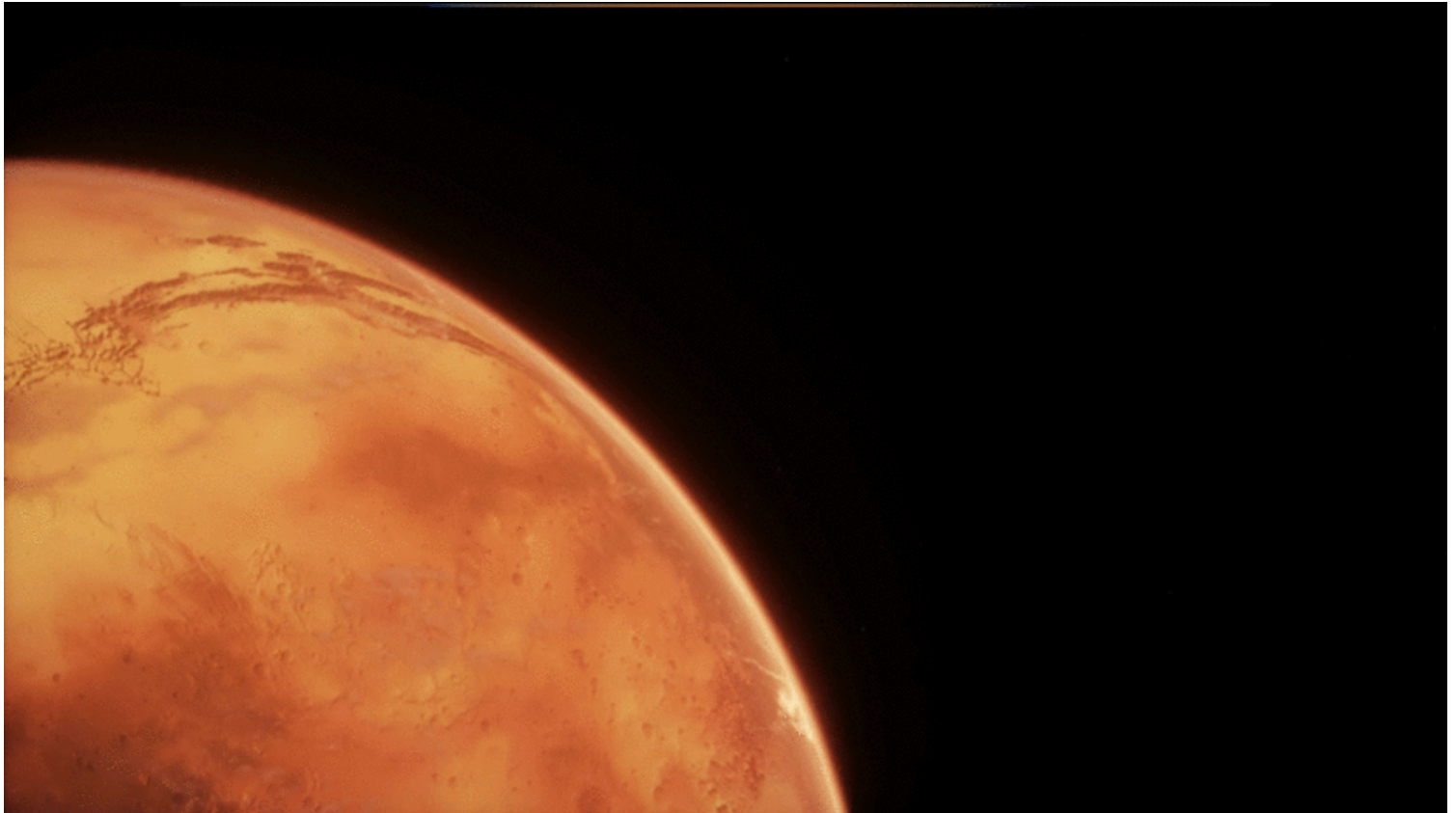
Summary and Q&A

Wahid Nawabi, President and
Chief Executive Officer

Teresa Covington, Senior VP and
Chief Financial Officer

Key Takeaways

- Pure-play solutions company focused on robotics, sensors, analytics and connectivity technologies
- Leader in multiple market segments with promising growth opportunities
- Strong fiscal 2018 financial and operational performance
- Balance sheet to support strategic investments for long-term value creation



Thank You