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FOURTH QUARTER FISCAL YEAR 2022 EARNINGS PRESENTATION

Jun 28, 2022

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, the impact of our recent acquisitions of Arcturus UAV, Inc., Telerob GmbH and the Intelligent Systems Group of Progeny Systems Corp. and our ability to successfully integrate them into our operations; the risk that disruptions will occur from the transactions that will harm our business; any disruptions or threatened disruptions to our relationships with our distributors, suppliers, customers and employees, including shortages in components for our products; the ability to timely and sufficiently integrate international operations into our ongoing business and compliance programs; reliance on sales to the U.S. government and related to our development of HAPS UAS; availability of U.S. government funding for defense procurement and R&D programs; changes in the timing and/or amount of government spending; our ability to perform under existing contracts and obtain new contracts; risks related to our international business, including compliance with export control laws; potential need for changes in our long-term strategy in response to future developments; the extensive regulatory requirements governing our contracts with the U.S. government and international customers; the consequences to our financial position, business and reputation that could result from failing to comply with such regulatory requirements; unexpected technical and marketing difficulties inherent in major research and product development efforts; the impact of potential security and cyber threats or the risk of unauthorized access to our, our customers' and/or our suppliers' information and systems; changes in the supply and/or demand and/or prices for our products and services; increased competition; uncertainty in the customer adoption rate of commercial use unmanned aircraft systems; failure to remain a market innovator, to create new market opportunities or to expand into new markets; unexpected changes in significant operating expenses, including complex components and raw materials; failure to develop new products or integrate new technology into current products; unfavorable results in legal proceedings; our ability to respond and adapt to unexpected legal, regulatory and government budgetary changes, including those resulting from the ongoing COVID-19 pandemic, such as supply chain disruptions, vaccine mandates, the threat of future variants and potential governmentally-mandated shutdowns, quarantine policies, travel restrictions and social distancing, curtailment of trade, diversion of government resources to non-defense priorities, and other business restrictions affecting our ability to manufacture and sell our products and provide our services; our ability to comply with the covenants in our loan documents; our ability to attract and retain skilled employees; the impact of inflation; and general economic and business conditions in the United States and elsewhere in the world; and the failure to establish and maintain effective internal control over financial reporting. For a further list and description of such risks and uncertainties, see the reports we file with the Securities and Exchange Commission. We do not intend, and undertake no obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.
- For a further list and description of such risks and uncertainties, see the reports we file with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are available at www.sec.gov or on our website at www.investor.avinc.com/financial-information. 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.

4TH QUARTER FISCAL YEAR 2022 KEY MESSAGES

- **Despite continued supply chain constraints, tight labor markets and elevated material costs, the company performed largely as expected in the 4th quarter and met revised guidance for the year**
- **Backlog fell slightly reflecting ongoing contracting delays and task order timing, but we forecast solid organic growth in FY23**
- **Global events leading to increased focus on our innovative solutions and we anticipate strong domestic and international demand going forward**
- **Making strides in managing supply chain issues, controlling costs and improving operational efficiency reflected in improving margins**

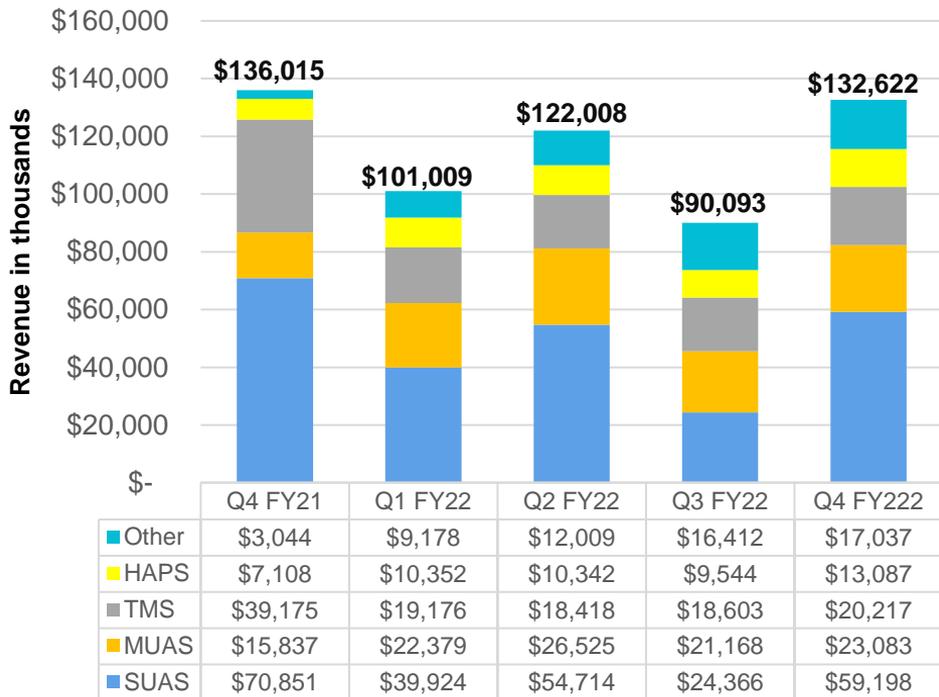
FOURTH QUARTER RESULTS FISCAL YEAR 2022

Metric	Q4 FY22	Year-Over-Year Change	Notes
Revenue	\$132.6 million	-2%	Increases in acquired business segments offset by declines in core business segments
GAAP Gross profit	\$48.6 million	-18%	Decreases reflecting heavier mix of service revenue and incremental intangible amortization expenses
EPS (diluted)	\$0.29	(\$0.15)	Affected by unfavorable gross margin mix, increased tax provision and incremental acquisition-related intangible amortization and other expenses partially offset by increased sales volumes and one-time gain from sale of our HAPS JV equity stake
Non-GAAP EPS (diluted) ¹	\$0.30	(\$0.74)	Affected by sales mix and increased expenses resulting from acquisitions
Funded Backlog	\$210.8 million	0%	Solid backlog driven by increases in UGV and HAPS but offset by decrease in MUAS and TMS

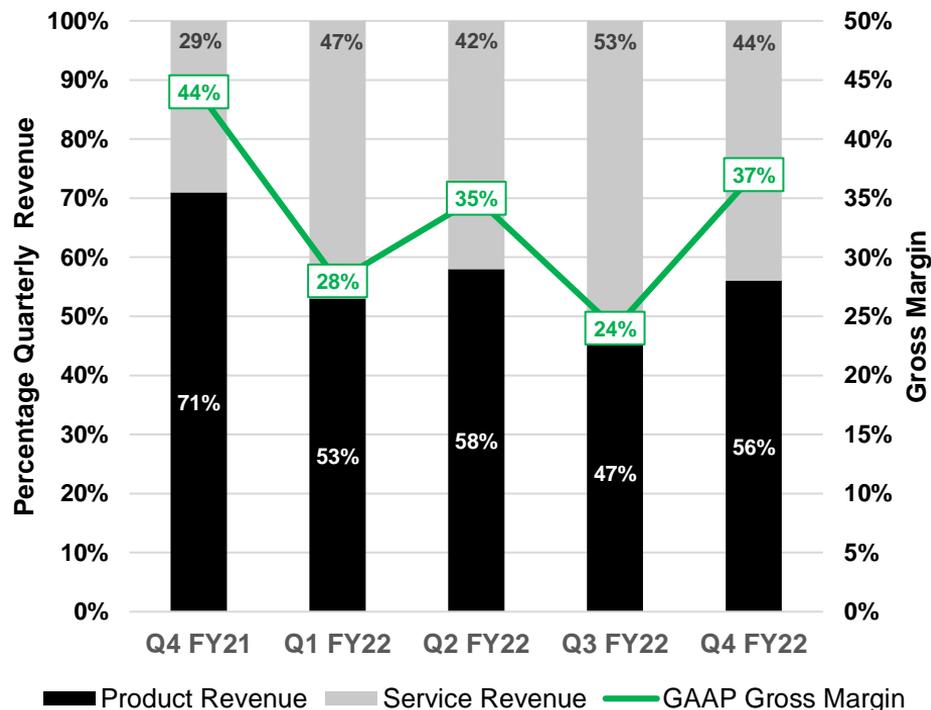
¹ Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix A.

REVENUE MIX BY SEGMENT AND TYPE

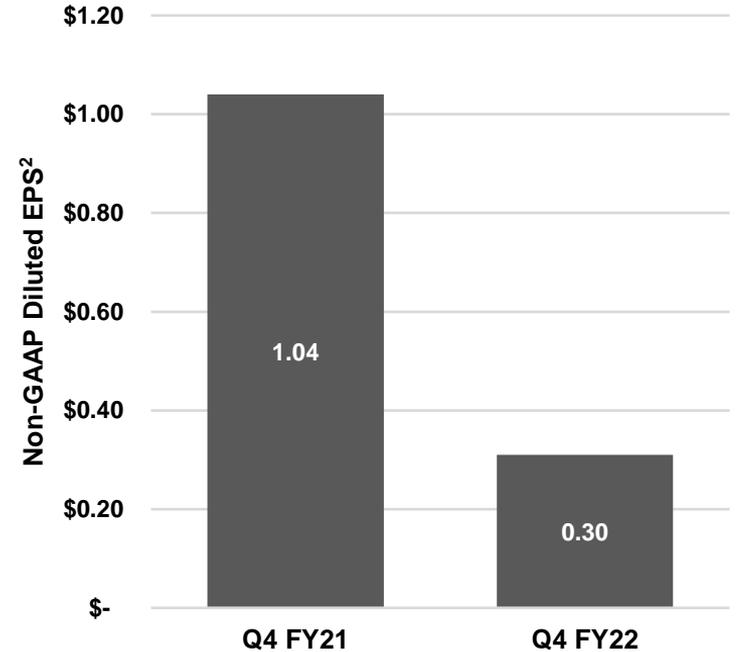
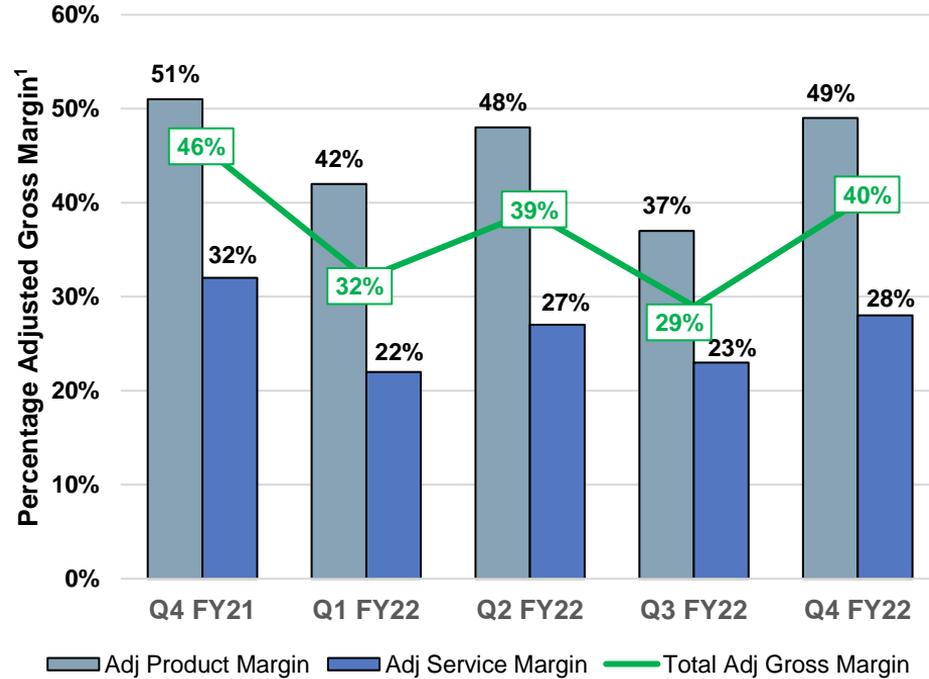
Quarterly Revenue By Segment



Quarterly Revenue by Type



ADJUSTED PROFITABILITY BY TYPE AND NON-GAAP EPS



¹ Refer to GAAP to NON-GAAP reconciliation on Appendix C.

² Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix A.

UPDATED GUIDANCE: FISCAL 2023 OUTLOOK

As of 4/30/2022	Fiscal Year 2022 Results	FY23 Guidance	Expected % Change (to midpoint)
Revenue	\$446 million	\$490 million - \$520 million	13%
Net Income/(Loss)	(\$4 million)	\$11 million – \$18 million	---
Adjusted EBITDA ^{1, 2}	\$62 million	\$82 million – \$92 million	43%
Earnings/(Loss) Per Share (diluted)	(\$0.17)	\$0.42 – \$0.72	---
Non-GAAP Earnings Per Share (diluted)	\$1.25 ³	\$1.35 – \$1.65 ⁴	20%

¹ Refer to Adjusted EBITDA reconciliation on Appendix D.

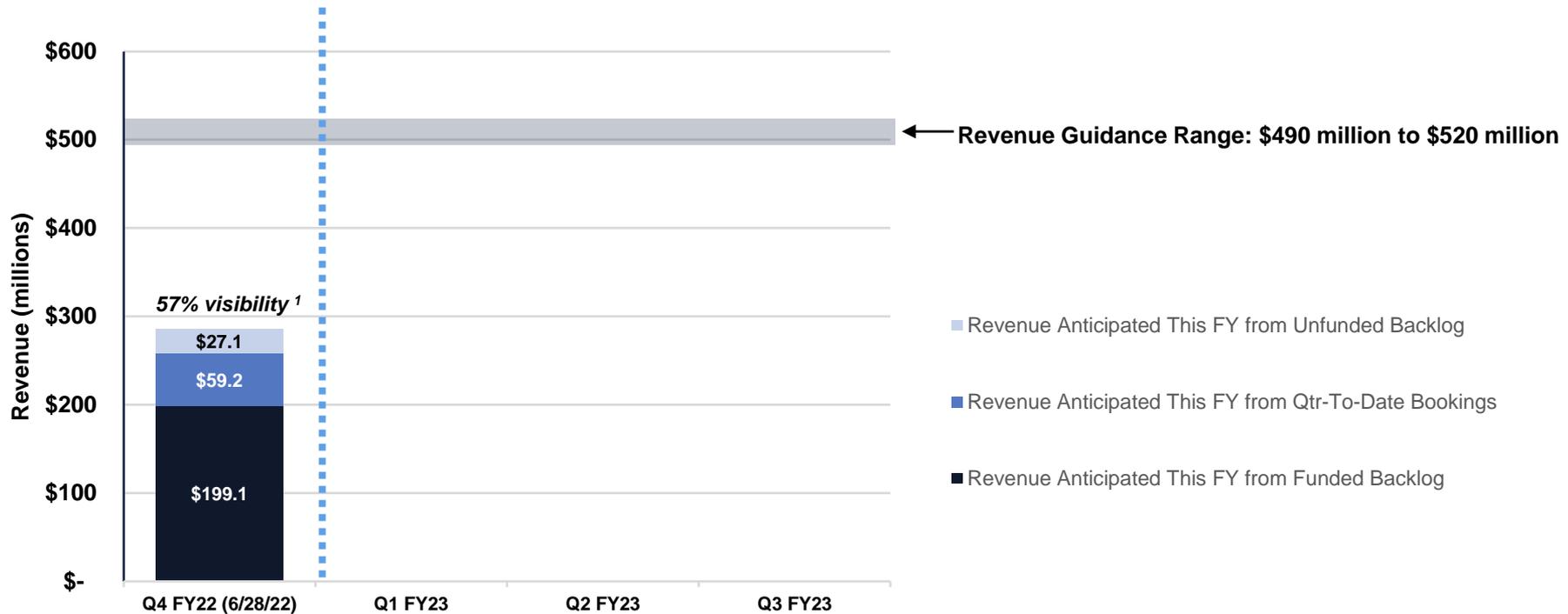
² Refer to Reconciliation of prior to current Adjusted EBITDA calculations which now exclude stock-based compensation on Appendix E.

³ Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix A.

⁴ Refer to Reconciliation of Fiscal Year 2022 Non-GAAP Diluted Earnings Per Share Expectations on Appendix B.

COMPANY POISED FOR ORGANIC DOUBLE-DIGIT GROWTH IN FY23

VISIBILITY FOR FY23

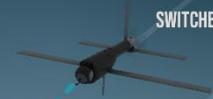


¹ Based on midpoint of guidance range of \$490-\$520 million

57% visibility to mid-point of guidance is consistent with historical average

AEROVIRONMENT

PORTFOLIO OF INTELLIGENT,
MULTI-DOMAIN ROBOTIC SYSTEMS



QUANTIX RECON



VAPOR 55



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APPENDIX A – RECONCILIATION OF NON-GAAP EARNINGS (LOSS) PER DILUTED SHARE (UNAUDITED)

	<u>Three Months Ended April 30, 2022</u>	<u>Three Months Ended April 30, 2021</u>	<u>Year Ended April 30, 2022</u>	<u>Year Ended April 30, 2021</u>
Earnings (loss) per diluted share	\$ 0.29	\$ 0.44	\$ (0.17)	\$ 0.96
Acquisition-related expenses	0.02	0.12	0.18	0.26
Amortization of acquired intangible assets and other purchase accounting adjustments	0.25	0.18	1.17	0.24
Sale of ownership in HAPSMobile Inc. joint venture	(0.26)	—	(0.25)	—
HAPSMobile Inc. JV impairment of investment in Loon LLC	—	—	—	0.34
Legal accrual related to our former EES business	—	0.30	0.32	0.30
Earnings per diluted share as adjusted (Non-GAAP)	<u>\$ 0.30</u>	<u>1.04</u>	<u>\$ 1.25</u>	<u>\$ 2.10</u>

APPENDIX B – RECONCILIATION OF FISCAL YEAR 2023 NON-GAAP DILUTED EARNINGS PER SHARE EXPECTATIONS (UNAUDITED)

	<u>Fiscal year ending</u> <u>April 30, 2023</u>
Forecast earnings per diluted share	\$ 0.42 - 0.72
Acquisition-related expenses	0.01
Amortization of acquired intangible assets and other purchase accounting adjustments	0.92
Forecast earnings per diluted share as adjusted (Non-GAAP)	<u>\$ 1.35 - 1.65</u>

APPENDIX C – GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED GROSS MARGIN

<i>(in thousands)</i>	Fiscal 4th Quarter FY2021	Fiscal 1st Quarter FY2022	Fiscal 2nd Quarter FY2022	Fiscal 3rd Quarter FY2022	Fiscal 4th Quarter FY2022
Adjusted Gross Margin					
<i>Products</i>					
Gross Margin	\$48,980	\$20,526	\$32,061	\$13,305	\$34,195
Intangible Amortization and other purchase accounting	\$707	\$1,667	\$2,320	\$2,359	\$1,818
Adjusted Gross Margin	\$49,687	\$22,193	\$34,381	\$15,664	\$36,013
Adjusted Gross Margin % of Revenue	51.4%	41.8%	48.4%	36.8%	48.7%
<i>Services</i>					
Gross Margin	\$10,675	\$8,197	\$10,394	\$8,131	\$14,427
Intangible Amortization	\$1,876	\$2,362	\$3,141	\$2,762	\$2,113
Adjusted Gross Margin	\$12,551	\$10,559	\$13,535	\$10,893	\$16,540
Adjusted Gross Margin % of Revenue	31.9%	22.0%	26.5%	22.9%	28.2%

APPENDIX D – GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED EBITDA

<i>(in millions)</i>	Fiscal year ending April 30, 2023	Fiscal year ended April 30, 2022
Net income (loss)	\$ 11 - 18	\$ (4)
Interest expense, net	8	5
Benefit from income taxes	(5) - (2)	(10)
Depreciation and amortization	60	61
EBITDA (Non-GAAP)	74 - 84	52
FV step-up amortization included in loss on disposal of PP&E	—	1
Stock-based compensation	7	5
Acquisition-related expenses	1	5
Equity method investment gain	—	(5)
Non-controlling interest	—	—
Legal accrual related to our former EES business	—	10
Sale of ownership in HAPSMobile JV	—	(6)
Adjusted EBITDA (Non-GAAP)	<u>\$ 82 - 92</u>	<u>\$ 62</u>

APPENDIX E – HISTORICAL ADJUSTED EBITDA RECONCILIATION

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY21</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>FY22</u>
Net Income	10,080	2,094	211	10,946	23,331	(13,981)	2,525	10	7,258	(4,188)
Interest Expense / (Income), net	(208)	(115)	(94)	1,035	618	1,275	1,379	1,510	1,276	5,440
Tax provision / (benefit)	1,207	2,491	(924)	(2,235)	539	(957)	(9,511)	(15,396)	15,495	(10,369)
Depreciation and amortization	2,779	2,914	2,957	10,612	19,262	13,654	16,365	17,418	13,388	60,825
EBITDA (Non-GAAP)	13,858	7,384	2,150	20,358	43,750	(9)	10,758	3,542	37,417	51,708
FV Step-up amortization incl. in Loss on disposal of PP&E	—	—	—	—	—	348	869	—	63	1,280
Stock-based compensation	1,595	1,914	1,245	2,178	6,932	1,922	420	1,615	1,433	5,390
Acquisition-related expenses	—	795	3,409	3,778	7,982	3,268	848	368	369	4,853
Equity method investment activity	1,288	9,522	81	(410)	10,481	1,141	(1,133)	(171)	(4,426)	(4,589)
Non-controlling interest	(37)	(22)	47	26	14	63	31	(45)	(46)	3
Legal accrual related to our former EES business	—	—	—	9,300	9,300	—	10,000	—	—	10,000
Sale of ownership in HAPSMobile JV	—	—	—	—	—	—	—	—	(6,383)	(6,383)
Adjusted EBITDA (Non-GAAP)	16,704	19,593	6,932	35,230	78,459	6,733	21,793	5,309	28,427	62,262