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WITH
CERTAINTY



AEROVIRONMENT, INC.

WELLS FARGO INDUSTRIALS PRESENTATION / JUNE 2023

Kevin McDonnell, CFO

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 ability to successfully integrate acquisitions into our operations and avoid disruptions from acquisition 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, including uncertainties in classification, pricing or potentially burdensome imposed terms for certain types of government contracts; availability of U.S. government funding for defense procurement and R&D programs; changes in the timing and/or amount of government spending; our reliance on limited relationships to fund our development of HAPS UAS; 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 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 COVID-19 pandemic or future pandemics, such as supply chain disruptions and delays, potential governmentally-mandated shutdowns, travel restrictions and site access, 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.

AeroVironment At-A-Glance

Pureplay unmanned systems company
providing air and ground vehicle solutions
for defense and commercial markets

 **50+** years of groundbreaking innovation since 1971

 HQ in Arlington, VA

 **~1,300** employees

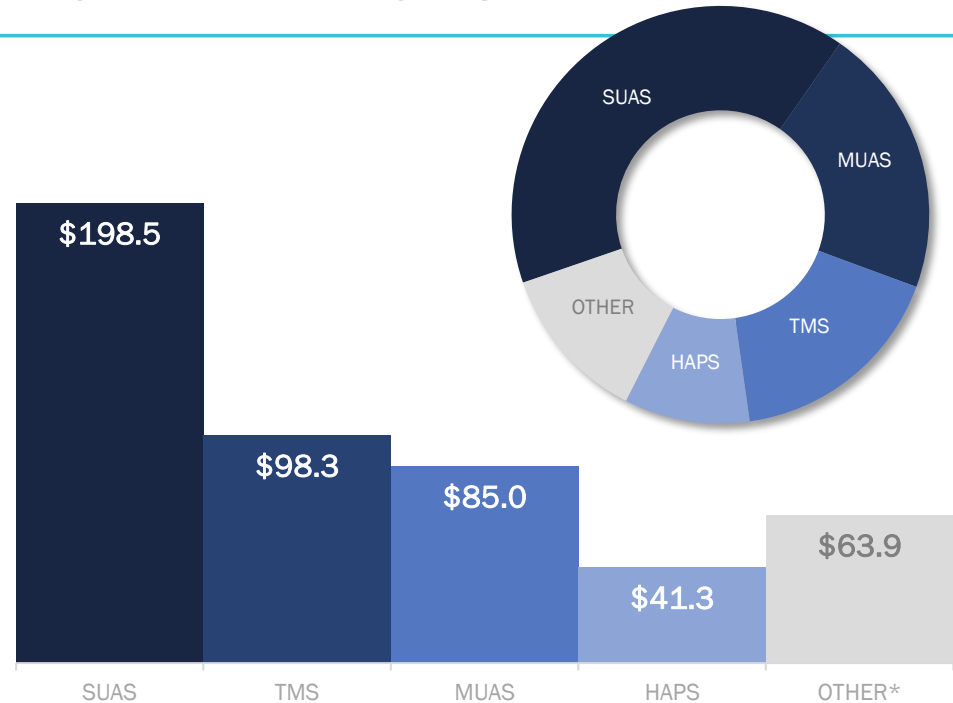
 **\$2B+** enterprise value

Global footprint with sales to

50+ allied nations

Fiscal LTM Results – FY2022 – FY2023

Metric	Q4 FY 2022 – Q3 FY 2023
Revenue	\$487M
Adj. Gross profit ¹	\$168M
Adj. EBITDA ²	\$72M
Non-GAAP EPS ³ (diluted)	\$0.31
Funded Backlog	\$414M
R&D Investment	\$61M



¹ Refer to Reconciliation of Non-GAAP Adjusted Gross Margin on Appendix C

² Refer to Reconciliation of Non-GAAP Adjusted EBITDA on Appendix B.

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

Record funded backlog of \$413.9 million as of January 28, 2023

AVAV General Business Categories

Unmanned Systems



Global Franchise
in Group 1 Aircraft;
Group 2/3 Aircraft
Emerging Leader

Products Sold to
50+ Countries

Tactical Missile Systems



Global Market Leader
in Loitering Munitions

Switchblade 300 & 600 are flagship products

Recently given ability to export to
20+ Countries

Advanced Solutions

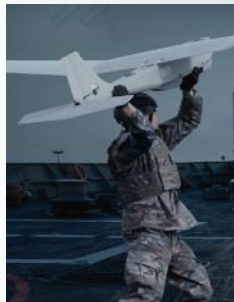


Classified & Un-Classified Projects
for **U.S. Defense, Telecom & JPL**

Center of Excellence for Machine Learning, AI & Autonomy

Product Scenarios

SUAS



MUAS



TMS





FINANCIAL TABLES

APPENDIX B – GAAP to NON-GAAP Reconciliation of Adjusted EBITDA

	FY18	FY19	FY20	FY21	FY22
Net income (loss) from continued operations (1)	\$ 21,750	\$ 41,912	\$ 41,339	\$ 23,331	\$ (4,188)
Interest Expense (Income)/net	(2,240)	(4,672)	(4,828)	618	5,440
Tax provision / (benefit)	9,800	4,641	5,848	539	(10,369)
Depreciation and amortization	5,982	7,669	9,888	19,262	60,825
EBITDA (Non-GAAP)	\$ 35,292	\$ 49,550	\$ 52,247	\$ 43,750	\$ 51,708
FV Step-up amortization incl. in loss of disposal of PP&E	-	-	-	-	1,280
Cloud amortization	-	-	-	-	339
Stock-based compensation	4,956	6985	6,227	6,932	5,390
Acquisition-related expenses	1,238	-	1,049	7,982	4,853
Equity method investment activity	(216)	3,944	5,487	10,481	(4,589)
Non-controlling interest	-	(19)	(4)	14	3
One-time (gains)/losses, net	-	(3,602)	-	-	-
Legal accrual related to our former EES business	-	-	-	9,300	10,000
Sale of ownership in HAPSMobile JV	-	-	-	-	(6,383)
Adjusted EBITDA (Non-GAAP)	\$ 41,315	\$ 56,858	\$ 65,006	\$ 78,459	\$ 62,601

(1) as reported

APPENDIX C – GAAP To NON-GAAP Reconciliation of Adjusted Gross Margin

(in thousands)

	FY18	FY19	FY20	FY21	FY22
Adjusted Gross Margin					
Gross Margin	\$107,685	\$128,403	\$153,102	\$164,558	\$141,236
Intangible Amortization	-	-	\$2,284	\$4,452	\$18,542
Adjusted Gross Margin	\$107,685	\$128,403	\$155,386	\$169,010	\$159,778
Adjusted Gross Margin % of Revenue	40.1%	40.9%	42.3%	42.8%	35.8%

APPENDIX D – GAAP To NON-GAAP EPS Reconciliation Table

	FY18	FY19	FY20	FY21	FY22
Earnings (loss) per diluted shares from continuing operations	\$ 0.91	\$ 1.74	\$ 1.72	\$ 0.96	\$ (0.17)
Acquisition-related expenses	-	-	0.04	0.26	0.18
Amortization of acquired intangible assets and other purchase accounting adjustments	-	-	0.08	0.24	1.17
Sale of ownership in HAPSMobile JV	-	-	-	0.00	(0.25)
HAPSMobile JV impairment of investment in Loon LLC	-	-	-	0.34	-
Legal accrual related to our former EES business	-	-	-	0.30	0.32
One-time gain from a litigation settlement	-	(0.26)	-	-	-
Equity method and equity security investment activity	\$ 0.05	0.16	\$ 0.23	0.09	(0.19)
Earnings (loss) per diluted shares as adjusted (Non-GAAP)	\$ 0.96	\$ 1.64	\$ 2.07	\$ 2.19	\$ 1.06

BACK-UP



Well-Positioned Product Portfolio



MUAS

Medium Unmanned Aircraft Systems

A market leading domestic supplier of Group 2 and Group 3 unmanned aircraft and associated ISR COCO services



SUAS

Small Unmanned Aircraft Systems

The dominant global supplier of Group 1 unmanned aircraft used for ISR with sales to over 50 allied nations



TMS

Tactical Missile Systems

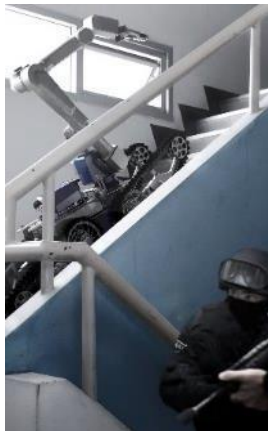
Category innovator and current domestic leader of loitering munitions with recent approvals to sell to over 20 allied nations



HAPS

High altitude Pseudo Satellites

Telecommunications and ISR unmanned platform with defense and commercial applications. Key partnership with Softbank to develop market



UGV

Unmanned Ground Vehicles

Leading international supplier of small and medium sized unmanned ground vehicles used for explosive ordnance disposal and handling of hazardous materials



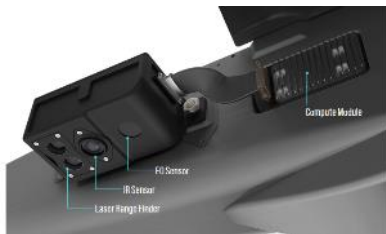
MW

MacCready Works Advanced Solutions

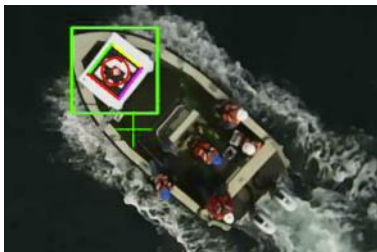
Develops cutting edge technologies to deploy within current portfolio. Explores adjacent market opportunities and incubates potential new business segments

Business Segments Key UAV Trends

Contested Environments

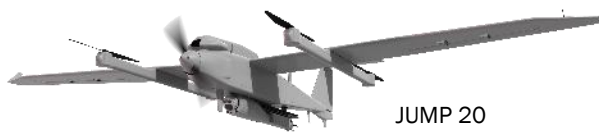


Visual Navigation Solution (VNS)



Vision Based Launch & Landing

Vertical Take-Off & Landing



JUMP 20

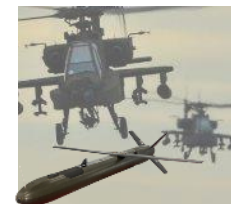


PUMA VTOL



Vapor 55 MX

Armed Platform Integrations



Helicopter Mounted Jackal Switchblade Variant



SB300 on Vapor 55MX



Hatchet Drop from JUMP 20

Over the Years, our Evolution Continues



JUN
2019

VTOL SUAS

Pulse Aerospace
Lawrence, Kansas



FEB
2021

AI/ML Autonomy

Progeny Systems, ISG
Manassas, Virginia



FEB
2021

MUAS/ CO-CO Svc.

Arcturus UAV
Petaluma, California



MAY
2021

UGV/EOD

Telerob
Stuttgart, Germany



AUG
2022

UAS Navigation

Planck Aerosystems
San Diego, California

ESG Focus and Goals Aligned with Value Creation



Published Corporate Social Responsibility report in FY22 highlighting commitment to environmental, social and governance practices.

To view the report, visit [AVINC.COM](https://www.avinc.com)

RESPONSIBLE BUSINESS

100%
Training on code of conduct

100+
Investor meetings

>50%
Business conducted with diverse suppliers

\$55M
Spent with diverse suppliers

ENVIRONMENTAL MANAGEMENT

66%
AeroVironment facilities using renewable energy

77%
Renewable energy used across AeroVironment facilities

80%
Products in our portfolio powered by batteries instead of fossil fuels

PEOPLE AND COMMUNITIES

94%
Employees say this is a physically safe place to work

94%
Employees feel they are treated fairly, regardless of their race

92%
Employees feel they are treated fairly, regardless of their gender

91%
Employees are proud to say they work at AeroVironment



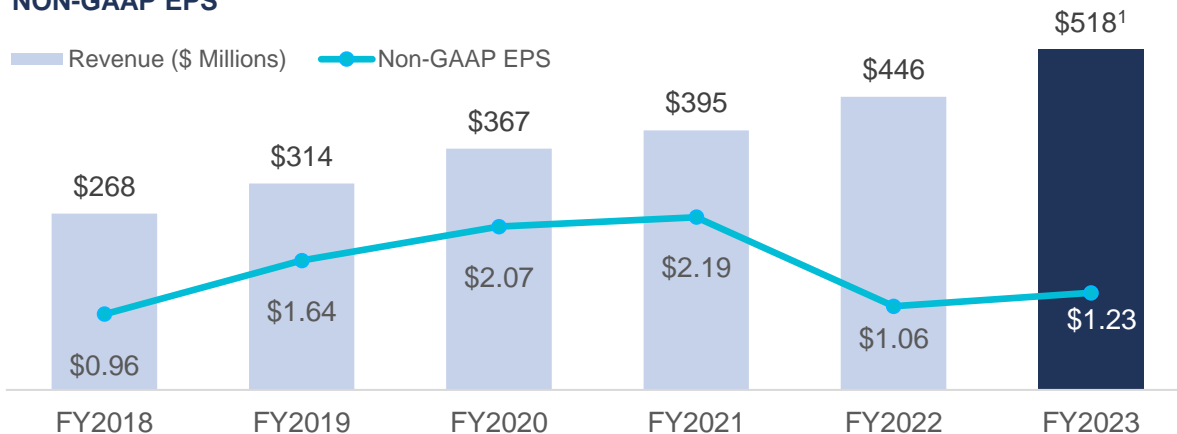
AeroVironment, Inc.

Updated: July 2021



Revenue and Non-GAAP EPS (Continuing Ops)

NON-GAAP EPS



- Continued double digit revenue growth
- FY22 organic growth was negative as a result of supply chain issues and reduced U.S. SUAS demand
- FY23 revenue result of organic growth with FY24 revenues projected to increase double-digits given favorable tailwinds

ACQUISITIONS

PULSE
VAPORPAGE

ARCTURUS UAV™

planck
COLLECTIVE™

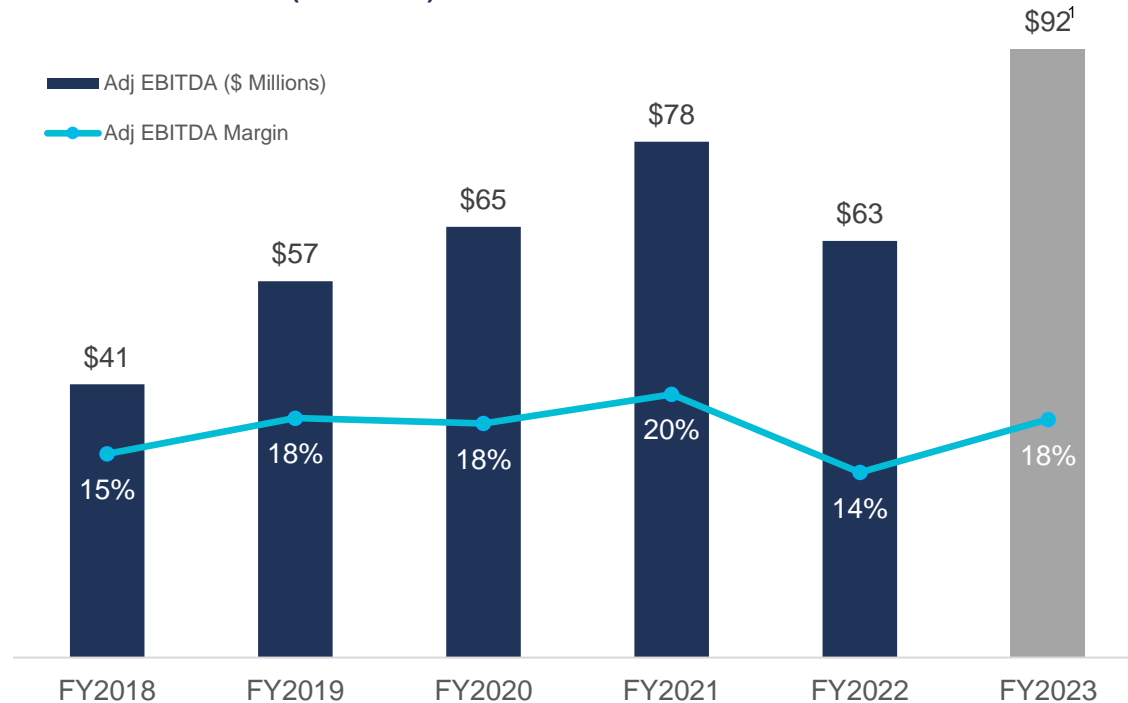
Progeny Systems
Engineering Solution That Lets Generators

TELEA
AEROSPACE

¹ FY23 estimated Revenue is based on mid-point revenue and non-GAAP EPS guidance.

Adjusted EBITDA and EBITDA Margin

MARGIN & REVENUE (MILLIONS)

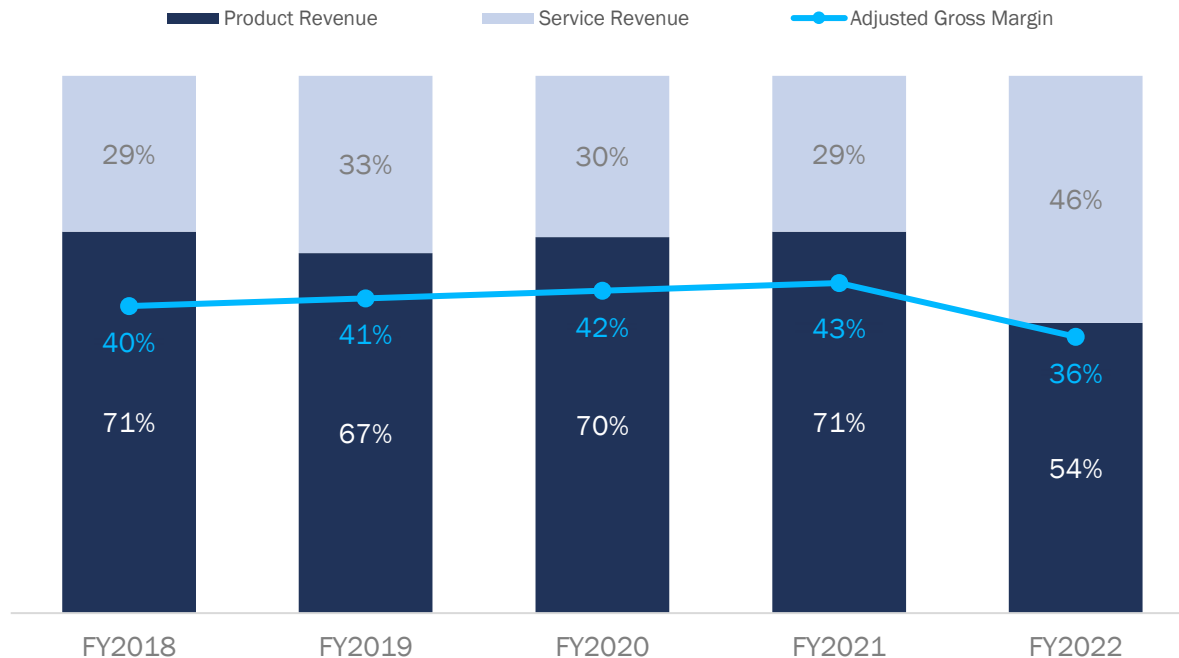


- Historically strong Adjusted EBITDA Margins and >50% improvement over FY22
- FY22 Adjusted EBITDA Margins impacted by lower gross margins as a result of mix shift to lower margin service revenues.
- Also negatively impacted by higher operating expenses as result of acquisitions.

¹ FY23 estimates are based on mid-point Adjusted EBITDA guidance range

Mix of Product and Service Revenues

REVENUE SOURCES



- Shift to higher service mix as a result of acquisitions and lower SUAS product sales.
- Higher mix of service negatively impacted Adjusted Gross Margins.

Refer to Appendix C