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AEROVIRONMENT, INC.

BAIRD | CHICAGO | NOVEMBER 2023

WAHID NAWABI | CEO, KEVIN MCDONELL | 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 close and integrate acquisitions into our operations and avoid disruptions from acquisition transactions that will harm our business, including the pending acquisition of Tomahawk Robotics; the recording of goodwill and other intangible assets as part of acquisitions that are subject to potential impairments in the future and any realization of such impairments; 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, including due to continuing resolutions; adverse impacts of a U.S. government shutdown; 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 and increasing 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 and resulting misuse of 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; any increase in litigation activity or unfavorable results in legal proceedings, including pending class actions; 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.

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Growing Need for Unmanned Systems



Future of warfare and US military's force structure will **include** more distributed intelligent and affordable unmanned systems & loitering munitions deployed at the edge of the battlefield. AV develops and delivers these types of disruptive capabilities to our military and allies around the globe



Shift from conventional missiles to Loitering Munitions like Switchblade 300 and 600 that offer greater range, precise targeting, and **wave-off** capability



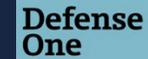
Proven that smaller nations can successfully defend themselves and **deter** larger adversaries' using unmanned systems in the air, ground and sea — i.e. asymmetrical warfare



Trend towards more autonomous solutions utilizing machine learning and AI capabilities that operate in **contested environments**.



"Ukraine is building an advanced army of drones."



"Army orders loitering munition for testing as soldier-borne tank-killer"



"Pentagon to build unmanned systems to compete with China"



"Ukrainian minister vows more drones for strikes on Russian warships"



"Inside Ukraine's drone war against Putin"



"Ukraine's war of Drones Runs Into an Obstacle: China"

AV's unique solutions are valued by our customers and trusted to meet their growing needs

AV At-A-Glance

Honored to support our global customers as the leading pureplay unmanned systems company, providing solutions primarily to US DoD and Allies around the world

Global footprint with sales to

55+ allied nations



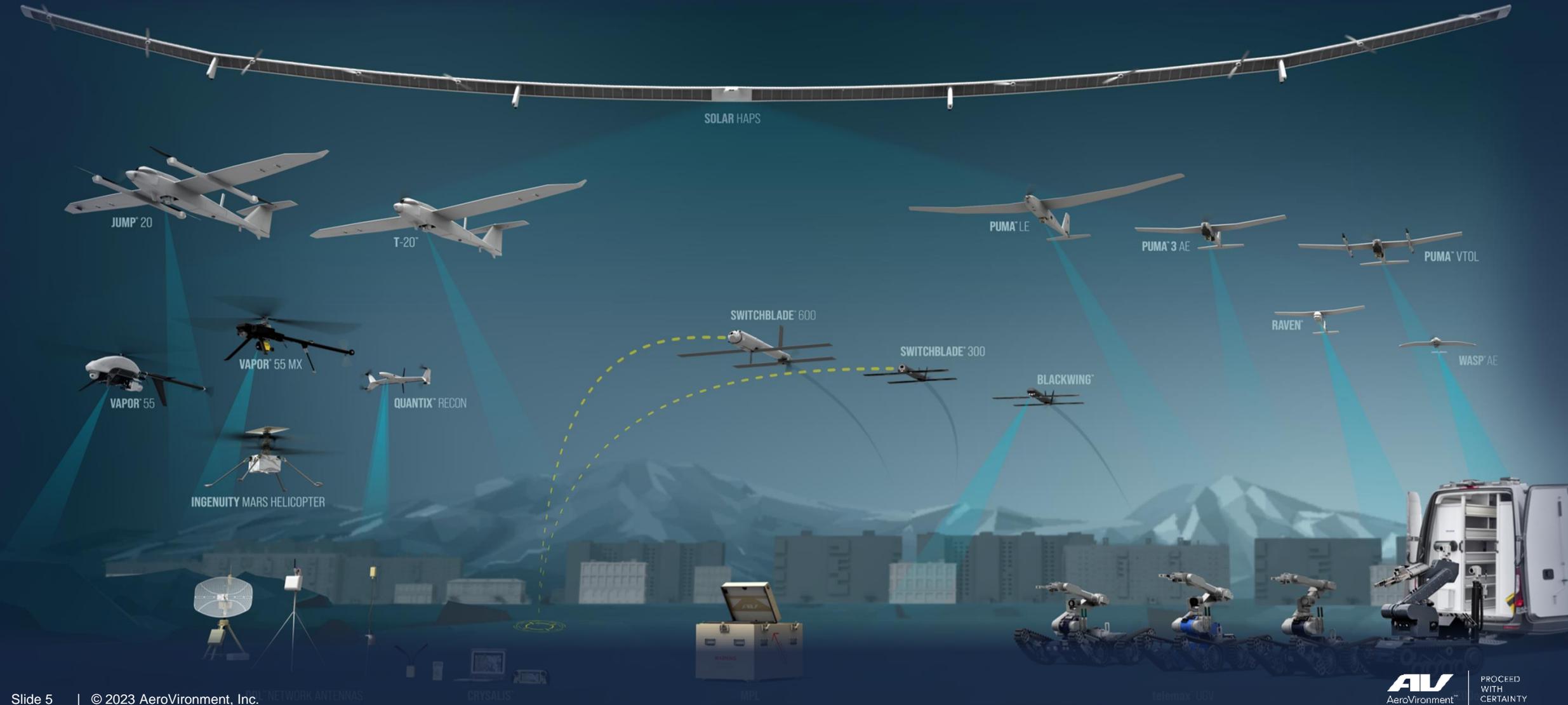
NASDAQ: **AVAV**

Market Cap: **\$3.2B+***

HQ: **Arlington, VA**

Employees: **~1,300**

Our Unmatched Portfolio: Accomplishing missions in the most Demanding Environments



AV Operates Three Business Segments

Further Insight into Our Business

Unmanned Systems (UMS)



Group 1-3 UAVs and UGVs for EOD and CBRNE missions

- Leader in our markets
- Global franchise with shipments to more than **55 allied countries**
- Incorporates leading edge autonomy and AI/ML capabilities

Loitering Munition Systems (LMS)



Switchblade 300 & 600 Loitering Munitions

- Leading supplier to US DOD for the past **10 years**
- Multiple types of payloads with more variants in development
- Recent authorization to sell to more than **50 allied countries**
- Multiple **\$1B+ programs** of record on horizon

MacCready Works (MW)



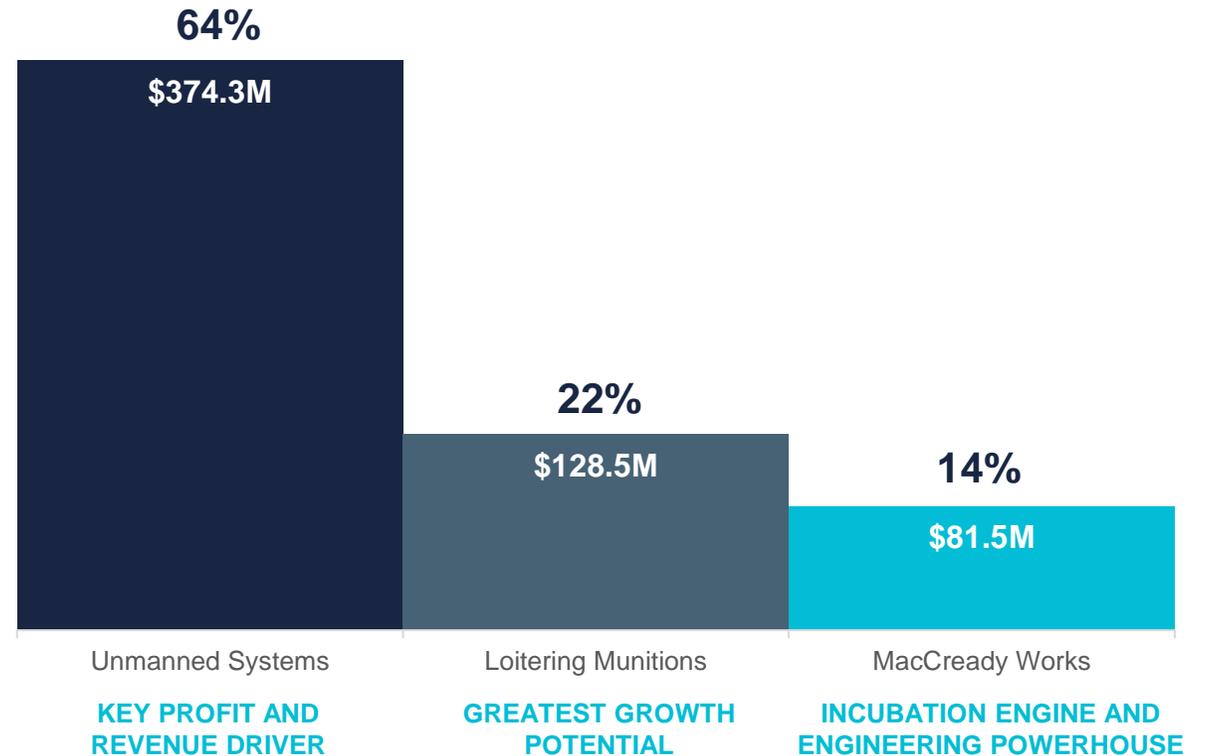
Disruptive Innovations & Incubator of New Business or Franchise for AV

- Classified & Un-Classified Projects
- Center of Excellence for Machine Learning, AI & Autonomy
- Includes HAPS and Mars Copter programs
- Incubates new product lines

Last Twelve Months Results — Through Q1 FY24

Metric	Q2 FY 2023 – Q1 FY 2024	
Revenue	\$584M	
Adj. Gross profit ¹	\$219M	37.4%
Adj. EBITDA ²	\$114M	19.5%
Non-GAAP EPS ³ (diluted)	\$2.41	
Funded Backlog	\$540M	
R&D Investment	\$65M	11.1%

REVENUES BY SEGMENT



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

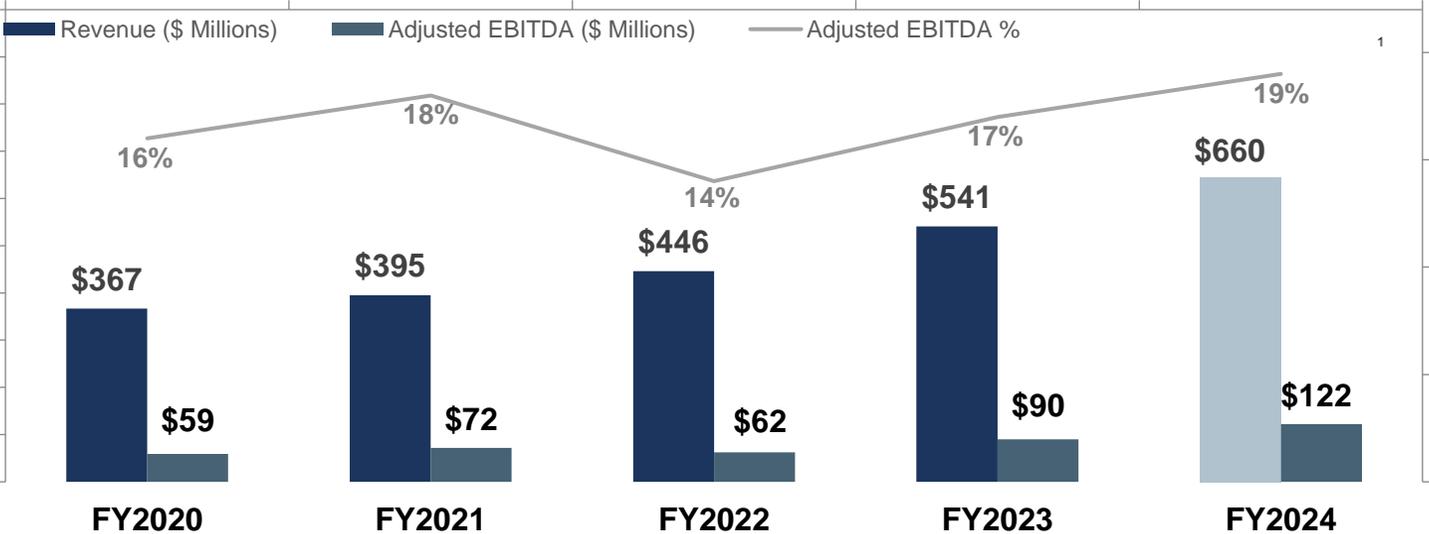
² Refer to Reconciliation of Non-GAAP Adjusted EBITDA on Appendix B.

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

Revenue and Non-GAAP Adjusted EBITDA (Continuing Ops)

Achieved incremental revenue growth over past 6 years and expect to continue growing

Non-GAAP Adjusted EBITDA



- FY24 profitability improvement represents favorable mix of product vs. service sales
- 21% organic revenue growth in FY23
- Midpoint of FY24 revenue guidance represents another ~22% revenue growth
- Order Visibility at over 100% of mid-point of revenue guidance range

¹ FY24 estimated Revenue is based on mid-point revenue and non-GAAP EPS guidance.

Guidance — Fiscal 2024 Outlook

AV is Poised for Organic Double-digit Growth in FY24

As of 9/5/2023	Fiscal Year 2023 Results	FY24 Guidance	Expected % Change (to midpoint)
Revenue	\$541 million	\$645 million - \$675 million	22%
Net Income/(Loss)	(\$176 million)	\$51 million – \$59 million	---
Adjusted EBITDA ²	\$90 million	\$117 million – \$127 million	35%
Earnings/(Loss) Per Share (diluted)	(\$7.04)	\$1.91 – \$2.21	---
Non-GAAP Earnings Per Share (diluted)	\$1.26 ³	\$2.30 – \$2.60 ¹	94%
R&D as % of Revenues	12%	11%-12%	---
SG&A as % of Revenues ⁴	15%	15%-16%	---

¹ Refer to Reconciliation of Fiscal Year 2024 Forecast Non-GAAP Diluted Earnings Per Share on Appendix A

² Refer to Adjusted EBITDA reconciliation on Appendix B.

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

⁴ Excludes any Acquisition related and Intangible Amortization expenses

Commitment to Shareholder Value Creation

Record backlog and increasing demand for portfolio of intelligent multi-domain robotic solutions, supports confidence in unmatched performance and value creation

Inflection point of new growth phase, allows for more meaningful returns to shareholders

Business fundamentals are strong, positioning AV well for **significant expansion and value creation in fiscal year 2024 and beyond**

APPENDIX



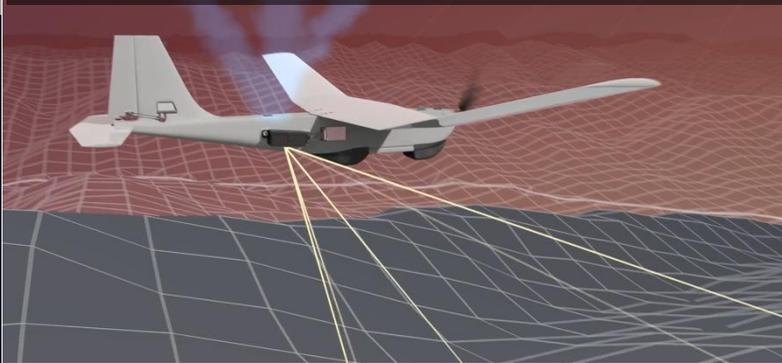
Accelerating Adoption and Implementation of AI and Autonomy Through Acquisition of Tomahawk Robotics

- ✓ AI-enabled technology allows warfighters to **simultaneously** operate various connected robotic solutions in the battlefield and share information between multiple domains with a common controller
- ✓ Enables **faster and better integration** with other platforms and vehicles
- ✓ **Drives incremental revenues** and manufacturing, supply chain and sales synergies
- ✓ Opens up opportunities to expand into key adjacent markets, including Fire Control, Networking, Radio Systems and Multi-Robot Control and key programs like UGV, FlexCSR and Raid
- ✓ Preferred solution of many customers, especially those seeking **MOSA compliant** solutions, and can be sold independently to international customers
- ✓ Brings additional **first-class software engineering talent** to AV's growing team
- ✓ Positions AV to play a central role in DoD's **JADC2 network** by enabling a common operating picture and increasing interconnectedness at the edge

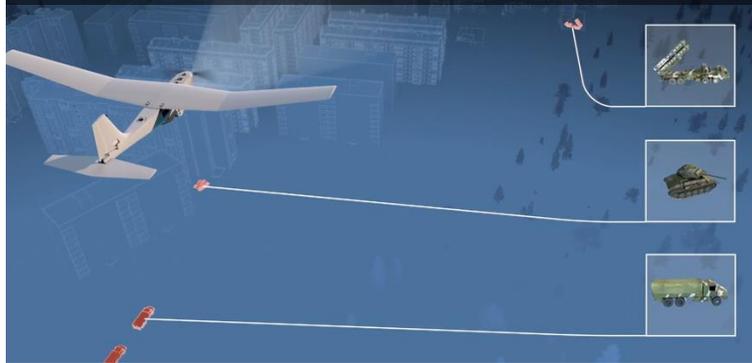


AV's Advanced Capabilities

AUTONOMOUS OPERATION



AUTONOMOUS SEARCH



AUTONOMOUS SURVEY



3D MAPPING



DETECT/IDENTIFY/FOLLOW



SIMULTANEOUS COORDINATION BETWEEN MULTIPLE PLATFORMS



Product Scenarios

UMS



VTOL FIXED-WING MEDIUM UAS



LMS



ALPHA TEAM OVERWATCH OF ENEMY ENCAMPMENT



MW

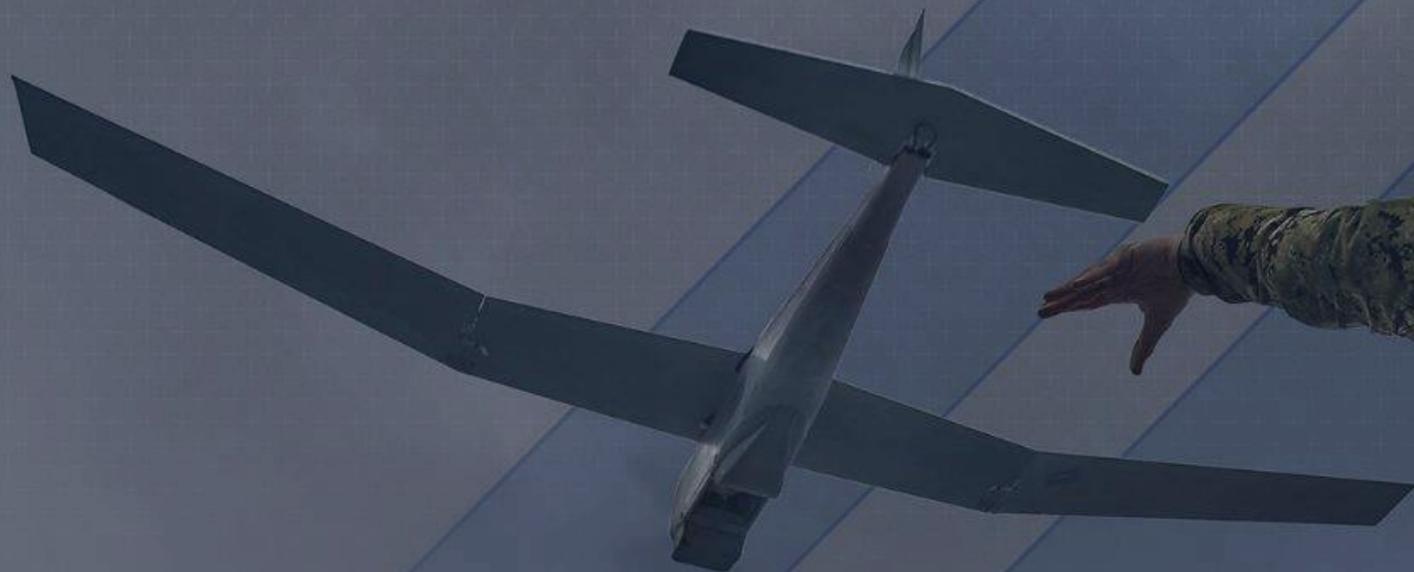


Sunglider in stratosphere for 5h 38min (Alt. 62,500ft)



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FINANCIAL TABLES



APPENDIX A

RECONCILIATION OF FISCAL YEAR 2024 NON-GAAP DILUTED EARNINGS PER SHARE EXPECTATIONS (UNAUDITED)

	Fiscal Year Ending April 30, 2024
Forecast earnings per diluted share	\$ 1.91 - 2.21
Acquisition-related expenses	0.01
Amortization of acquired intangible and FV assets	0.34
Equity method and equity securities investments activity, net	0.04
Forecast earnings per diluted share as adjusted (Non-GAAP)	<u>\$ 2.30 - 2.60</u>

APPENDIX B

GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED EBITDA

	FY19	FY20	FY21	FY22	FY23	LTM
Net income (loss) from continued operations (1)	\$ 41,912	\$ 41,339	\$ 23,331	\$ (4,188)	\$ (176,212)	\$ (145,922)
Interest Expense (Income)/net	(4,672)	(4,828)	618	5,440	9,368	9,773
Tax provision / (benefit)	4,641	5,848	539	(10,369)	(14,665)	(15,955)
Depreciation and amortization	7,669	9,888	19,262	60,825	99,999	92,950
EBITDA (Non-GAAP)	\$ 49,550	\$ 52,247	\$ 43,750	\$ 51,708	(81,510)	(59,155)
FV Step-up amortization incl. in loss of disposal of PP&E	-	-	-	1,280	192	77
Cloud amortization	-	-	-	339	561	637
Stock-based compensation	6,985	6,227	6,932	5,390	10,765	11,752
Acquisition-related expenses	-	1,049	7,982	4,853	1,386	1,724
Arcturus Goodwill Impairment	-	-	-	-	156,017	156,017
Equity method investment activity	3,944	5,487	10,481	(4,589)	2,583	3,118
Non-controlling interest	(19)	(4)	14	3	45	39
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)	\$ 56,858	\$ 65,006	\$ 78,459	\$ 62,601	\$ 90,039	\$ 114,209

(1) Q4 FY23 depreciation and amortization includes \$34,149 of accelerated intangible amortization and \$14,000 of accelerated depreciation

APPENDIX C

GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED GROSS MARGIN

<i>(in thousands)</i>	FY19	FY20	FY21	FY22	FY23	LTM
Adjusted Gross Margin						
Gross Margin	\$128,403	\$153,102	\$164,558	\$141,236	\$173,513	\$205,460
Intangible Amortization	-	\$2,284	\$4,452	\$18,429	\$13,891	\$13,306
Adjusted Gross Margin	\$128,403	\$155,386	\$169,010	\$159,665	\$187,404	\$218,766
Adjusted Gross Margin % of Revenue	40.9%	42.3%	42.8%	35.8%	34.7%	37.4%

APPENDIX D

GAAP TO NON-GAAP EPS RECONCILIATION TABLE

	FY19	FY20	FY21	FY22	FY23	LTM
Earnings (loss) per diluted shares from continuing operations	\$ 1.74	\$ 1.72	\$ 0.96	\$ (0.17)	\$ (7.04)	\$ (5.75)
Acquisition-related expenses	-	0.04	0.26	0.18	0.05	0.02
Amortization of acquired intangible assets and other purchase accounting adjustments	-	0.08	0.24	1.17	1.97	1.87
Arcturus Goodwill Impairment	-	-	-	-	6.18	6.14
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	0.16	0.23	0.09	(0.19)	0.10	0.12
Earnings (loss) per diluted shares as adjusted (Non-GAAP)	\$ 1.64	\$ 2.07	\$ 2.19	\$ 1.06	\$ 1.26	\$ 2.41